

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

FLUX SYSTEMS LIMITED
(the "**Company**")

Circulation Date:

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

SPECIAL RESOLUTIONS

1. **THAT**, in substitution for all existing and unexercised authorities and powers, the Directors, in accordance with section 551 of the Act, be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £30 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the day before the fifth anniversary of the date on which this resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.
2. **THAT**, subject to the passing of resolution 1 above, in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Companies Act) pursuant to the authority conferred by resolution 1 above, as if section 561(1) of the Companies Act did not apply to any such allotment.
3. **THAT** the articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.



AGREEMENT

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

The undersigned, being the persons entitled to vote on the above Resolutions on the circulation date, hereby irrevocably agree to the Resolutions:



.....
Matty Cusden-Ross



.....
Veronique Barbosa



.....
Thomas Reay

NOTES

1. You can choose to agree to all of the Resolutions or none of them, but you cannot agree to only some of the Resolutions. If you agree to all the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company at 2 Stoneyard Lane, London E14 0BY. If you do not agree to the Resolutions, you do not need to do anything; you will not be deemed to agree if you fail to reply.
2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
3. Unless, by the date falling 28 days after the date of circulation (as set out above), sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

Company Number: 09882195

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

**ARTICLES OF ASSOCIATION
OF
FLUX SYSTEMS LIMITED**

Adopted by special resolution passed on:

21st December 2016

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ARTICLES OF ASSOCIATION

of

FLUX SYSTEMS LIMITED

Adopted by special resolution passed on:

PRELIMINARY

1. MODEL ARTICLES

- 1.1 The articles of association of the Company (the “**Articles**”) shall comprise the regulations contained herein together with the regulations contained in the model articles for private companies limited by shares as set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) (“**Model Articles**”), save insofar as they are excluded or modified by, or are inconsistent with, the regulations contained herein.
- 1.2 Model Articles 5, 6, 7, 8, 11(2) and (3), 12, 13, 14(1) to (4) inclusive, 16, 21, 22, 26(5), 32, 38, 44(2), 50, and 51 to 53 (inclusive) shall not apply to the Company.
- 1.3 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. INTERPETATION

- 2.1 In these Articles, unless the context otherwise requires:

“ Act ”	means the Companies Act 2006;
“ Available Profits ”	means profits available for distribution within the meaning of the Act;
“ Board ”	means the board of directors of the Company (or any duly authorised committee thereof) from time to time;
“ Conflict ”	means as defined in Article 15.1;
“ Director ”	means a director of the Company from time to time;
“ Eligible Director ”	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of a particular matter);
“ Founder CEO ”	means Matty Cusden-Ross;
“ Founders ”	means each of Matty Cusden-Ross, Veronique Barbosa and Thomas Reay;
“ Majority of Shareholders ”	means as defined in Article 2.4;
“ Ordinary Shares ”	means the ordinary shares of £0.01 each in the capital of the Company;
“ Permitted Transfer ”	Means a transfer of Shares made in accordance with Article 8.11;

"Sale"	means the transfer (whether through a single transaction or a series of transactions) of Shares as a result of which any person (or persons connected with each other, or persons acting in concert with one another) would hold or acquire beneficial ownership of or over that number of shares in the Company which in aggregate confer 50% or more of the voting rights normally exercisable at general meetings of the Company other than by way of any Permitted Transfer;
"Share"	means any share in the capital of the Company from time to time;
"Shareholder"	means a holder of any Share(s) from time to time;
"Shareholders' Agreement"	means any shareholders' agreement dated on or around the date of adoption of these Articles and made between (1) the Company and (2) the Founders and any variation or replacement agreement entered into from time to time; and
"Share Option Plan"	has the meaning given in the Shareholders' Agreement.

2.2 **Construction**

- 2.2.1 In these Articles, unless otherwise specified or the context otherwise requires: (i) reference to any provision of law is a reference to that provision as modified or re-enacted from time to time; and (ii) reference to any statutory provision is a reference to any subordinate legislation made under that provision from time to time;
- 2.2.2 Headings used in these Articles are for reference only and shall not affect the construction or interpretation of these Articles.
- 2.2.3 The Interpretation Act 1978 shall apply to these Articles in the same way as it applies to an enactment.
- 2.2.4 Unless otherwise provided in these Articles any word or expressions defined in the Act shall have the same meaning when used in these Articles.

2.3 **Other references**

In these Articles a reference to:

- 2.3.1 **"Articles"** is a reference to a provision of these Articles and references to paragraphs are, unless otherwise stated, references to paragraphs of the Articles in which the reference appears;
- 2.3.2 **"business day"** means a day, other than a Saturday or a Sunday, on which banks are open for business in London;
- 2.3.3 the term **"connected person"** has the meaning attributed to it by Section 1122 Corporation Tax Act 2010 and **"connected with"** shall be construed accordingly;
- 2.3.4 the term **"acting in concert"** has the meaning attributed to it at the date of adoption of these Articles by the City Code on Takeovers and Mergers;
- 2.3.5 a **"person"** includes any individual, firm, company, corporation, body corporate, government, state or agency of state, trust or foundation, or any association, partnership or unincorporated body of two or more of the foregoing (whether or not having separate legal personality and wherever incorporated or established);

- 2.3.6 a “**subsidiary**” means a subsidiary as defined in section 1159 and Schedule 6 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee;
- 2.3.7 a “**holding company**” means a holding company as defined in section 1159 and Schedule 6 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee; and
- 2.3.8 “**in writing**” or “**written**” includes faxes but excludes electronic mail and text messaging via mobile phone.

2.4 **Majority of Shareholders**

- 2.4.1 For the purposes of these Articles the consent of a Majority of Shareholders will be deemed to have been given where any Shareholder or Shareholders holding between them more than 50% in nominal value of all Ordinary Shares held by the Shareholders at that time submit to the Board their written consent.
- 2.4.2 In the case of a Shareholder which is a body corporate, the consent of such Shareholder may be evidenced by a document signed by a duly appointed representative of that Shareholder.

2.5 **Bare nominees**

Where any Shares are held by a bare nominee for any person, that person shall be treated for the purposes of these Articles as the Shareholder in respect of those Shares.

SHARE CAPITAL

3. **SHARE CAPITAL AND ISSUE OF SHARES**

- 3.1 The Company's shares are Ordinary Shares and are unlimited in number.
- 3.2 Except in respect of any options to subscribe for Ordinary Shares under the Share Option Plan (including the issue of Ordinary Shares on the exercise of such options) as have previously been approved by the Board, no Shares shall be issued by the Company without the prior written approval of the Board (including, for so long as the Founder CEO remains a Director, the Founder CEO).

4. **SHARE RIGHTS**

4.1 **Dividends**

Any Available Profits which the Company may determine to distribute in respect of any financial year shall, subject to the consent of a Majority of Shareholders and recommendation by the Board, be distributed amongst the holders of the Ordinary Shares then in issue *pari passu*.

4.2 **Return of capital**

If any capital is returned to Shareholders for any reason (including upon an insolvency event in relation to the Company) the surplus assets of the Company remaining after paying all its liabilities, or upon a change

of control, the capital returned to Shareholders or the consideration payable to Shareholders in the case of such change of control transaction (as the case may be) will be distributed *pari passu*.

4.3 **Voting Rights**

Each holder of the Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and a holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a body corporate) is present by a duly authorised representative shall, on a show of hands, have one vote each, and, on a poll, have one vote for each Ordinary Share of which he is the holder.

5. **PROVISION ON SALE**

On a Sale, notwithstanding anything to the contrary in the terms and conditions governing such Sale, the Shareholders selling Shares shall (unless otherwise agreed by a Majority of Shareholders) pay the proceeds of Sale into a joint account at a UK clearing bank nominated by the Board immediately prior to the Sale and such proceeds shall as between the Shareholders be allocated and paid in the amounts and in the order of priority set out in Article 4.2.

6. **ALL SHARES TO BE FULLY PAID UP AND PURCHASE OF OWN SHARES**

6.1 Unless the Company otherwise resolves by ordinary resolution, no share will be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

6.2 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of: (i) £15,000; and (ii) the value of 5% of the Company's share capital.

7. **ISSUE OF SHARES**

7.1 No Shares will be allotted or issued or agreed to be allotted or issued except in accordance with the procedure in Article 7.2.

7.2 Before issuing any new Shares (the "**New Shares**"), the Board shall offer them (an "**Offer**") to all Shareholders by notice to each Shareholder stating the total number of New Shares so offered (the "**Total Offered**"), the number of New Shares offered to that Shareholder (which number shall be a proportion of the Total Offered which is the same as the proportion of the total issued share capital of the Company then held by that Shareholder, which proportion is the Shareholder's "**Entitlement**"), the subscription price per New Share and the date, being a date not less than 21 business days after the date on which the notice was delivered or deemed to have been delivered to the Shareholder, on or before which the Shareholder must have replied to the Board accepting (in whole or in part) the Offer or refusing the Offer (the "**Acceptance Date**"). For the avoidance of doubt, all classes of Shares shall rank equally for the purpose of calculating a Shareholder's Entitlement under this Article 7. If the Board do not receive any acceptance or rejection from a Shareholder on or before the Acceptance Date, the Shareholder concerned will be deemed to have refused the Offer.

7.3 Each Shareholder shall be entitled to accept the Offer in respect of his Entitlement and to apply for any further Shares ("**Excess Shares**") which may become available as a result of any other Shareholder's having refused, or having been deemed to have refused, the Offer. If a Shareholder wishes to subscribe for more than his Entitlement, he must indicate, when replying to the Offer, the number of Excess Shares for which he wishes to subscribe. If Shareholders apply for more Excess Shares than are available, the Board shall allocate the Excess Shares among the applying Shareholders in proportion (as nearly as possible) to those Shareholders' Entitlements, provided that no Shareholder shall be obliged to take more New Shares than he has indicated in his reply that he is willing to take.

- 7.4 As soon as may be practicable after the Acceptance Date, the Board shall inform each Shareholder of the number of New Shares for which he is to subscribe (consisting of his Entitlement and, where appropriate, the number of Excess Shares allocated to him) and requiring him to submit payment at such date as the Board may specify (the "**Subscription Date**"), being not less than 21 business days after the notice. On the Subscription Date the Board shall allot the appropriate numbers of New Shares to the relevant Shareholders against receipt of payment therefor.
- 7.5 Each Offer shall be personal to the Shareholder to whom the Offer is addressed and shall not be capable of assignment or transfer by the Shareholder. No Shareholder may subscribe for or hold any New Shares on account of any person other than that Shareholder.
- 7.6 If there remains any Excess Shares after the Offer, the Board may allot those Excess Shares to any person at any price as the Board may consider at their discretion, provided that: (i) the allotment price is not less than that at which the New Shares were offered to the Shareholders pursuant to this Article 7; (ii) and each allottee of such New Shares executes a Deed of Adherence.
- 7.7 The provisions of this clause may be waived in whole or in part in any particular case with the written consent of a Majority of Shareholders.

8. TRANSFER OF SHARES

- 8.1 No transfer of Shares made in contravention of the provisions of Article 8 or any Shareholders' Agreement shall be registered but the Board shall register promptly any transfer of Shares made in accordance with this Article 8 and any Shareholders' Agreement. The Board may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Board may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Board within a period of 28 days after such request the Board shall be entitled to refuse to register the transfer in question.
- 8.2 In addition to Article 8.1, the Board may also refuse to register:
- 8.2.1 the transfer of a Share which is not fully paid;
 - 8.2.2 the transfer of a Share on which the Company has a lien; and
 - 8.2.3 the transfer of a Share to a bankrupt, a minor or a person of unsound mind.
- 8.3 No Share, or any beneficial or other interest in any Share, shall be transferred or granted unless such transfer or grant is a Permitted Transfer or unless Articles 8.12 or 8.13 apply or unless and until the rights of pre-emption conferred by Articles 8.4 to 8.10 (inclusive) have been complied with.
- 8.4 Subject to Article 8.3, any person proposing to transfer any Share or transfer or grant any beneficial or other interest in any Share (a "**Seller**") shall, before doing so, give notice in writing ("**Sale Notice**") to the Company specifying: (i) the number of Shares which the Seller desires to transfer (the "**Sale Shares**"); (ii) the person (if any) to whom he intends to transfer the Shares if the pre-emption rights under this Article 8 are not exercised; and (iii) the price offered by such person. A Sale Notice shall constitute the Company as the Seller's agent for the sale of the Sale Shares. The price of the Sale Shares shall, provided that the Board are satisfied that the sale is a bona fide arms-length sale to a person as beneficial owner, be the price offered by such third party to the Seller, or if the Board are not so satisfied, the price as agreed between the Seller and the Board or, failing such agreement within 14 days of receipt of such Sale Notice or upon the Board becoming aware that the relevant Sale Notice is deemed to have been given, the price specified in the Certificate of Value (as defined in Article 8.10) obtained in accordance with Article 8.10 ("**Sale Price**"). The proposed sale (if any) specified in the Sale Notice must be a bona fide arms-length sale to a person as beneficial owner. Upon service of a Sale Notice by the Seller, the Company shall be constituted the agent of the Seller for the sale of such Share or Shares to a Shareholder in the Company at the Sale Price. The Seller may stipulate in the Sale Notice that, unless all the Sale Shares are sold

pursuant to this Article 8.4, none shall be sold. No Sale Notice shall be withdrawn except: (i) with the sanction of the Board; (ii) in the event that the Sale Notice contains a stipulation that all the Sale Shares must be sold and after the offer provisions of this Article 8.4 have been complied with an offer for only part of the Sale Shares comprised in a Sale Notice has been made.

- 8.5 If the Board so determines and the Company is able to re-purchase the Sale Shares in accordance with the Companies Act 2006, the Sale Shares shall be so offered to the Company for re-purchase and cancellation. Otherwise, the Sale Shares shall be offered by the Company to all Shareholders (other than the Seller). Each such Shareholder shall have the right to purchase Sale Shares at the Sale Price by giving notice to the Company (with a copy to the Seller) within 30 days after service of the Sale Notice, specifying the number of Sale Shares applied for ("**Acceptance Notice**"). In the event that a Shareholder gives no Acceptance Notice within that 30 days' period, it shall be deemed to have declined the offer made to it.
- 8.6 If the Board shall, within 30 days after service of a Sale Notice (which is not withdrawn pursuant to this Article 8), receive any Acceptance Notice from any Shareholder giving such notices ("**Purchasing Member**") they shall notify the Seller accordingly, and the Seller shall be bound upon payment of the Sale Price to transfer the Shares to such Purchasing Member(s), who shall be bound (subject to any stipulation in the Sale Notice that all the Sale Shares are sold) to complete the purchase within 14 days from the service of such last mentioned notice. Each Purchasing Member shall be allocated the number of Sale Shares applied for in their respective Acceptance Notice, except where the aggregate number of Sale Shares applied for by Purchasing Members exceeds the number of Sale Shares. In such circumstances, the Sale Shares shall be allocated to the Purchasing Members in proportion to the number of Shares held by them on the date of the Sale Notice, provided that no Purchasing Member shall be allocated more Sale Shares than it applied for, and any Sale Shares which cannot therefore be allocated to the other Purchasing Members shall be allocated to the other Purchasing Members on the basis set out above, until all Sale Shares are allocated.
- 8.7 In the event of the Seller failing to complete the sale of any Shares which he shall have become bound to transfer pursuant to this Article 8, the Board may authorise some person to execute a transfer of the Shares to the Purchasing Member and may give a good receipt for the purchase price of such Shares, register the Purchasing Member as holder of the Shares and issue to him a Share certificate in respect of those Shares, at which time the Purchasing Member shall become indefeasibly entitled to such Shares. The Seller shall in such case be bound to deliver up his certificate for the said Shares, and on such delivery shall be entitled to receive the said purchase price, without interest, and if such certificate shall comprise any Shares which he has not become bound to transfer as aforesaid the Company shall issue to him a balance certificate for such Shares.
- 8.8 If the Board shall not, within the period of 30 days after service of a Sale Notice, find a Purchasing Member for all or any of the Sale Shares, they shall notify the Seller accordingly, and the Seller shall, at any time within three months thereafter, be at liberty to sell and transfer the Sale Shares (or such of them as have not been sold to any Purchasing Member) at a price that is not less than the Sale Price (and generally on terms no more favourable than those offered to a Purchasing Member) to the person named in the Sale Notice.
- 8.9 Notwithstanding any provision of these Articles, no formal instrument of transfer shall be necessary to effect a purchase or redemption by the Company of its own Shares.
- 8.10 If, pursuant to Articles 8.11.3, 8.11.5 or 8.4 the value of the Shares the subject of the Sale Notice has not been agreed within the specified 14 day period, the Board shall thereafter instruct an independent firm of valuation experts of repute (the "**Expert**") (who shall act as experts and not as arbitrators so that any provision of law or statute relating to arbitration shall not apply) to certify by certificate in writing ("**Certificate of Value**") the value in their opinion of the Shares the subject of such deemed Sale Notice as between a willing seller and a willing buyer as at the date of the deemed or actual Sale Notice but without taking into account (if it is the case) that the Shares represent a majority or minority interest in the Company and the Sale Notice shall constitute the Company the Seller's agent for the sale of the Shares

at the price specified in the Certificate of Value. The costs of the Expert shall be borne by whomsoever the Expert determines.

8.11 **Permitted Transfers**

Articles 8.4 to 8.10 (inclusive) shall not apply to:

- 8.11.1 any transfer to trustees to be held upon a family trust (a family trust being a trust under which no beneficial interest in the Shares in question is for the time being vested in any person other than a member or any person referred to in Article 8.11.3 below and no power or control over the voting powers conferred by such Shares is for the time exercisable or subject to the consent of any person other than the trustees of such member or trustees of the persons mentioned in Article 8.11.3 or to any body corporate or partnership which is beneficially owned and controlled, directly or indirectly as to 100% by any such family trust;
- 8.11.2 any transfer by a member to a nominee of that member or by a nominee to the person who is (and has at all times been) the beneficial owner for whom the nominee held the Shares or by a nominee of a beneficial owner to a new nominee of the same beneficial owner;
- 8.11.3 any transfer to a spouse of the Shareholder or the Shareholder's children and grandchildren (including step and adopted children and grandchildren) provided that where Shares are transferred under this Article 8.11.3 ("**appropriate Shares**") from a Shareholder ("**Original Shareholder**") to his spouse ("**Original Shareholder's Spouse**") and subsequently the Original Shareholder and the Original Shareholder's Spouse are divorced, then the Original Shareholder's Spouse shall forthwith transfer the appropriate Shares (together with any Shares transferred to or acquired by the Original Shareholder's Spouse by virtue of the holding of the relevant Shares or any of them) back to the Original Shareholder; and failure so to transfer such Shares within 28 days of the Original Shareholder and the Original Shareholder's Spouse becoming divorced (by way of issue of absolute decree, a divorce certificate or otherwise) shall result in a Sale Notice being deemed immediately to be given in respect of all such Shares and the value of the Shares the subject of the Sale Notice shall be as agreed between the Original Shareholder's Spouse and the Board or, failing such agreement within 14 days of the Board becoming aware that the relevant Sale Notice is deemed to have been given, the price specified in the Certificate of Value (as defined in Article 8.10) obtained in accordance with Article 8.10, and the remaining provisions of Articles 8.4 to 8.10 (inclusive) shall apply;
- 8.11.4 any transfer of a Share or Shares in the name of a deceased Shareholder to: (i) the widow or widower of such deceased Shareholder; (ii) any child or children including step and adopted children or issue of such deceased Shareholder; or (iii) the executors or trustees of the estate of the deceased Shareholder to hold in their names; and/or
- 8.11.5 any transfer by a Shareholder which is a body corporate to a member of the same group provided that where Shares are transferred under this Article 8.11.5 ("**relevant Shares**") from a body corporate ("**transferring member**") to a member of the same group ("**transferee company**") and subsequently the transferee company ceases to be a member of the same group as the transferring member then the transferee company shall forthwith transfer the relevant Shares (together with any Shares transferred to or acquired by the transferee company by virtue of the holding of the relevant Shares or any of them) back to the transferring member; and failure so to transfer such Shares within 28 days of the transferee company ceasing to be a member of the same group of the transferor company shall result in a Sale Notice being deemed immediately to be given in respect of all such Shares and the value of the Shares the subject of the Sale Notice shall be as agreed between the transferee company and the Board or, failing such agreement within 14 days of the Board becoming aware that the relevant Sale Notice is deemed to have been given, the price specified in the Certificate of Value (as defined in Article 8.10) obtained in accordance with

Article 8.10, and the remaining provisions of Articles 8.4 to 8.10 (inclusive shall apply). For the purposes of this Article 8.3 the expression "**member of the same group**" means a company which is for the time being a holding company of which the transferor company is a subsidiary or a subsidiary of the transferor company or of any holding company of which the transferor company is a subsidiary.

8.12 ***Drag-along Rights***

- 8.12.1 In this Article 8.12, a Qualifying Offer shall mean an offer in writing by or on behalf of any person ("**Offeror**") to the holders of the entire issued share capital in the Company to acquire the entire issued share capital in the Company.
- 8.12.2 If the holders of not less than 75% in nominal value of the issued share capital of the Company (the "**Accepting Shareholders**") wish to accept the Qualifying Offer, then the provisions of this Article 8.12 shall apply.
- 8.12.3 The Accepting Shareholders shall give written notice to the remaining holders of the issued share capital of the Company ("**Other Shareholders**") confirming their wish to accept the Qualifying Offer and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer their Shares to the Offeror (or his nominee) on the date specified by the Accepting Shareholder.
- 8.12.4 If any Other Shareholder shall not, after five business days of being required to do so, execute and deliver transfers in respect of their Shares (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on such Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.
- 8.12.5 Upon any person, following the issue of a notice pursuant to Article 8.12.3, becoming a Shareholder of the Company pursuant to the exercise of pre-existing option to acquire Shares in the company ("**New Member**") notice shall be deemed to have been served upon the New Member on the same terms as the previous notice who shall thereupon be bound to sell and transfer all such Shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article 8.12 shall apply mutatis mutandis to the New Member save that completion of the sale of such Shares shall take place forthwith upon the notice being deemed served on the New Member.

8.13 ***Tag-along Rights***

- 8.13.1 If at any time Shareholders ("**Proposed Sellers**") propose to sell, in one or a series of related transactions, at least 75% in nominal value of the then issued Shares ("**Majority Holding**") to any person (not being an Offeror for the purposes of Article 8.12), the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this Article 8.13.
- 8.13.2 The Proposed Sellers shall give written notice ("**Proposed Sale Notice**") to the other holders of the issued share capital in the Company of such intended sale at least ten business days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed acquirer ("**Proposed Acquirer**"), the purchase price and other terms and conditions of payment, the proposed date of sale ("**Proposed Sale Date**") and the number of Shares proposed to be purchased by the Proposed Acquirer ("**Proposed Sale Shares**").

- 8.13.3 Any other holder of equity share capital in the Company shall be entitled, but not obliged to sell Shares in the event of a sale by a Majority Shareholding by written notice given to the Proposed Sellers within five business days of receipt of the Proposed Sale Notice, to sell all of his Shares to the Proposed Acquirer on the same terms and conditions as those set out in the Proposed Sale Notice.
- 8.13.4 If any other holder of share capital in the Company is not given the rights accorded him by the provisions of this Article 8.13, the Proposed Sellers shall not be permitted to complete their sale and the Board shall be bound to refuse to register any Share transfers intended to carry such a sale into effect.

SHAREHOLDER MEETINGS

9. PROCEEDINGS OF SHAREHOLDERS

9.1 Quorum

- 9.1.1 No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business.
- 9.1.2 Three persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation, shall be a quorum.

9.2 Voting

- 9.2.1 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded.
- 9.2.2 A poll may be demanded by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 9.2.3 Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made." as a new paragraph at the end of that Model Article.

9.3 Delivery of proxies

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notari ally or in some other way approved by the Board must be delivered to the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting or to the place of the meeting at any time before the time appointed for the holding of the meeting.

DIRECTORS

10. NUMBER OF DIRECTORS

The number of Directors (excluding alternate directors) shall not be less than two in number nor more than five.

11. APPOINTMENT AND REMOVAL OF DIRECTORS

- 11.1 Model Article 17(1) shall be modified by the inclusion, at the end of that Model Article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in Article 10 of these Articles".
- 11.2 Model Article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:

11.2.1 he is convicted of a criminal offence (other than a minor motoring offence) and a Majority of Shareholders resolve that he ceases to be a Director; and

11.2.2 a majority of the other Directors resolve that he cease to be a Director.

12. ALTERNATE DIRECTORS

12.1 *Appointment of alternate directors*

A Director (other than an alternate director) may, by way of notice in writing to the Company signed by the appointing Director (or in any other manner approved by the Board) appoint any other Director to be an alternate director and may remove from office an alternate director so appointed. An alternate director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor. Except as these Articles specify otherwise, alternate directors: (i) are deemed for all purposes to be Directors; (ii) are liable for their own acts and omissions; (iii) are subject to the same restrictions as their appointors; and (iv) are not deemed to be agents of or for their appointors and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of Directors of which his appointor is a member.

12.2 *Alternate to count in quorum*

A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

12.3 *Right of alternate to vote and count in quorum*

Any Director who is appointed an alternate director shall be entitled to vote at a meeting of the Board on behalf of the Director so appointing him in addition to being entitled to vote in his own capacity as a Director and shall also be considered as two Directors for the purpose of making a quorum of Directors unless he is the only individual present.

12.4 *Expenses and indemnity*

An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

13. PROCEEDINGS OF DIRECTORS

13.1 *Quorum*

The quorum for the transaction of business of the Board shall be three Directors (at least two of which shall be Founders for so long as such Founders remain appointed as Directors). For the purposes of any meeting (or part of a meeting) held pursuant to Article 15 to authorise a 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.

13.2 *Chairman*

The Directors may appoint the chairman of the Board ("**Chairman**") and may remove and replace any such Chairman.

13.3 *Casting vote of Chairman*

The Chairman of the meeting shall not have a second or casting vote, in the case of an equality of votes.

13.4 *Telephonic board meetings*

- 13.4.1 Any Director or alternate director may validly participate in a meeting of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote.
- 13.4.2 Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that a quorum of Directors is not physically present in the same place.
- 13.4.3 Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.

13.5 Decisions of Directors

- 13.5.1 Any decision of the Directors must be a majority decision.
- 13.5.2 Any decision of the Directors must be taken at a meeting of the Directors in accordance with these Articles or in the form of a directors' written resolution.

13.6 Resolutions in writing

- 13.6.1 A resolution executed by all the Eligible Directors, or by all the members of a committee constituted under these Articles, shall be as valid and effectual as if it had been passed at a meeting of the Directors, or (as the case may be) at a meeting of that committee, which in every case was duly convened and held.
- 13.6.2 For the purposes of this Article 13.6:
- (a) a resolution shall consist of one or more written instruments (including faxes) or one or more electronic communications sent to an address specified for the purpose by the secretary, or a combination of them, provided that each such written instrument and electronic communication (if more than one) is to the same effect;
 - (b) a written instrument is executed when the person executing it signs it;
 - (c) an electronic communication is executed when the person executing it sends it provided that it has been authenticated in such manner (if any) as the secretary shall prescribe;
 - (d) the Directors, or (as the case may be) members of a committee constituted under these Articles, need not execute the same written instrument or electronic communication;
 - (e) a resolution shall be effective when the secretary certifies that sufficient evidence has been received by him/her that the resolution has been executed in accordance with this Article 13.6; and
 - (f) if no secretary is appointed, the Chairman shall perform the functions of the secretary under this Article 13.6.

14. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director

who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 14.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 14.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 14.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 14.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- 14.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 14.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

15. DIRECTORS' CONFLICTS

- 15.1 The Directors may, in accordance with the requirements set out in this Article 15, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest ("Conflict").
- 15.2 Any authorisation under this Article 15 will be effective only if:
 - 15.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 15.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 15.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 15.3 Any authorisation of a Conflict under this Article 15 may (whether at the time of giving the authorisation or subsequently):
 - 15.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 15.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;

- 15.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 15.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 15.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 15.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 15.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 15.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 15.6 A Director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) and no authorisation under Article 15.1 shall be necessary in respect of any such interest.
- 15.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

16. BORROWING POWERS

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and, subject to the Act, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

17. COMMITTEES

17.1 *Delegation to committees*

The Directors may delegate any of their powers, authorities and discretions for such time and on such terms and conditions as it thinks fit to any committee consisting of one or more Directors.

17.2 *Exercise of power by committees*

Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Board and that power, authority or discretion has been delegated by the Board to a committee, the provisions shall be construed as permitting the exercise of the power, authority or discretion by the committee.

18. DEADLOCK

- 18.1 There is a deadlock if a resolution is proposed and one of the following applies: (i) on a directors' resolution, the holder(s) of the majority of Founders' shares on a poll basis votes against or abstains from voting on the resolution (unless one of their number proposed the resolution); or (ii) on a shareholders' resolution, the Majority of Shareholders (including the holder(s) of the majority of Founders' shares on a poll basis) vote against or abstain from voting on the resolution (unless one of their number proposed the resolution).
- 18.2 Any Founder may within 28 days of the date of the resolution in respect of which the deadlock arises (as the case may be) serve notice on the other Founders ("**Deadlock Notice**"): (i) stating that in its opinion a deadlock has occurred; and (ii) identifying the matter giving rise to the deadlock.
- 18.3 Upon receipt of a Deadlock Notice, the Founders shall use all reasonable endeavours in good faith to resolve between them the dispute referred to in the Deadlock Notice. In the event that the deadlock cannot be resolved within 28 days from the date of the Deadlock Notice, the Founders shall use all reasonable endeavours in good faith to agree a mechanism under which a Founder may sell his or her Shares (including the serving of a Sale Notice by a Founder) to enable the Company and its business to continue, save that if the subject of the Deadlock Notice relates to matters which are critical to the financial performance of the business of the Company, decisions relating to a Sale or a transfer of all or significantly all of the assets of the business of the Company, or any material change in the nature of the business of the Company, and the deadlock has not been resolved within 28 days of the date of the Deadlock Notice, the Founder CEO shall resolve the deadlock in his sole discretion and the founders shall comply in all reasonable respects with his determination.

19. NOTICES

19.1 *Delivery of notices*

Any notice to be given to the Company pursuant to these Articles shall be sent by post to the registered office of the Company or presented at a meeting of the Board.

19.2 *Delivery of fax*

No notice shall be given pursuant to these Articles by facsimile transmission.

20. INDEMNITY

- 20.1 Subject to Article 20.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

20.1.2 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 20.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 20.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

20.3 In this Article:

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

20.3.2 a “**relevant officer**” means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor). Subject to the provisions of and so far as may be consistent with the Act, but not without prejudice to any indemnity to which a Director may otherwise be entitled, every Director, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

21. INSURANCE

Subject to the provisions of and so far as they may be consistent with the Act, the Board shall have the power to purchase and maintain for any Director or other officer (other than auditors) insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.