

Company Number: 09885860

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
C2 CYBER LTD (the “Company”)

(adopted by Special Resolution of the Company dated 10th February 2021)

INTERPRETATION AND LIMITATION OF LIABILITY

1 Defined terms

1.1 In these Articles, unless the context requires otherwise:

“Act” means the Companies Act 2006;

“Acting in **Concert**” means as defined in the City Code of Takeovers and Mergers;

“Affiliate” in relation to a Shareholder that is a company limited by shares, any entity that directly or indirectly controls, is controlled by, or is under common control with that party from time to time;

“Allocation Notice” has the meaning given in article 26;

“Applicant” has the meaning given in article 26;

“Articles” means the Company’s articles of association;

“Bad Leaver” means an Employee who becomes a Departing Employee in circumstances where he is not a Good Leaver, unless the Directors, by a majority decision of the Non-Executive Directors, determine that a person is a Good Leaver by way of resolution of the Board;

“Bankruptcy” includes individual insolvency proceedings in England and Wales and Northern Ireland and any other jurisdiction which have an effect similar to that of bankruptcy;

“Board” means the Directors acting as the board of Directors of the Company;

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

“Chairperson” has the meaning given in article 12;

“Clear Day(s)” means (in relation to the period of a notice) that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“Conflict” means a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Company;

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

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

“Departing Employee” means an Employee who ceases to be a Director or Employee of, or consultant to, any Group Company and who does not continue as, or become, a Director or Employee of, or consultant to, any Group Company, unless the Directors, by a majority decision of the Non-Executive Directors, agree otherwise by way of resolution of the Board;

“Director” means a director of the Company, and includes any person entered on the register of directors of the Company;

“Document” includes, unless otherwise specified, any document sent or supplied in Electronic Form;

“Electronic Form” has the meaning given in section 1168 of the Act;

“Eligible Director” means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);

“Employee” means an individual who is, or has been, a Director and/or an Employee of any Group Company.

“Fair Value” has the meaning given in article 27;

“Fully Paid” in relation to a Share, means the nominal value and any premium to be Paid to the Company in respect of that Share that has been Paid to the Company;

“**Good Leaver**” means an Employee who becomes a Departing Employee where the Directors, by a majority decision of the Non-Executive Directors, determine the Employee to be a Good Leaver;

“Group Company” means the Company, any Subsidiary or any Holding Company from time to time of the Company, and any Subsidiary from time to time of a Holding Company of the Company from time to time and Group Company shall be construed accordingly;

“Hard Copy Form” has the meaning given in section 1168 of the Act;

“Holder” in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares;

“Incoming Shareholder” has the meaning given in article 24;

“Independent Expert” means an independent firm of accountants jointly appointed by the Board and the Seller or, in the absence of agreement between the Board and the Seller on the identity of the expert within five (5) Business Days of the expiry of the fourteen (14) Business Day period referred to in article 26.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator);

“Instrument” means a Document in Hard Copy Form;

“Interested Director” has the meaning given in article 13;

“Offer Period” has the meaning given in article 26;

“Offeree” has the meaning given in article 24;

“Ordinary Shares” means the shares designated as being Ordinary shares of £0.0001 each in the capital of the Company having the rights attached to them as set out in article 20.1;

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

“Non-Executive Director” means any Director who is not a member of the Company’s executive management team;

“Paid” means paid or credited as paid;

“Permitted Transferee” means either; (i) an immediate family member of a Shareholder, including spouse or civil partner, or (ii) any trust of which any of the Shareholder’s Permitted Transferees are beneficiaries; or (iii) where the Shareholder is a company limited by shares, any Affiliate.

“Participate”, in relation to a Directors’ meeting, has the meaning given in article 10;

“Sale Shares” has the meaning given in article 26;

“Seller” has the meaning given in article 26;

“Share(s)” means a share or shares in the Company, inclusive of, but not limited to, the Ordinary Shares and any such other class of share as may exist in the Company from time to time;

“Shareholder” means a person who is the holder of a Share, and such a Share has voting rights attached to it as set out in article 20;

“Share Option Plan” means a plan under which the Directors issue options over Shares to Employees from time to time;

“Special Resolution” has the meaning given in section 283 of the Act;

“Subsidiary” has the meaning given in section 1159 of the Act;

“Surplus Shares” has the meaning given in article 26;

“Termination Date” means:

- (a) where employment ceases by virtue of notice given by the Company to the Employee, the date on which such notice expires;
- (b) where a contract of employment is terminated by the Company and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where an Employee dies, the date of the person’s death;
- (d) where the Employee concerned is a Director but not an Employee, the date on which the person’s service agreement (or other terms of appointment) with the relevant Group Company is terminated; or
- (e) in any other case, the date on which the employment or holding of office is terminated;

“Transfer Notice” has the meaning given in article 26;

“Transfer Price” the price per Sale Share (in cash) at which a Shareholder wishes to transfer any Sale Shares;

“Transmittee” means a person entitled to a Share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law; and

“Writing” means 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.

- 1.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company.

2 Liability of members

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

DIRECTORS' POWERS AND RESPONSIBILITIES

3 Directors' general authority

Subject to these Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

4 Shareholders' reserve power

- 4.1 Without prejudice to article 3 the Shareholders may, by Ordinary Resolution, direct the Directors to take, or refrain from taking, specified action.
- 4.2 No such Ordinary Resolution invalidates anything which the Directors have done before the passing of the resolution.

5 Directors may delegate

- 5.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles:
 - 5.1.1 to such person or committee;
 - 5.1.2 by such means (including by power of attorney);
 - 5.1.3 to such an extent;
 - 5.1.4 in relation to such matters or territories; and
 - 5.1.5 on such terms and conditions, as they think fit.
- 5.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 5.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

6 Committees

- 6.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.

DECISION-MAKING BY DIRECTORS

7 Directors to take decisions collectively

7.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

7.2 If:

7.2.1 the Company only has one (1) Director; and

7.2.2 no provision of these Articles requires it to have more than one (1) Director;

the general rule does not apply, and the Director may take decisions without regard to any of the provisions of these Articles relating to Directors' decision-making.

8 Unanimous decisions

8.1 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.

8.2 Such a decision may take the form of a resolution in Writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in Writing.

8.3 References in this article to Eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.

8.4 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

9 Calling a Directors' meeting

9.1 Any Director may call a Directors' meeting by giving at least 48 hours' notice of the meeting to the Directors.

9.2 Notice of any Directors' meeting must indicate:

9.2.1 its proposed date and time;

9.2.2 where it is to take place; and

9.2.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

9.3 Notice of a Directors' meeting must be given to each Director.

10 Participation in Directors' meetings

10.1 Subject to these Articles, Directors "Participate" in a Directors' meeting, or part of a Directors' meeting, when:

10.1.1 the meeting has been called and takes place in accordance with these Articles; and

10.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

10.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other, which may be by way of video conferencing or telephone conferencing which will be as good as physical attendance and voting in person.

- 10.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

11 Quorum for Directors' meetings

- 11.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2 The quorum for the transaction of business at a meeting of Directors is any two (2) Eligible Directors.
- 11.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
- 11.3.1 to appoint further Directors; or
 - 11.3.2 to call a general meeting so as to enable the Shareholders to appoint further Directors.
- 11.4 For the purposes of any meeting (or part of a meeting) held pursuant to article 13 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director and the Interested Director.

12 Chairing of Directors' meetings

- 12.1 The Chairperson shall be as agreed between the Shareholders.
- 12.2 The Chairperson shall have a casting vote where the numbers of votes for and against a proposal are equal.

13 Directors interests

- 13.1 If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, on any basis other than as an arms-length transaction, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes ("Interested Director").
- 13.2 For the purposes of this article 13, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

14 Records of decisions to be kept

- 14.1 The Directors must ensure that the Company keeps a record, in writing, for at least ten (10) years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.
- 14.2 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.

15 Directors' discretion to make further rules

Subject to these Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

APPOINTMENT OF DIRECTORS

16 Methods of appointing Directors

- 16.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed in accordance with the terms of any written agreement between the Shareholders from time to time,
- 16.2 In any case where, as a result of death, the Company has no living registered Shareholders and no Directors, the personal representatives of the most recently deceased majority Shareholder have the right, by notice in Writing, to appoint a person to be a Director.
- 16.3 For the purposes of article 16.2, where two (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.

17 Termination of Director's appointment

17.1 A person automatically ceases to be a Director as soon as:

- 17.1.1 that person ceases to be a Director by virtue of any provision of the Act, is prohibited from being a Director by law, or in the accordance with any written agreement between the Shareholders; or
- 17.1.2 a Bankruptcy order is made against that person; or
- 17.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- 17.1.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three (3) months; or
- 17.1.5 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- 17.1.6 notification is received by the Company from any Shareholder(s) holding more than seventy five percent (75%) of the issued Shares in the Company requesting the termination of a specific Director and such notice is also furnished to the Director in question at his last known residential address or by email to his last known email address.

17.2 Further, a person ceases to be a Director where:

- 17.2.1 he has, in the reasonable opinion of a majority of his co-Directors (if any), either (i) a direct conflict of interest with the Company or its business or interests; or (ii) acted in a manner prejudicial to the best interests of the Company or its shareholders (as a whole); or (iii) materially failed in his fiduciary duties to the Company, provided in each instance that such cause was not otherwise pre-approved by a majority of the Directors; or
- 17.2.2 he is absent without the permission of his co-directors (if any) from board meetings for six (6) consecutive months and his co-directors resolve that he shall cease to be a Director; or
- 17.2.3 where he is an Employee of the Company, he ceases to be in the Company's employment for whatsoever reason and where no written agreement exists to the contrary or no written agreement of the Company's shareholders holding more than seventy five percent (75%) exists confirming that he should remain a Director of the Company.

- 17.3 In any case where, as a result of death, the Company has no living registered Shareholders and a single remaining Director, the personal representatives of the most recently deceased majority Shareholder have the right, by notice in Writing, to terminate the appointment of the remaining Director where article 17.2 applies.

18 Directors' remuneration

- 18.1 Directors may undertake any services for the Company that the Directors decide from time to time where such decision is taken in accordance with article 8.
- 18.2 Directors are entitled to such remuneration as the Directors determine:
- 18.2.1 for their services to the Company as Directors; and
 - 18.2.2 for any other service which they undertake for the Company.
- 18.3 Subject to the articles, a Director's remuneration may:
- 18.3.1 take any form; and
 - 18.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- 18.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- 18.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or Employees of the Company's Subsidiaries or of any other body corporate in which the Company is interested.

19 Directors' expenses

- 19.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:
- 19.1.1 meetings of Directors or committees of Directors;
 - 19.1.2 general meetings; or
 - 19.1.3 separate meetings of the Holders of any class of Shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

SHARES

20 Share Capital

- 20.1 All of the Ordinary Shares shall rank pari passu and shall attract one vote per share, shall have a right to a dividend, shall have a right to participate in a distribution, and shall be non-redeemable.
- 20.2 Any resolution to vary the rights attaching to a class of Shares shall be effective with the sanction of a Special Resolution of all Shareholders of the Company who have a right to vote. Each of the following shall be deemed to constitute a variation of the rights attached to each class of Shares:
- 20.2.1 any alteration to the voting rights, dividend rights, or participation in distribution attached to each class of Share; and

20.2.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own Shares or other alteration in the Share capital of the Company or any of the rights attaching to any Share capital.

20.3 No Share is to 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.

20.4 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

21 Powers to issue different classes of Share

21.1 Subject to these Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by Special Resolution.

21.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed, at the option of the Shareholder or the Company.

22 Purchase of own Shares

22.1 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:

22.1.1 fifteen thousand pounds (£15,000 GBP); and

22.1.2 the nominal value of five percent (5%) of the Company's Share capital.

22.2 The Company shall immediately cancel any Shares acquired under Chapter 4 of Part 18 of the Act.

23 Further Issue Shares, Authority to Allot

23.1 The Directors shall not, unless authorised from time to time by a Special Resolution, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

24 Further Issue Shares: Pre-Emption Rights

24.1 Unless otherwise agreed by Special Resolution of the Company's Shareholders, if the Company proposes to allot any Shares, those Shares shall not be allotted to any person unless the Company has first offered them to the Holders existing on the date of the offer (each an "Offeree") in the respective proportions that the number of Shares held by each such Holder bears to the total number of Shares held by all such Holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Shares are being, or are to be, offered to any other person.

24.2 An offer made under article 24.1 shall:

24.2.1 be in Writing and give details of the number, class and subscription price (including any Share premium) of the Shares being offered;

24.2.2 remain open for a period of at least fourteen (14) Business Days from the date of service of the offer or such shorter period of time as may be deemed by Special Resolution of the Company's Shareholders; and

24.2.3 stipulate that any Offeree who wishes to subscribe for a number of Shares in excess of the number to which he is entitled under article 24.1

shall, in his acceptance, state the number of excess Shares for which he wishes to subscribe.

- 24.3 If, on the expiry of an offer made in accordance with article 24.1 or upon receipt of written offers or waivers to such entitlement (as appropriate) from every Shareholder of the Company, the total number of Shares applied for is equal to or less than the total number of Shares so offered, the Directors shall allot the Shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 24.4 Any Shares that remain unallocated following the proportionate allocation made pursuant to article 24.3 shall be used to satisfy any requests for excess Shares made pursuant to article 24.2.3. If there are insufficient excess Shares to satisfy such requests, the excess Shares shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants prior to the date of the offer made under article 24.2 (as nearly as possible without involving fractions or increasing the number of excess Shares allotted to any Shareholder beyond that applied for by him).
- 24.5 If, after completion of the allotments referred to in articles 24.3 and 24.4, not all of the Shares have been allotted, the balance of such Shares shall be offered to any other person(s) as the Directors may determine (the "Incoming Shareholder"), at the same price and on the same terms as the offer to the Shareholders, provided that, as a condition to the registration of any allotment of Shares pursuant to this article 24.5, the Directors shall require the Incoming Shareholder to execute and deliver to the Company a deed, in favour of the Company and the Shareholders of the Company in existence at the date of any such allotment, agreeing to be bound by the terms of any shareholders' agreement (or similar Document) that may be in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the Incoming Shareholder to have any obligations or liabilities greater than those of the Shareholders existing at the date of the allotment). If any condition is imposed in accordance with this article 24.5 the allotment may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the Incoming Shareholder.

25 Transfers of Shares: General

- 25.1 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.
- 25.2 Subject to these Articles, Shares may be transferred by means of an Instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor and unless the Share is Fully Paid, by the transferee.
- 25.3 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.
- 25.4 No fee may be charged by the Company for registering any Instrument of transfer or other Document relating to or affecting the title to any Share.
- 25.5 The Company may retain any Instrument of transfer which is registered.

- 25.6 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.
- 25.7 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles.
- 25.8 A Shareholder may transfer some or all of the Shares he holds to a Permitted Transferee on written note to the Directors and such transfers shall not be subject to the provisions of article 26.
- 25.9 Subject to article 25.12, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 25.10 If the Directors refuse to register a transfer of a Share they shall, as soon as practicable and in any event within two (2) months after the date on which the transfer was lodged with the Company, send to the transferee notice of, and the reasons for, the refusal.
- 25.11 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he or she shall be deemed to have immediately served a Deemed Transfer Notice in respect of all Shares held by him.
- 25.12 The Directors may, as a condition to the registration of any transfer of Shares in the Company, require the transferee to provide the Company with the required particulars under section 790K of the Act (in connection with Register of Persons of Significant Control) if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the Act and 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 25.12, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the Act if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the Act.
- 25.13 To enable the Directors to determine whether or not there has been a transfer of Shares in the Company in breach of these Articles, the Directors may from time to time require any Shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a Shareholder fails to provide information or evidence in respect of any Shares registered in its name to the reasonable satisfaction of such Directors within fourteen (14) Business Days of their request, such Directors may serve a notice on the Shareholder stating that the Shareholder shall not in relation to all Shares held by that Shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of Shares of that class, or to vote on a written resolution of the Shareholders or to receive dividends on the Shares until such evidence or information has been provided to the Directors' satisfaction. Such Directors may reinstate these rights at any time.
- 25.14 If any such information or evidence referred to in article 25.13 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the Holder of such Shares of that fact in Writing and, if the

Holder fails to remedy that situation to the reasonable satisfaction of the Directors within ten (10) Business Days of receipt of such written notice, then, unless otherwise directed in Writing by a majority of the Shareholders:

- 25.14.1 the relevant Shares shall cease to confer on the Holder of them any rights;
 - 25.14.2 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;
 - 25.14.3 to receive dividends (other than the amount to which they may already have accrued an entitlement) otherwise attaching to those Shares; or
 - 25.14.4 to Participate in any future issue of Shares; and
 - 25.14.5 the Directors may, by notice in Writing to the relevant Holder, determine that a Deemed Transfer Notice has been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).
- 25.15 The Directors may (with the consent of a majority of Shareholders) reinstate the rights referred to in article 25.14 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to article 25.14.5.
- 25.16 Any transfer of Shares by way of a sale that is required to be made under article 27, article 28, article 29, article 30 or article 34 shall be deemed to include a warranty that the transferor sells the Shares with full title guarantee.
- 25.17 Unless expressly provided otherwise in these Articles, if a Deemed Transfer Notice has been given under these Articles, it shall be treated as having specified that the transferor wishes to transfer all the Shares held by him (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 Transfer Notice).
- 25.18 Any Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

PRE-EMPTION ON TRANSFER

26 Pre-emption rights on the transfer of Shares

- 26.1 Subject to articles 25.8, 28, 29 and 30 which shall apply to the exclusion of this article 26, a Shareholder who wishes to transfer Shares (a "Seller") shall, before transferring or agreeing to transfer any Shares, give notice in Writing (a "Transfer Notice") to the Company specifying:
- 26.1.1 the number and class of Shares he wishes to transfer (the "Sale Shares");
 - 26.1.2 the name of the proposed transferee, if any;
 - 26.1.3 the Transfer Price as solely determined by the Seller and the proposed transferee or as determined in accordance with article 27;
 - 26.1.4 any other terms relating to the transfer of the Sale Shares; and
 - 26.1.5 whether the Transfer Notice is conditional on all or a specific number of the Shares being sold to the Shareholders.

- 26.2 Any Transfer Notice given by a Shareholder in accordance with article 26.1 or Deemed Transfer Notice given in accordance with article 25.14.5 may not be withdrawn once it has been made except with the sanction of the Directors by simple majority given any time prior to completion of the transfer of Shares in question.
- 26.3 A Transfer Notice or Deemed Transfer Notice constitutes the Company as the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 26.4 As soon as practicable following the later of:

26.4.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and

26.4.2 where applicable, the determination of the Transfer Price in accordance with article 27,

subject to article 26.5, the Directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 26 at the Transfer Price. Each offer shall be in Writing on the basis set out in article 26.6 to article 26.13 (inclusive) and shall provide details of the number and Transfer Price of the Sale Shares offered.

- 26.5 Following the receipt of a Transfer Notice or service of a Deemed Transfer Notice, the Directors may, on behalf of the Company, buy back the Sale Shares at Fair Value as determined by article 27. The Directors shall notify the Seller of any intention to buy back the Share Sales within seven (7) Business Days of receipt of a Transfer Notice or service of a Deemed Transfer Notice.
- 26.6 Subject to article 26.5, the Directors shall offer the Sale Shares to the existing Shareholders (other than the Seller), inviting them to apply in Writing within the period from the date of the offer to the date twenty (20) Business Days after the offer (both dates inclusive) (the "Offer Period") for the maximum number of Sale Shares they wish to buy.
- 26.7 If at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, then:
- 26.7.1 the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares being transferred as held by all Shareholders (other than the Seller). 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 shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy; and
- 26.7.2 if not all Sale Shares are allocated following allocations in accordance with article 26.7.1, but there are applications for Sale Shares that have not been satisfied under article 26.5, the Directors shall allocate the remaining Sale Shares to satisfy any requests for excess Shares made pursuant to article 26.5 to such Applicants in accordance with the procedure set out under this article 26.7 as though the total number of Sale Shares were the balance of those not already allocated. The procedure set out in this article 26.7.2 shall apply on any number of

consecutive occasions until either all the Sale Shares have been allocated or all applications for Sale Shares have been satisfied.

26.8 If at the end of the Offer Period following the allotment of Shares made pursuant to article 26.7, the total number of Sale Shares applied for is less than the number of Sale Shares, the balance (the "Surplus Shares") shall be offered to any other person in accordance with article 26.13.

26.9 Where allocations have been made in respect of all the Sale Shares, and/or when no further offers or allocations are required to be made under article 26.5 or article 26.7, the Directors shall give notice in Writing of the allocations of Sale Shares (an "Allocation Notice") to the Seller and each 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 the place and time for completion of the transfer of the Sale Shares (which shall be at least five (5) Business Days, but not more than twenty (20) Business Days, after the date of the Allocation Notice).

26.10 On the date specified for completion in the Allocation Notice:

26.10.1 the Seller shall, on payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice and shall deliver, or procure that there is delivered to such Applicant, a duly completed Instrument of transfer transferring the legal and beneficial ownership of the relevant Sale Shares to such Applicant, together with the relevant Share certificate(s) (or an indemnity in lieu thereof) and such other Documents as the Applicant or the Company may reasonably require to show good title to the Shares, or to enable him to be registered as the Holder of the Shares free from any encumbrances; and

26.10.2 in consideration of the transfer of the Sale Shares, the Applicant shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to the Seller's order for the Transfer Price for the Sale Shares being transferred to the Applicant (or such other method of payment agreed between an Applicant and the Seller).

26.11 If the Seller fails to comply with article 26.10.1:

26.11.1 the Chairperson (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:

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

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

26.11.1.3 (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the Holders of the Shares purchased by them.

26.11.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or

an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board of Directors may reasonably require to prove good title to those Shares) to the Company.

26.12 If the Applicant fails to transfer the Transfer Price in the manner agreed with the Seller by the date specified for completion as specified in article 26.11.2, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price shall accrue interest at a rate equal to four percent (4%) per annum above the base rate of the Bank of England from time to time.

26.13 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the ten (10) Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) to any other Shareholder of the Company or to any other person at a price at least equal to the Transfer Price provided that such transfer complies with the general provisions relating to the transfer of Shares in article 25 (including in relation to the requirement for the transferee to execute and deliver to the Company a deed, in favour of the Company and the Shareholders of the Company in existence at the date of any such transfer, agreeing to be bound by the terms of any shareholders' agreement (or similar Document) that may be in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the Incoming Shareholder to have any obligations or liabilities greater than those of the Shareholders existing at the date of the allotment)).

27 Valuation

27.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles (including without limitation articles 26.1.3 and 28), be the price per Sale Share (in cash) agreed between the Directors, and the Seller or, if the Directors and the Seller are unable to reach agreement on such price within fourteen (14) Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the Board first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share calculated in accordance with this article 27.

27.2 The "Fair Value" shall be the price per Sale Share determined by an Independent Expert on the following bases and assumptions:

27.2.1 valuing the Sale Shares on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);

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

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

27.2.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued Share capital of the Company which they represent; and

27.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

- 27.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 27.4 The Directors will give the Independent Expert access to all accounting records or other relevant Documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 27.5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and Documents as the Independent Expert may reasonably require for the purpose of reaching a decision subject to the Independent Expert agreeing to give such confidentiality undertakings as the Board may reasonably require.
- 27.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 27.7 The Independent Expert shall be requested to determine the Fair Value within forty five (45) Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the seller and the Shareholders.
- 27.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless, in respect of a Deemed Transfer Notice, the Fair Value is less than the price per sale Share offered to the Seller by the Directors before the appointment of the Independent Expert, in which case the Seller shall bear the cost.

28 Compulsory Transfers

- 28.1 A Shareholder is deemed to have served a Transfer Notice under article 26.1 immediately before any of the following events:
 - 28.1.1 an Employee has obtained Shares in the course of his employment and becomes a Departing Employee who is a Bad Leaver only; or
 - 28.1.2 a Bankruptcy petition being presented or an order being made for the Shareholder's Bankruptcy, 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.
- 28.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over the Shares, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine.
- 28.3 If an Employee becomes a Departing Employee and they are a Bad Leaver, a Transfer Notice shall, unless the Directors otherwise direct another time period in Writing in respect of any Shares of that Employee prior to or within five (5) Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all that Employee's Shares and any Deemed Transfer Notice served in respect of any of such Shares before the date such Employee becomes a Departing Employee shall automatically lapse.

28.4 Notwithstanding any other provisions of these Articles, the price per Share (in cash) in respect of a Deemed Transfer Notice sent under article 28.3 shall be determined in accordance with article 27.

29 Drag Along – offer for shares in the Company

29.1 If the holders of more than eighty percent (80%) of the Shares in issue for the time being ("Selling Shareholder(s)") 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"), the Selling Shareholder(s) 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 ("Drag Along Option").

29.2 The Selling Shareholder(s) 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:

29.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 29;

29.2.2 the person to whom the Called Shares are to be transferred;

29.2.3 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

29.2.4 the proposed date of the transfer.

29.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholder(s) have not sold the Sellers' Shares to the Proposed Buyer within thirty (30) Business Days of serving the Drag Along Notice. The Selling Shareholder(s) may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

29.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 29.

29.5 Completion of the sale of the Called Shares shall take place on the Drag Completion Date. "Drag Completion Date" means the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholder(s) agree otherwise in which case the Drag Completion Date shall be the date agreed in Writing by all of the Called Shareholders and the Selling Shareholder(s).

29.6 The proposed sale of the Sellers' Shares by the Selling Shareholder(s) to the Proposed Buyer and the sale of the Called Shares by the Called Shareholders in accordance with this article 29 shall not be subject to the rights of pre-emption set out in article 26.

29.7 On or before the Drag Completion Date, the Called Shareholders shall execute and deliver Instruments of transfer for the Called Shares, together with the relevant Share certificates (or a suitable indemnity for any lost Share certificates) to the Company. On the Drag Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 29.2.3 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.

- 29.8 To the extent that the Proposed Buyer has not, on the Drag 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 Instruments of transfer 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 29 in respect of their Shares.
- 29.9 If any Called Shareholder does not, on or before the Drag Completion Date, execute and deliver (in accordance with article 29.7) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholder(s) to be its agent to execute all necessary transfer(s) on its 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) to the Proposed Buyer (or as it may direct) as the Holder thereof. After the Proposed Buyer (or its nominee) has been registered as the Holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a Share certificate shall not impede the registration of Shares under this article 29.
- 29.10 Following the issue of a Drag Along Notice, upon any person exercising a pre-existing option to acquire Shares in the Company or exercising a conversion right in respect of any convertible security of the Company (if applicable), a Drag Along Notice shall be deemed to have been served on such new Shareholder on the same terms as the previous Drag Along Notice. The new Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 29 shall apply with the necessary changes to the new Shareholder, except that completion of the sale of the Shares shall take place on the Drag Completion Date or immediately upon the new Shareholder becoming a Shareholder of the Company, if later.

30 Tag along rights on a change of control of the Company

- 30.1 Except in the case of transfers pursuant to article 28, the provisions of article 30.2 to article 30.6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any of the Shares ("Tag Transfer") which would, if carried out, result in any Proposed Buyer and any person Acting in Concert with the Proposed Buyer, acquiring a Controlling Interest in the Company.
- 30.2 Before making a Tag Transfer, a Seller shall procure that the Proposed Buyer makes an offer ("Tag Offer") to:
- 30.2.1 the other Shareholders to purchase all of the Shares held by them;
 - 30.2.2 the holders of any existing options to acquire Shares (granted by the Company or under any Share Option Plan) that are already capable of exercise or that are expected to become capable of exercise before the Tag Transfer, to purchase any Shares acquired on the exercise of options at any time before the Tag Transfer;

for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Proposed Buyer, or any person Acting in

Concert with the Proposed Buyer, in the Tag Transfer or in any related previous transaction in the three (3) months preceding the date of the Tag Transfer ("Specified Price").

30.3 The Tag Offer shall be made by written notice ("Offer Notice"), at least five (5) Business Days before the proposed sale date ("Sale Date"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

30.3.1 the identity of the Proposed Buyer;

30.3.2 the Specified Price and other terms and conditions of payment;

30.3.3 the Sale Date; and

30.3.4 the number of Shares proposed to be purchased by the Proposed Buyer ("Offer Shares").

30.4 If the Proposed Buyer fails to make the Tag Offer to all of the holders of Shares in the Company in accordance with article 30.2 and article 30.3, the Seller shall not be entitled to complete the Tag Transfer and the Company shall not register any transfer of Shares effected in accordance with the Tag Transfer.

30.5 If the Tag Offer is accepted by any Shareholder ("Accepting Shareholder") in Writing within five (5) Business Days of receipt of the Offer Notice, the completion of the Tag Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

30.6 The Tag Transfer is subject to the pre-emption provisions of article 26, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

31 Company not bound by less than absolute interests.

Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, save for where Shares are held by a Permitted Transferee that is a trust, and except as otherwise required by law or these Articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the Holder's absolute ownership of it and all the rights attaching to it.

32 Share certificates.

32.1 If requested by a Shareholder, the Company shall issue that Shareholder, free of charge, with one (1) or more certificates in respect of the Shares which that Shareholder holds.

32.2 Every certificate must specify:

32.2.1 in respect of how many Shares, of what class, it is issued;

32.2.2 the nominal value of those Shares;

32.2.3 whether the Shares are Fully Paid; and

32.2.4 any distinguishing numbers assigned to them.

32.3 No certificate may be issued in respect of Shares of more than one (1) class.

32.4 If more than one (1) person holds a Share, only one (1) certificate may be issued in respect of it.

32.5 Certificates must be executed in accordance with the Act.

33 Replacement Share certificates

33.1 If a certificate issued in respect of a Shareholder's Shares is damaged, lost, stolen or destroyed, that Shareholder is entitled to be issued with a replacement

certificate, subject to that Shareholder complying with conditions as to evidence, indemnification and the reasonable payment of fees as decided by the Directors.

34 Transmission of Shares

- 34.1 If title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.
- 34.2 A Transmitttee who produces such evidence of entitlement to shares as the Directors may properly require:
 - 34.2.1 may, subject to these Articles, choose either to become the Holder of those Shares or to have them transferred to another person; and
 - 34.2.2 subject to these Articles, and pending any transfer of the Shares to another person, has the same rights as the Holder had.
- 34.3 Transmitttees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the Holder's death or Bankruptcy or otherwise, unless they become the holders of those Shares.

35 Exercise of Transmitttees' rights

- 35.1 Pursuant to article 34.2 Transmitttees who wish to become the Holders of Shares to which they have become entitled must notify the Company in Writing of that wish.
- 35.2 If the Transmitttee wishes to have a Share transferred to another person, the Transmitttee must execute an Instrument of transfer in respect of it.
- 35.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the Transmitttee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.
- 35.4 Whether a Transmitttee wishes to be a Shareholder or wishes to transfer to another, the entity who is to become a Holder must execute and deliver to the Company a deed, in favour of the Company and the Shareholders of the Company in existence at the date of any such transfer, agreeing to be bound by the terms of any shareholders' agreement (or similar Document) that may be in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the Incoming Shareholder to have any obligations or liabilities greater than those of the Shareholders existing at the date of the allotment).

36 Transmitttees bound by prior notices

If a notice is given to a Shareholder in respect of Shares and a Transmitttee is entitled to those Shares, the Transmitttee is bound by the notice if it was given to the Shareholder before the Transmitttee's name has been entered in the register of members.

ADMINISTRATIVE ARRANGEMENTS

37 Means of communication to be used

- 37.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act provides for

Documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

37.2 Subject to these Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or Documents for the time being.

37.3 A Director may agree with the Company that notices or Documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty-eight (48) hours.

37.4 Any documents which are internal to the Company may be signed by electronic signature.

38 No right to inspect accounts and other records

38.1 Except as provided by law or authorised by the Directors or an Ordinary Resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or Documents merely by virtue of being a Shareholder.

39 Provision for Employees on cessation of business

39.1 The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its Subsidiaries (other than a Director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

40 Indemnity

40.1 Subject to article 40.2, a relevant Director of the Company or an associated company may be indemnified out of the Company's assets against:

40.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;

40.1.2 any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); or

40.1.3 any other liability incurred by that Director as an officer of the Company or an associated company.

40.2 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.

40.3 In this article and article 41:

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

40.3.2 a "relevant Director" means any Director or former Director of the Company or an associated company.

41 Insurance

The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the Company or any associated company.