

Argonaute RNA Limited

Articles of Association

The Companies Act 2006
Private Company Limited by Shares

Kiryn Howard
Email: khoward@vww.co.uk
DDI: 0117 314 5249
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The Companies Act 2006
Company Limited by Shares

Articles of Association

of

Argonaute RNA Limited (09694988)

(the "Company")

(Adopted by special resolution passed on 25th May 2021)

Introduction

1.1 In these Articles, the following words have the following meanings:

Articles: the Company's articles of association for the time being in force;

Asset Sale: the disposal by the Company of all or substantially all of its undertaking and assets to any third party, 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;

Available Profits: profits available for distribution within the meaning of part 23 of the CA 2006;

Bad Leaver: means an Employee who becomes a Departing Employee in any circumstances where he is not a Good Leaver;

Board: the board of directors from time to time of the Company;

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

CA 2006: the Companies Act 2006;

Conflict: a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;

Control: in relation to a body corporate, the power of a person to secure that the affairs of the body corporate are conducted in accordance with the wishes of that person:

- (a) by means of the holding of shares, or the possession of voting power, in or in relation to that or any other body corporate; or
- (b) as a result of any powers conferred by the articles of association or any other document regulating that or any other body corporate,

and a "**Change of Control**" occurs if a person who controls any body corporate ceases to do so or if another person acquires Control of it.

Controlling Interest: an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under any provisions of these Articles;

Departing Employee: an Employee who ceases to be a director, consultant and/or employee of the Company;

Eligible Director: any 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: a Non-Founder Shareholder who is, or has been, a director, consultant and/or employee of the Company;

Employee Shareholder: an Employee who is a Shareholder of the company with the exception of Non-Executive Directors

Excluded Shareholder: each shareholder whose proposed course of action is the subject of the relevant Shareholder Consent;

Fair Value: the price for Sale Shares confirmed by the Valuers in accordance with article 22;

Family Trust: as regards any particular shareholder who is an individual (or deceased or former shareholder who is an individual) any trust (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 particular shareholder and/or any of the Privileged Relations of that shareholder (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 any such person or any voting or other rights attaching thereto are exercisable by or as directed by any 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).

Good Leaver: an Employee who becomes a Departing Employee by reason of:

- (a) death;
- (b) permanent disability or permanent incapacity through ill-health;
- (c) retirement at normal retirement age;
- (d) ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company;
- (e) dismissal by the Company (or other Group Company) which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal (or where such an appeal is time-barred), to be wrongful or constructive;
- (f) expiry of their contract or consultancy with the Company in accordance with its terms;
- (g) termination of their contract or consultancy with the Company as a result of such Employee not making himself adequately available to the Company to the satisfaction of the Board; or
- (h) voluntary resignation or termination by the Employee of their consultancy with the Company (save in circumstances where the Company would have had valid grounds

to have terminated such contract or consultancy prior to such resignation or termination by the Employee).

Interested Director: has the meaning given in article 10.1;

IPO: the admission of all or any of the Shares to the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange or the admission of any or all of the Shares to 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);

Member of the Same Group: as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.

Minimum Transfer Condition: as defined in article 19.2.4;

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

Non-Founder Shareholder: means Robert Docherty, Michael Khan or Daniel Mitchell (and any other shareholder who is determined by the shareholders, acting by Shareholder Consent, to be a Non-Founder Shareholder), each for as long as they hold Shares;

Offer Notice: has the meaning given in article 24.3;

Original Shareholder: has the meaning given in article 18.1;

Permitted Transferee: in relation to:

- (a) a shareholder who is an individual, any of his Privileged Relations, a Privileged Company, or the trustee(s) of a Family Trust; or
- (b) a shareholder which is a company, a Member of the Same Group as that company.

Privileged Company: in relation to a shareholder who is an individual means a company in which such shareholder, or a Permitted Transferee of such shareholder, has a Controlling Interest.

Privileged Relation: in relation to a shareholder who is an individual (or a deceased or former shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).

Sale Shares: the Shares being transferred by a Seller;

Seller: a shareholder transferring Shares by virtue of a Transfer Notice or Deemed Transfer Notice;

shareholder: a shareholder of the Company;

Shareholder Consent: the prior written consent of the holder(s) for the time being of not less than 75% by nominal value of all Shares held by shareholders (excluding, where relevant, any Shares held by an Excluded Shareholder);

Shares: shares (of any class) in the capital of the Company from time to time;

Share Sale: 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) 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;

Termination Date: the date on which a shareholder becomes a Departing Employee;

Transfer Notice: as defined in article 19.2;

Transfer Price: the price per Sale Share determined in accordance with article 19.2.3;

Unvested Proportion: means, in relation to Shares held by a Non-Founder Shareholder, 100% minus the Vested Proportion of such Shares at the relevant Termination Date;

Valuers: an independent firm of accountants jointly appointed by the Seller and the Board or, in the absence of agreement between the Seller and the Board on the identity of the Valuers within 20 Business Days of the expiry of the period referred to in article 22.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales.

Vested Proportion: means, in relation to Shares held by a Non-Founder Shareholder, the vested proportion of such Shares in accordance with article 20.4;

Vesting Period: means a total of twenty four (24) months from 24th December 2019

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, unless otherwise expressly provided in these Articles.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2 Adoption of the Model Articles

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1) and (3), 11, 13, 14(1), (2), (3) and (4), 16, 26(5), 27 to 29, 38, 39, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.4 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(1)(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

3 Directors' meetings

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.

4 Unanimous decisions of directors

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7.

5 Number of directors

- 5.1 Unless otherwise determined by special resolution, the number of directors shall not be subject to any maximum.
- 5.2 If, and for so long as:
- 5.2.1 the company only has one director, and

5.2.2 no provision of the Articles requires it to have more than one director,

the general rules do not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

6 Calling a directors' meeting

Any director may call a meeting of directors by giving not less than 5 Business Days' notice of the meeting (or such shorter period of notice as all directors may agree) to each director or by authorising the Company secretary (if any) to give such notice.

7 Quorum for directors' meetings

- 7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two Eligible Directors.
- 7.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those Eligible Directors present will constitute a quorum.
- 7.4 For the purposes of any meeting (or part of a meeting) held pursuant to article 10 to authorise a director's conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

8 Chairing of directors' meetings

- 8.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall have a casting vote.
- 8.2 Article 8.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

9 Directors' interests - transactions or other arrangements with the company

- 9.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the CA 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:
 - 9.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
 - 9.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 9.1.3 shall be entitled to vote and participate in the quorum at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

- 9.1.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 9.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- 9.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the CA 2006)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the CA 2006.

10 Directors' conflicts of interest

- 10.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the CA 2006 to avoid conflicts of interest (**Conflict**).
- 10.2 Any authorisation under this article 10 will be effective only if:
 - 10.2.1 to the extent permitted by the CA 2006, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;
 - 10.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - 10.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 10.3 Any authorisation of a Conflict under this article 10 may (whether at the time of giving the authorisation or subsequently):
 - 10.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 10.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 10.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 10.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 10.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged

to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and

10.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

10.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

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

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

11 Records of decisions to be kept

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

12 Appointment and removal of directors

12.1 No director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

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

12.3 For the purposes of article 12.2, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Shares

13 Share capital

13.1 Except as otherwise provided in these Articles, the Shares shall rank *pari passu* in all respects.

13.2 If at any time the share capital of the Company is made up of different classes of shares, no variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general

meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

14 Voting rights

At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each Share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each Share of which he is the holder.

15 Dividend rights

- 15.1 Subject to the CA 2006, the directors may pay interim dividends provided that the Available Profits of the Company justify the payment.

16 Rights to capital

On a winding up or other repayment of capital the assets of the Company (including capital uncalled at the commencement of the winding up) remaining after paying and discharging the debts and liabilities of the Company and the costs of winding up shall be divided amongst the shareholders in proportion to the nominal amount paid up or credited as paid up on any Shares they hold.

17 Share transfers: general

- 17.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal 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.
- 17.2 No share shall be transferred unless the transfer is made in accordance with these Articles.
- 17.3 Subject to article 17.4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 17.4 The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such 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 or other document). If any such condition is imposed in accordance with this article 17.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 17.5 Any transfer of shares by way of a sale that is required to be made under articles 18, 19, 20, 23 or 24 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

18 Permitted transfer of shares

- 18.1 A shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.
- 18.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
- 18.2.1 the Original Shareholder;
 - 18.2.2 any Privileged Relation(s) of the Original Shareholder;
 - 18.2.3 subject to article 18.3, the trustee(s) of another Family Trust of the Original Shareholder; or
 - 18.2.4 subject to article 18.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
- without any price or other restriction.
- 18.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Board is satisfied:
- 18.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
 - 18.3.2 with the identity of the proposed trustee(s);
 - 18.3.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
 - 18.3.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 18.4 If the Original Shareholder is a company and a Permitted Transfer has been made, the Permitted Transferee shall, within 5 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:
- 18.4.1 the Original Shareholder; or
 - 18.4.2 a Member of the Same Group as the Original Shareholder,
- (which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 18.4, a Transfer Notice shall be deemed to have been given in respect of such Shares in accordance with article 19.2 and on the expiry of the period set out in this article 18.4.
- 18.5 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation or a Privileged Company of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 5 Business Days of ceasing to be a Privileged Relation or Privileged Company of the Original Shareholder (whether by reason of death, divorce, a change in shareholding or otherwise) either:
- 18.5.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

18.5.2 give a Transfer Notice to the Company in accordance with article 18.2,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 18.5.

19 Pre-emption rights on transfer

19.1 Except where:

19.1.1 the provisions of articles 23 and 24 apply; or

19.1.2 Shareholder Consent has been provided to the contrary,

any transfer of Shares by a shareholder shall be subject to the pre-emption rights in this article 19.

19.2 Any shareholder (**Seller**) wishing to transfer Shares (**Sale Shares**) in accordance with these Articles must give notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer including:

19.2.1 the number of Sale Shares;

19.2.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;

19.2.3 the price per share (in cash) at which the Seller wishes to sell the Sale Shares (which, failing agreement between the Seller and the Board (acting with Shareholder Consent) as to the appropriate cash price of the Sale Shares within 15 Business Days of the proposed transfer arising, shall be the Fair Value) (**Transfer Price**); and

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

19.3 In article 19.2, reference to the transfer of a Share includes the transfer, assignment or other disposal 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.

19.4 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn save with Shareholder Consent.

19.5 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

19.6 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 19 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

19.7 The Board shall offer the Sale Shares to any shareholders other than the Seller (**Qualifying Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**First Offer Period**) for the maximum number of Sale Shares they wish to buy.

19.8 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under articles 19.9 to 19.12 shall be conditional on the fulfilment of the Minimum Transfer Condition.

19.9 If:

- 19.9.1 at the end of the First Offer Period, the total 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 Qualifying Shareholder who has applied for Sale Shares in the proportion which the Qualifying Shareholder's existing holding of Shares bears to the total number of Shares held by those Qualifying Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Qualifying Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Qualifying Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy;
 - 19.9.2 not all Sale Shares are allocated following allocations in accordance with article 19.9.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 19.9.1. The procedure set out in this article 19.9.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
 - 19.9.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Qualifying Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with article 19.10.
- 19.10 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to all the Qualifying 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 (both dates inclusive) (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.
- 19.11 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Qualifying Shareholder who has applied for Initial Surplus Shares in the proportion that the Qualifying Shareholder's existing holding of Shares (including any Sale Shares) bears to the total number of Shares (including any Sale Shares) held by those Qualifying Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Qualifying Shareholders shall be determined by the Board). No allocation shall be made to a Qualifying Shareholder of more than the maximum number of Initial Surplus Shares which it has stated it is willing to buy.
- 19.12 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Qualifying Shareholders in accordance with their applications. The balance (**Second Surplus Shares**) shall be dealt with in accordance with article 19.17.
- 19.13 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under articles 19.9 to 19.12, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

19.14 If:

19.14.1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and

19.14.2 allocations under articles 19.9 to 19.12 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (**Allocation Notice**) to the Seller and each Qualifying Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and/or to the Company, the amount payable by each Applicant and/or the Company for the number of Sale Shares allocated to them (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 2 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).

19.15 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to the relevant Applicant and/or the Company, in accordance with the requirements specified in the Allocation Notice.

19.16 If the Seller fails to comply with article 19.15:

19.16.1 the chairman of the Company (or, failing the chairman, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller;

19.16.2 complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

19.16.3 receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration);

19.16.4 (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and

19.16.5 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.

19.17 If there are Second Surplus Shares or the Transfer Notice lapses pursuant to article 19.13 then the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price, subject to article 19.18. Any sale in accordance with this article 19.17 shall continue to be subject to any Minimum Transfer Condition.

19.18 The Seller's right to transfer Sale Shares under article 19.17 does not apply if the Board reasonably considers that:

19.18.1 the transferee is a person (or a nominee for a person) who is a competitor with the business of the Company; or

19.18.2 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

19.18.3 the Seller has failed or refused to promptly provide information available to the Seller and reasonably requested by the Board to enable it to form the opinions mentioned above.

20 Compulsory transfers

20.1 An Employee Shareholder is deemed to have served a Transfer Notice under article 19.2 (a **Deemed Transfer Notice**) immediately before any of the following events:

20.1.1 the shareholder's death;

20.1.2 being diagnosed with a critical or terminal illness by a qualified medical practitioner;

20.1.3 a petition being presented for the shareholder's bankruptcy or insolvency, or an arrangement or composition being proposed with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;

20.1.4 the shareholder (being an Employee) becoming a Departing Employee, unless the Board (acting with Shareholder Consent) otherwise directs in writing within 15 Business Days of the relevant Termination Date that a Transfer Notice shall not be deemed to have been served; and

20.1.5 the shareholder committing a material or persistent breach of these Articles (or any shareholders' agreement to which the Shareholder in question is bound) which, if capable of remedy, has not been so remedied within 15 Business Days of notice to remedy the breach being served by the Board (acting with Shareholder Consent).

20.2 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of article 19 shall apply, except that:

20.2.1 the Deemed Transfer Notice shall be treated as having specified that the Seller and his Permitted Transferees wish to transfer all the Shares held by them (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice);

20.2.2 if the Seller is deemed to have given a Transfer Notice as a result of article 20.1.4, the Transfer Price shall, where the Departing Employee is:

(a) a Bad Leaver be restricted to the nominal value of each such Sale Share; and

(b) a Good Leaver, be the Fair Value for the Vested Proportion of such Sale Shares, and nominal value for the Unvested Proportion of such Sale Shares; and

20.2.3 if the Seller is deemed to have given a Transfer Notice as a result of article 20.1.5, the Transfer Price shall be restricted to the nominal value of each such Sale Share.

20.3 For the purposes of these Articles, the Vested Proportion of any Shares held by a Non-Founder Shareholder will be expressed as a percentage (rounded to the nearest two decimal points) and calculated as:

$$V = (1/24 \times 100) \times NM$$

where:

V is the Vested Proportion

NM is the number of full calendar months from the start of the Vesting Period to the relevant Termination Date

- 20.4 Any fractional number of Shares resulting from the application of the above formula in article 20.4 shall be rounded down to the nearest whole number of Shares.
- 20.5 Notwithstanding any other part of this article 20, if at any time during the Vesting Period a Non-Founder Shareholder is a Bad Leaver, the Unvested Proportion of any Shares held by him will become one-hundred percent (100%) and the Transfer Price for the entirety of his Sale Shares shall be nominal value. For the avoidance of doubt the Unvested Proportion of Shares held by a Non-Founder Shareholder will be reduced to zero percent (0%) on the day immediately following the final day of the Vesting Period.
- 20.6 Upon the occurrence of either (i) an Asset Sale, (ii) a Share Sale or (iii) an IPO (a **Transaction**), 100% of the Unvested Proportion of Shares held by any Non-Founder Shareholder at the time of the Transaction will be treated as vested and accordingly their Unvested Proportion will be reduced to zero at the time of the Transaction.

21 Suspension of Voting Rights

- 21.1 Immediately on a Transfer Notice or Deemed Transfer Notice being served in accordance with these Articles, the Sale Shares subject to such notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:
- 21.1.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- 21.1.2 to receive dividends or other distributions otherwise attaching to those Shares; or
- 21.1.3 to participate in any future issue in respect of those Shares.
- 21.2 The Board (acting with Shareholder Consent) may reinstate the rights referred to in clause 21.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to clause 21.4 on completion of such transfer.
- 21.3 For the avoidance of doubt, the suspension of voting rights described in article 21.1 shall not apply so as to suspend any voting rights in relation to a proposed derogation or variation of class rights.
- 21.4 A Suspension Notice shall cease to have effect on the date on which the Shares which are the subject of such notice are transferred from the relevant Seller in accordance with these Articles, and any voting rights attached to such Shares may continue to be exercised from such date.

22 Valuation of Sale Shares

- 22.1 If, in accordance with these Articles, the Transfer Price for any Sale Shares is to be determined with reference to the Fair Value then the Valuers shall be appointed and shall be requested to determine the Fair Value within 15 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 22.2 The Valuers, if appointed, shall determine the Fair Value on the following bases and assumptions:

- 22.2.1 the sale is taking place on the date of the relevant Transfer Notice or Deemed Transfer Notice;
 - 22.2.2 each of the Sale Shares shall be valued as a proportion of the total value of all the Shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
 - 22.2.3 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 22.2.4 the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 22.2.5 the Sale Shares are sold free of all Encumbrances; and
 - 22.2.6 the relevant Seller has ceased to be (if relevant) a director, employee or consultant of the Company.
- 22.3 The parties are entitled to make submissions to the Valuers in writing and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision.
- 22.4 To the extent not provided for by this article 22, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 22.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties (in the absence of manifest error or fraud).
- 22.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the relevant Seller equally or in such other proportions as the Valuers direct.

23 **Drag Along**

- 23.1 If the holders of more than or equal to 75% of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), and providing such transfers are made in accordance with these Articles, the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their Shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 23 (**Drag Along Option**).
- 23.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 23.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 23;
 - 23.2.2 the person to whom the Called Shares are to be transferred;
 - 23.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - 23.2.4 the proposed date of the transfer.

- 23.3 Once issued, a Drag Along Notice shall be irrevocable without Shareholder Consent. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 15 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 23.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in these Articles (including for the avoidance of doubt, article 17.5 and this article 23).
- 23.5 Completion of the sale of the Called Shares shall take place on the Completion Date. For the purposes of this article, Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- 23.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise, in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
- 23.5.2 that date is less than 15 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 15th Business Day after service of the Drag Along Notice.
- 23.6 No transfers made in accordance with this article 23 shall be subject to the pre-emption provisions of article 19.
- 23.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 23.2.3 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 23.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 23 in respect of their Shares.
- 23.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 23.7) transfer(s) in respect of all of the Called Shares held by them, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent to execute all necessary transfer(s) and (if required) share certificate indemnities on their behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) and (if required) indemnities to the Proposed Buyer (or as it may direct) as the holder thereof.
- 23.10 Upon any person, following the issue of a Drag Along Notice but prior to the Completion Date (as described in article 23.5), becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a **Missed Shareholder**), a Drag Along Notice shall be deemed to have been served on the Missed Shareholder on the same terms as the previous Drag Along Notice. The Missed Shareholder

shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 23 shall apply with the necessary changes to the Missed Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the Missed Shareholder becoming a Shareholder of the Company, if later.

24 Tag Along

- 24.1 The provisions of this article 24 shall apply if, in one or a series of related transactions, one or more shareholders (**Selling Shareholder**) propose to transfer, in accordance with these Articles, any of their Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person acting in concert with the Buyer, acquiring a Controlling Interest in the Company.
- 24.2 Before making a Proposed Transfer, a Selling Shareholder shall procure that the Buyer makes an offer (**Offer**) to:
- 24.2.1 the other Shareholders to purchase all of the Shares held by them;
 - 24.2.2 the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer; and
 - 24.2.3 the holders of any securities of the Company that are convertible into Shares, to purchase any Shares arising from the conversion of such securities at any time before the Proposed Transfer,
- for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person acting in concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 3 months preceding the date of the Proposed Transfer (**Specified Price**).
- 24.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 24.3.1 the identity of the Buyer;
 - 24.3.2 the Specified Price and other terms and conditions of payment;
 - 24.3.3 the Sale Date; and
 - 24.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 24.4 If the Buyer fails to make the Offer to all of the persons listed in article 24.2 in accordance with the provisions of this article 24, the Selling Shareholder/s shall not be entitled to complete the Proposed Transfer (even if the Proposed Transfer had previously received Shareholder Consent) and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 24.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 15 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

25 Further issues of shares

- 25.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.
- 25.2 In accordance with section 567(1) of the CA 2006, sections 561 and 562 of the CA 2006 shall not apply to an allotment of equity securities (as defined in section 560(1) of the CA 2006) made by the company.
- 25.3 Unless otherwise agreed by Shareholder Consent, if the company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as possible without involving fractions). The offer:
- 25.3.1 shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
- 25.3.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.
- 25.4 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 25.3 shall be used for satisfying any requests for Excess Securities made pursuant to article 25.3.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to shareholders in accordance with article 25.3 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.

Decision making by shareholders

26 Quorum for general meetings

- 26.1 If and for so long as the Company has one shareholder only who is entitled to vote on the business to be transacted at a general meeting, that shareholder present at the meeting in person or by one or more proxies or, in the event that the shareholder is a corporation, by one or more corporate representatives, is a quorum.
- 26.2 If and for so long as the Company has two or more shareholders entitled to vote on the business to be transacted at a general meeting, two of such shareholders, each of whom is present at the meeting in person or by one or corporate representatives, are a quorum.
- 26.3 Model Article 41(1) is modified by the addition of a second sentence as follows:
- "If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved."

- 26.4 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

27 Chairing general meetings

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, any other director present may act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

28 Poll votes

- 28.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.
- 28.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

29 Proxies

- 29.1 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 general meeting (or adjourned meeting) to which they relate".
- 29.2 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" as a new paragraph at the end of that article.

Administrative arrangements

30 Means of communication to be used

- 30.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 30.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 30.1.2 if sent by pre-paid United Kingdom first class post or another next working day delivery service providing proof of postage to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - 30.1.3 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 30.1.4 if sent or supplied by email, at the time of transmission; or
 - 30.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
 - 30.1.6 if deemed receipt under the previous paragraphs of this article 30.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that

is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

30.2 To prove service, it is sufficient to prove that:

30.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

30.2.2 if sent by post, the envelope containing the notice was properly addressed, paid for and posted; or

30.2.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

30.3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.

31 Data protection

31.1 Each of the Shareholders and directors (from time to time) consents to the processing of their personal data by the Company, its Shareholders and directors (each a **Recipient**) for the purposes 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.

31.2 The personal data that may be processed for such purposes under this article 33 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:

31.2.1 a Member of the Same Group as the Recipient (each a **Recipient Group Company**);

31.2.2 employees, directors and professional advisers of that Recipient or any Recipient Group Company; and

31.2.3 funds managed by any of the Recipient Group Companies.

31.3 Each of the Shareholders and directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.

32 Indemnity and insurance

32.1 Subject to article 32.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

32.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with

any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

- 32.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 32.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 32.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.
- 32.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 32.4 In this article:
 - 32.4.1 a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
 - 32.4.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.