

SARAGOSSA LIMITED
Company Number: 09137893

Articles of Association

Articles adopted on 30th Jun 2023



P000N

P12432124/001601/2/11



Company Number: 09137893

Articles of Association

Saragossa Limited

Adopted by special resolution on 30 June 2023

1. DEFINITIONS

(a) In these Articles unless the context otherwise requires:

"A1 Share" means, where in issue, an A1 ordinary share of £0.001 in the capital of the Company in issue from time to time and **"A1 Shares"** shall be construed accordingly.

"A2 Share" means, where in issue, an A2 ordinary share of £0.001 in the capital of the Company in issue from time to time and **"A2 Shares"** shall be construed accordingly.

"Act" means the Companies Act 2006 and every statutory modification or re-enactment of it for the time being in force.

"Bad Leaver" means a Departing Employee Member where such cessation occurs in circumstances where the Employee Member is guilty of any fraud or dishonesty or gross negligence.

"Board" means the board of directors of the Company from time to time.

"Company" means Saragossa Limited (company number: 09137893).

"Compulsory Transfer" has the meaning given to it at Article 9.3(b).

"Connected Persons" is as defined by Section 1122 and 1123 of the CTA and **"Connected Person"** shall be construed accordingly.

"Connected Shareholder" means in relation to the holder of A2 Shares, the holder of A1 Shares and in relation to the holder of A1 Shares, the holder of A2 Shares.

"Connected Shares" means in relation to the A1 Shares, the A2 Shares and, in relation to the A2 Shares, the A1 Shares.

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

"CTA" means Corporation Tax Act 2010.

"Deemed Transfer Notice" has the meaning given to it in the definition of **Transfer Notice**.

"Departing Employee Member" means an Employee Member who ceases to be a director or employee of the Company save where such cessation occurs because of the death or bankruptcy of the Employee Member.

"Disposal" means the disposal by the Company of all, or a substantial part of, its business and assets.

"Employee Member" means:

- (a) a Founder who is or has been an employee or director of the Company and who is no longer an employee or director of any Group; and
- (b) a Member who holds G Shares and who is or has been an employee or director of the Company and who is no longer an employee or director of any Group Company (whether or not such persons is acting in a non-executive capacity).

"Equity Share" means any voting share in the Company and **"Equity Shares"** shall be construed accordingly.

"Existing Shareholders" means the holders of Existing Shares whilst they remain the holder of such Existing Shares.



P000N

"Existing Shares" means those Ordinary Shares in issue as at the date of adoption of these Articles.

"Founder" means either Ruaidhri Gaston or Jimmy Lloyd (as the context required) whilst they continue to hold shares.

"Founder Director" means Ruaidhri Gaston whilst he remains a director of the Company and holds shares which are not Restricted Shares or, where Ruaidhri Gaston does not remain a director and hold shares that are not Restricted Shares, Jimmy Lloyd whilst he remains a director of the Company and holds shares which are not Restricted Shares.

"Founder Shareholders" means, whilst they continue to hold shares, Ruaidhri Gaston and Jimmy Lloyd and where there is only one Founder Shareholder at any time, a reference to Founder Shareholders shall be a reference to that Founder Shareholder and **Founder Shareholder** shall mean either of them (as the case shall be).

"G Share" means a G ordinary share of £0.001 in the capital of the Company in issue from time to time and **"G Shares"** shall be construed accordingly.

"Group Company" means the Company, its subsidiaries or holding companies from time to time and any subsidiary of any holding company from time to time.

"Independent Expert" means an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales.

"Initial Threshold" means £4,460,000 (Four Million Four Hundred and Sixty Thousand pounds).

"IPO" means the becoming effective of a listing of any share capital of the Company on the Official List of London Stock Exchange plc or the granting of permission for any of the share capital of the Company to be dealt in on any recognised investment exchange (as defined by section 285 Financial Services and Markets Act 2000) including NASDAQ and NASDAQ Europe.

"IPO Proceeds" means the market value of the Listing Shares as determined by the reference at which the price per share at which such shares are to be offered for sale, marketed or otherwise offered for sale pursuant to the arrangements relating to the IPO, all as determined by the merchant bank or, if not, the broker appointed by the Board in connection with the IPO.

"Listing Shares" means the issued share capital of the Company (excluding any equity share capital to be subscribed and issued on such IPO other than new shares to be paid up by paid up by way of capitalization of reserves or arising from any sub-division, consolidation or conversion of shares).

"Member" means a holder of Equity Shares in the Company and **"Members"** shall be construed accordingly.

"N Shareholder" means (if any), a holder of N Shares from time to time and **"N Shareholders"** shall be construed accordingly.

"N Share" means (if any), an N ordinary shares of £0.001 in the capital of the Company in issue from time to time and **"N Shares"** shall be construed accordingly.

"Ordinary Sale Shares" means the Ordinary Shares comprised within the Sale Shares.

"Ordinary Shares" means the ordinary shares of £0.001 each in the capital of the Company in issue and **"Ordinary Share"** shall be construed accordingly.

"Ordinary Shareholder" means a holder of Ordinary Shares from time to time and **"Ordinary Shareholders"** shall be construed accordingly.

"Primary Share" means (if any) the A1 Shares in issue from time to time and **"Primary Share"** shall mean any one of them.

"Primary Shareholder" means, if any, a holder of Primary Shares from time to time and **"Primary Shareholders"** shall be construed accordingly.

"Relevant Majority" means the holders of a majority in number of the Ordinary Shares from time to time.

"Relevant Securities" means all shares, rights to subscribe for shares or to receive them for no consideration and all securities convertible into shares, but excluding the grant of options to subscribe for Ordinary Shares under a Share Option Scheme (and the issue of the shares upon exercise of such options).

"Relevant Shares" means in relation to a Departing Employee Member, all Equity Shares in the Company held by the Departing Employee Member in question and, if applicable, their Connected Shareholder.

"Restricted Member" means a Departing Employee Member and, if applicable, their Connected Shareholder (if any).

"Restricted Shares" is as defined in Article 9.4(b).

"Sale" means the sale of more than 50% of the issued Ordinary Shares whether through a single transaction or a series of transactions) to a person and any other person:

- (i) who is a Connected Person of his; or
- (ii) with whom he is acting in concert.

"Sale Price" means the price payable for the Sale Shares, as set out at Article 10.1.

"Sale Shares" means the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice.

"Secondary Shareholder" means, if any, a person who holds Secondary Shares from time to time and **"Secondary Shareholders"** shall be construed accordingly.

"Secondary Shares" means, if any, the A2 Shares in issue from time to time and **"Secondary Share"** shall mean any one of them.

"Seller" means the transferor of shares pursuant to a Transfer Notice or Deemed Transfer Notice.

"Shareholder" means a registered holder of an issued share from time to time, as recorded in the register of members of the Company and **"Shareholders"** shall be construed accordingly.

"Share Option Scheme" means any share option scheme confirmed as such by a Relevant Majority.

"share" means a share in the capital of the Company, of whatever class, in issue from time to time and **"shares"** shall be construed accordingly.

"Share Sale" means the sale of (or the grant of a right to acquire or to dispose of) any shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those shares (or grantee of that right) and persons acting in concert with the buyer of those shares together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held



P000N

by each of them following completion of the sale are the same as the identities of the Members and their respective shareholdings in the Company immediately before the sale.

"Sale Proceeds" means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale).

"Table A" means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A- F) (Amendments) Regulations 1985, the Companies Act 1985 (Electronic Communications) Order 2000, the Companies (Table A to F) Amendment Regulations 2007 and the Companies (Table A to F) Amendment No 2 Regulations 2007.

"Termination Date" means:

- (i) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (ii) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (iii) where the Employee Member concerned is a director or consultant but not an employee, the date on which his contract for services with the Company is terminated; and
- (iv) in any other case, the date on which the contract of employment is terminated.

"Transfer Notice" means a notice given by any Member where such Member desires or is required by these Articles to transfer any shares and where such notice is deemed to have been served it shall be referred to as a **"Deemed Transfer Notice"**.

- (b) Whether or not persons are **'acting in concert'** will be determined by the then most recent edition of the City Code on Takeovers and Mergers.
- (c) A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in Section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in Sections 1159(1)(b) and (c), as a member of another company even if its shares in that other 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) as a nominee.

2. APPLICATION OF TABLE A

- (a) The regulations contained in or incorporated in Table A shall apply to the Company except insofar as they are excluded or varied by these Articles or are inconsistent with these Articles and such regulations (except as so excluded varied or inconsistent) and these Articles shall be the regulations of the Company.
- (b) Regulations 54, 64, 73-80 (inclusive), 85, 86, 89, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

3. SHARE CAPITAL

- (a) Except as otherwise provided in these Articles, the Ordinary Shares, the A1 Shares, the A2 Shares, the N Shares and the G Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- (b) No variation of the rights attaching to any class shall be effective except with the sanction of a special resolution of the holders of the relevant class, provided that if any such class shall be comprised only of holders not entitled to vote under these Articles, such variation relating to that class shall be sanctioned by special resolution of the holders of Ordinary Shares.

- (c) Where a special resolution to vary the rights attaching to a class is proposed at a separate general meeting of that class, all of the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purposes of this Article 3, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- (d) If no shares of any class remain in issue (whether as a result of a redesignation or otherwise), these Articles shall be read as if they do not include a reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, Shareholders of that class or directors appointed by that class.

4. DIVIDENDS

- (a) Subject to the provisions of the Act and to Article 4 below, the Company may by ordinary resolution, upon the recommendation of the directors, declare a dividend.
- (b) Subject to Articles 4(d), 4(f) and 4(g) below, every General Meeting at which a dividend is declared shall, by ordinary resolution, direct that such dividend be paid in respect of one or more classes of shares to the exclusion of the other classes or in respect of all classes of shares.
- (c) Subject to Articles 4(d), 4(f) and 4(g) below, where a dividend is declared in respect of more than one class of shares the Company may, by ordinary resolution, differentiate between such classes as to the amount or percentage of dividend payable, but in default the shares in each such class shall be deemed to rank *pari passu* in all respects as if they constituted one class of shares.
- (d) No dividend shall be declared in respect of any class of shares in circumstances where the directors recommend that no dividend should be declared nor shall any dividend be declared in respect of any class which exceeds the amount recommended by the directors in respect of that class.
- (e) Subject to Articles 4(d), 4(f) and 4(g) when paying interim dividends, the directors may make payments in respect of one or more classes of shares to the exclusion of the other classes or to all classes of shares. When making such payments, the directors may differentiate between the classes in respect of which payments are being made as to the amount or percentage of dividend payable. Regulations 102 to 108 (inclusive) and 110 in Table A shall be read and construed accordingly.
- (f) A holder of G Shares shall not (in that capacity) be entitled to receive any dividend or participate in the profits of the Company.
- (g) The holder of N Shares shall be entitled (in that capacity) to 1% of all dividends paid by the Company.

5. VOTING

- (a) Subject to any other provisions in these Articles concerning voting rights, the A1 Shares the A2 Shares, the N Shares and the Ordinary Shares respectively confer on each holder thereof (in that capacity) the right to receive notice of and to attend, speak and vote at general meetings of the Company and to receive a copy of and vote on any written resolution with the right to exercise the following votes:
 - (i) whilst they continue to hold N Shares, the N Shareholder shall be entitled (in that capacity) to exercise in aggregate 1% of all voting rights exercised by the Members as a whole:
 - (ii) the balance of all such voting rights or all of such voting rights (where there are no N Shares in issue) shall be allocated and exercised as follows:



(A) each holder of Ordinary Shares shall be entitled to exercise such percentage of the remaining voting rights as shall equal that Member's Relevant Proportion (the **Ordinary Share Proportion**) PROVIDED THAT the Ordinary Share Proportion of a holder of Ordinary Shares who is also a holder of either A1 Shares or A2 Shares (as the case may be) shall be reduced by the aggregate amount of the A Share Proportion (as defined below); and

(B) each holder of A1 Shares and A2 Shares shall be entitled (in that capacity) to exercise such percentage of the remaining voting rights as shall equal that A Shareholders' Overall Proportion (in aggregate, the **A Share Proportion**).

Overall Proportion shall mean, in relation to each holder of A1 Shares and A2 Shares (as the case may be), the proportion (expressed as a percentage) in which the number of A1 Shares and A2 Shares held by them (as the case may be) bears to the aggregate total number of A1 Shares, A2 Shares and Ordinary Shares in issue at the relevant time.

Relevant Proportion shall mean, in relation to each Ordinary Shareholder, the proportion (expressed as a percentage) in which the number of Ordinary Shares held by that Ordinary Shareholder bears to the total number of Ordinary Shares in issue at the relevant time.

- (b) The holder of G Shares shall not (in that capacity) be entitled to receive notice of or to attend and vote at a general meeting of the Company and shall not be entitled to receive a copy of or vote on any written resolution of the Company.
- (c) Votes on shares may be exercised:
 - (i) on a show of hands by every Member who (being an individual) is present in person or (being a corporation) is present by a representative (in which case each Member holding shares with votes shall have one vote); and
 - (ii) on a poll by every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each Member holding shares with votes shall have votes as determined in accordance with these Articles).

6. EXIT EVENT

6.1. On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities (**Capital Distribution**) subject to Article 21 (Indemnity), shall be applied in the following ordinary of priority:-

- (a) where the Capital Distribution is equal to or less than the Initial Threshold, in distributing the Capital Distribution as follows:
 - (i) where there are any N Shares in issue, in distributing a sum equal to 1% of the Capital Distribution to the N Shareholder (in that capacity);
 - (ii) where there are any A1 Shares, A2 Shares and G Shares in issue, in distributing to the holder of such shares (in that capacity) a sum equal to the subscription price of such shares; and
 - (iii) in distributing the balance of the Capital Distribution to the holders of the Ordinary Shares (in that capacity) on a pro-rata basis; and
- (b) where the Capital Distribution exceeds the Initial Threshold, in distributing the Capital Distribution as follows:

(i) the balance of the Capital Distribution up to and including the Initial Threshold shall be distributed in accordance with Article 6.1(a); and

(ii) the remaining balance of the Capital Distribution in excess of the Initial Threshold shall be distributed as follows:

(A) where there are any N Shares in issue, in distributing a sum equal to 1% of the balance of the remaining Capital Distribution to the holder of N Shares (in that capacity); and

(B) in distributing the remaining balance of the Capital Distribution to the holders of the Ordinary Shares and the G Shares (in that capacity) on a pro-rata basis as if such shares constituted the same class of shares.

6.2. On:

(a) a Share Sale, the Sale Proceeds; and

(b) an IPO, the IPO Proceeds,

shall be distributed in the order of priority set out in Article 6.1 as if reference to Capital Distribution shall be deemed to be a reference to Sale Proceeds or IPO Proceeds (as the case may be). The directors shall not register any transfer of shares if the Sale Proceeds are not distributed in that manner provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

(a) the directors may register the transfer of the relevant shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in Article 6.1; and

(b) each Member shall take any reasonable action (to the extent lawful and within its control) required by the Board to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in Article 6.1.

6.3. On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 6.1 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Member shall (to the extent lawful and within its control) take any reasonable action required by the Board (including, but without prejudice to the generality of this Article 6.3, such action as may be necessary to put the Company into voluntary liquidation so that Article 6.1 applies).



7. FURTHER ISSUES OF SHARES

(a) Unless a Relevant Majority resolves otherwise, all Relevant Securities to be issued by the Company shall first be offered to the Ordinary Shareholders (but not Restricted Members) in proportion as nearly as possible to the numbers of Ordinary Shares held by them.

(b) Any offer made in accordance with Article 7(a) shall be open for acceptance for not less than 21 days from the date of despatch and any Relevant Securities not accepted in that period shall be at the disposal of the directors who may (within the period of three months from the end of that period) allot, grant options over or otherwise dispose of the same to such persons at a price per share and on terms no less favourable than that at which the same were offered to such Members, and otherwise on such terms as they think proper.

(c) In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

8. TRANSFER OF SHARES

- (a) The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares.
- (b) For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors 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 directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

9. PROHIBITED, PERMITTED AND MANDATORY TRANSFERS

9.1. Transfers prohibited absolutely

- (a) No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a company, partnership or other corporate entity in which one or more of the Members (or persons acting in concert with them) has a Controlling Interest.

9.2. Permitted Transfers

- (a) Save where the relevant Members agree otherwise, the transfer of Secondary Shares may be made without restriction between the holder of those Secondary Shares and its Connected Shareholder or such other person as such Connected Shareholder shall nominate to hold such Secondary Shares PROVIDED THAT the transfer of a Secondary Share to a Connected Shareholder or its nominee pursuant to this Article 9.2(a) is not a permitted transfer if, at the time of such transfer, Connected Shareholder is a Departing Employee Member. Save as set out in this Article 9.2(a), no transfer of the legal or beneficial interest in a Secondary Share may be made or validly registered without the approval of the Founder Shareholders.
- (b) Notwithstanding any other provision of these Articles other than Article 10.1 (**Tag along**), a transfer of any shares approved by the Founder Shareholders may be made without restriction as to price or otherwise and any such transfer shall be registered by the directors.

9.3. Mandatory transfers

- (a) If an Employee Member becomes a Departing Employee Member, save where the other Founder agrees otherwise, Transfer Notice(s) shall be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares.
- (b) If a holder of G Shares ceases to be a director of the Company for any reason, Transfer Notice(s) shall be bound at any time, if and when required in writing by the Board so to do, to give a Transfer Notice in respect of such shares, and if such person fails to give a Transfer Notice, he shall be deemed to have served the Company with a Transfer Notice in respect of such shares. The provisions of Article 10 shall apply to the shares and the Transfer Notice. The Transfer Notice (if not actually given) shall be deemed to have been received by the Company on the date on which the Board require the Transfer Notice to be given.
- (c) Transfers under this Article 9.3 are in these Articles referred to a "**Compulsory Transfers**".

9.4. Restriction of voting rights

- (a) All voting rights attached to Restricted Shares held by a Member shall be suspended forthwith upon the Member becoming a Restricted Member and where such Member is also a director, such Member shall cease to be required in order to form a quorum at a meeting of the directors or to be entitled to exercise any vote at such meeting.
- (b) Such Relevant Shares whose voting rights are suspended pursuant to Article 9.4(a) ("**Restricted Shares**") shall confer on the holders the "right to receive notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy provided always that immediately prior to an IPO all such voting rights shall be automatically restored". If a Restricted Member transfers any Restricted Shares in the Company in accordance with these Articles all voting rights attached to such Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of Members) automatically be restored and such shares shall cease to be Restricted Shares

Deceased and bankrupt shareholder provisions

9.5. Save where the Founder Shareholders agree otherwise:-

- (a) Regulations 29, 30 and 31 of Table A shall be applied subject to the provisions of Articles 8 and 9.
- (b) A person entitled to a share in consequence of the death, bankruptcy or liquidation of an Employee Member shall be bound at any time, if and when required in writing by the Board so to do, to give a Transfer Notice in respect of such share, and if such person fails to give a Transfer Notice, he shall be deemed to have served the Company with a Transfer Notice in respect of such shares. The provisions of Articles 9 10 shall apply to the share and the Transfer Notice. The Transfer Notice (if not actually given) shall be deemed to have been received by the Company on the date on which the Board require the Transfer Notice to be given.
- (c) In the event that a Transfer Notice is served or deemed to be served pursuant to Article 9.5(b) in relation to an Employee Member holding Ordinary Shares and/or Connected Shares, the Connected Shareholder (if any) of that Employee Member shall be bound at any time, if and when required by the Board so to do, to give a Transfer Notice in respect of the Connected Shares held by him and if such person fails to give a Transfer Notice, he shall be deemed to have served the Company with a Transfer Notice in respect of those Connected Shares. The provisions of Articles 8 and 9 shall apply to such shares and the Transfer Notice. The Transfer Notice (if not actually given) shall be deemed to have been received by the Company on the date on which the Board require the Transfer Notice to be given.



10. PRE-EMPTION RIGHTS

10.1. Transfer Notices and Sale Price

- (a) Except where otherwise provided in these Articles, every Member who desires to transfer any interest in shares must serve a Transfer Notice and any Member who is required by these Articles to transfer any interest in shares will be deemed to have served a Deemed Transfer Notice.
- (b) Transfer Notices and Deemed Transfer Notices shall constitute the Company the Seller's agent for the sale of the Sale Shares in one or more lots at the discretion of the directors at the Sale Price.
- (c) Subject to Article 10.2, the Sale Price in relation to the Sale Shares shall be as follows:
 - (i) where the Sale Shares are Primary Shares, Secondary Shares and/or G Shares, the price equal to the original subscription price for those shares; and

- (ii) in relation to Sale Shares which are Ordinary Shares, the sale price for those Ordinary Shares (the "**Ordinary Shares Sale Price**") shall, subject to Article 10.2, be the price as agreed by the Seller and the directors or as otherwise determined in accordance with Article 10.1(d)
- (d) If the Seller and the directors are unable to agree the Ordinary Shares Sale Price in relation to the Sale Shares in accordance with Article 10.1(c)(ii) within 21 days of the Transfer Notice being given or being deemed to have been given, the Ordinary Shares Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value of the Ordinary Sale Shares. In arriving at his opinion the Independent Expert will value the whole of the issued share capital of the Company as follows:-
 - (i) at the date the Transfer Notice is given, or is deemed to have been given;
 - (ii) on a going concern basis as between a willing seller and a willing buyer;
 - (iii) ignoring any reduction in value which may be ascribed to any of the Sale Shares by virtue of the fact that they represent a minority interest;
 - (iv) on the assumption that the Sale Shares are capable of transfer without restriction; and
 - (v) on the basis that the event giving rise to the Transfer Notice being given or being deemed to have been given has taken place (the "**Company Value**"); and
 - (vi) then allocating to the Ordinary Sale Shares such part of the Company Value as would be allocated to them in accordance with Article 6.1 as if the Company Value was the Capital Distribution.
- (e) Save in the case of manifest error, the decision of the Independent Expert as to the Ordinary Shares Sale Price shall be final and binding.

10.2. **Restriction of Sale Price for certain transfers by Members**

Notwithstanding any other provisions of these Articles, in the case of Compulsory Transfers where the Seller is a Departing Employee Member and is a Bad Leaver, the Ordinary Shares Sale Price shall not exceed the original subscription price of the Ordinary Sale Shares.

10.3. **Right of Seller to reject partial sales**

A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition (a "**Total Transfer Condition**") that unless all the Sale Shares are sold by the Company pursuant to this Article 10 none shall be sold. Any such provision shall be binding on the Company.

10.4. **Certification of the Sale Price and right of Seller to cancel**

If the Independent Expert is asked to certify the Sale Price his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. The Seller shall be entitled by notice in writing given to the Company within 7 days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company unless the Seller cancels it in which case the Seller shall bear the cost.

10.5. **Pre-emptive offers-general**

Once the Sale Price has been determined then, unless the Seller has given a valid notice of cancellation, the Sale Shares shall be offered for sale in accordance with the following provisions of this Article 10.

10.6. Offers to the Company

Subject to Article 10.7(a) and, provided the Founder Shareholders have given their prior written consent, any Sale Shares being sold shall first be offered to the Company. Consent shall be deemed to have been refused if it has not been given within 28 days of consent being requested. If consent is refused under this Article 10.6 the Sale Shares in question may instead, in relation to a Compulsory Transfer only, be offered for sale to any other person jointly nominated by the Company and a Relevant Majority. Any offer under this Article to the Company or other such persons must be made within 90 days of the consent being refused. Any Sale Shares not sold under this Article within 90 days of being offered to the Company or other person (as the case may be) will be available for sale to the Members as set out below.

10.7. Offer to Members

- (a) Notwithstanding Article 10.6, any Connected Shares comprised with the Sale Shares shall firstly be offered to the Connected Shareholder unless that Connected Shareholder has served a Transfer Notice or Deemed Transfer Notice in accordance with these Articles. Any such Connected Shares not sold under this Article within 28 days of being offered will be available for sale to the Company pursuant to Article 10.6.
- (b) As soon as the Sale Shares become available, they shall forthwith be offered for sale by the Company giving notice in writing to that effect to all holders of Ordinary Shares (other than the Seller and Restricted Members) (the "**Offered Members**"). The notice shall specify:
 - (i) the number of Sale Shares on offer and the Sale Price;
 - (ii) whether the Sale Shares are subject to a Total Transfer Condition;
 - (iii) the date by which the application to purchase the Sale Shares has to be received by the Company (being a date no less than 14 days and no more than 21 days after the date of the notice).

The notice shall set out the method of allocation of the Sale Shares and shall invite each Offered Member to apply in writing to the Company for as many of the Sale Shares (if any) as that Member would like to purchase.

10.8. Basis of allocation to Members

- (a) The Sale Shares shall be allocated by the directors in satisfaction of the applications received in accordance with the procedure set out in this Article.
- (b) If the total number of Sale Shares applied for by the Offered Members is equal to or less than the number of Sale Shares available, the Sale Shares shall be allocated in satisfaction of the applications received.
- (c) If the total number of Sale Shares applied for is more than the number of Sale Shares available, the directors shall allocate Sale Shares in satisfaction of each Offered Member's application for Sale Shares in accordance with the formula set out below. This formula shall be applied repeatedly until such time as there are no Sale Shares remaining to be allocated. Each application of the formula is herein referred to as an "**iteration**".

B

$$A = \frac{\quad}{C} \times D$$

C

A is the number of Sale Shares to be allocated to the relevant Offered Member in the iteration.

B is the number of Ordinary Shares held by the Offered Member.

C is the number of Ordinary Shares held by all Offered Members to whom the iteration is being applied.

D is the number of Sale Shares or, after the first iteration, the number of Sale Shares remaining unallocated by previous iterations.

If, in any iteration, an Offered Member would be allocated all or more than all of the Sale Shares for which he applied (including allocations from previous iterations) then any excess will not be allocated to that Member. That Offered Member will cease to take part in any further iterations and the excess Sale Shares will be available for allocation in the next iteration.

- (d) The Company shall notify the Seller and each Offered Member who applied for Sale Shares of the number of Sale Shares that have been allocated and the persons to whom they have been allocated. The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Sale Shares shall be completed.

10.9. Transfer procedure for pre-emptive offers

If the Company finds a purchaser or purchasers for all or any of the Sale Shares under the terms of this Article 10 the Seller shall be bound, upon receipt of the Sale Price, to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Seller defaults in transferring Sale Shares the Company shall, if so required by the person or persons willing to purchase such Sale Shares, receive and give a good discharge for the purchase money on behalf of the Seller and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as have been transferred to them.

10.10. Transfers free of pre-emption

If the Company does not find purchasers for all of the Sale Shares under the terms of this Article 10 the Seller shall at any time within six months after the date of the offer by the Company to its Members be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which, in relation to the Sale Shares is no less than the Sale Price. If the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the Sale Shares and not part only.

10.11. Effect of non-compliance

Any purported transfer of shares otherwise than in accordance with the provisions of these Articles shall be void and have no effect.

11. TAG ALONG AND DRAG ALONG RIGHTS

11.1. Tag along

No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the Relevant Majority (excluding any Restricted Members) if, as a result of such sale or transfer and registration thereof, a Controlling Interest would be obtained in the Company by any person or group of persons acting in concert unless the proposed transferee or transferees or his or their nominees:

- (a) are independent third parties acting in good faith; and
- (b) has or have offered to purchase all the Equity Shares; and
- (c) has or have allocated the consideration payable for all the shares it is purchasing and offering to purchase in the same manner as if the consideration was to be distributed to the selling shareholders in accordance with the provisions of Article 6.1.

11.2. Drag along

- (a) If the holders of 50% of the Ordinary Shares (excluding any Restricted Shares) in issue for the time being (the "**Selling Shareholders**") wish to transfer all their interest in Equity Shares (the "**Sellers' Shares**") to a bona fide arm's length purchaser (the "**Third Party Purchaser**") the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all:

- (i) the other holders of Equity Shares; and
- (ii) persons to whom the Company might issue any Equity Shares (whether pursuant to a share option, warrant or otherwise),

(together, the "**Called Shareholders**") to sell and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this Article.

- (b) The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Third-Party Purchaser. A Drag Along Notice shall specify:

- (i) that the Called Shareholders are required to transfer all those Equity Shares which they own at the date of the Drag Along Notice and (if applicable) any Equity Shares that may be issued to them after the date of the Drag Along Notice (together, the "**Called Shares**") pursuant to this Article;
- (ii) the person to whom they are to be transferred;
- (iii) the consideration for which the Called Shares are to be transferred and which shall be calculated in accordance with Article 6.1;

(iv) and the proposed date of transfer;

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

- (d) No Drag Along Notice may require a Called Shareholder to agree to any terms save those specifically provided for in this Article 11.2.

- (e) Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:

- (i) all of the Called Shareholders and the Selling Shareholders agree otherwise; or
- (ii) that date is less than 3 days after the Drag Along Notice in which case it shall be deferred until the third day after the Drag Along Notice.

If any of the Called Shares are allotted after the date determined for Completion under this sub-article (f) (each a "**Late Issued Share**") then the sale of each Late Issued Share shall complete on the date specified by the Third Party Purchaser provided that such date is within 14 days of the date on which the Late Issued Share the subject of the sale is allotted.

- (f) The rights of pre-emption set out in these Articles shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.

- (g) If any holder of Equity Shares does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by them the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the



P000N

P12432124/001601/9/11

Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as they may direct) and the directors shall forthwith register the Third Party Purchaser (or as they may direct) as the holder thereof. After the Third Party Purchaser (or their nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this Article 11.2 that no share certificate has been produced.

- (h) Upon any person, following the issue of a Drag Along Notice, becoming a Member pursuant to the exercise of a pre-existing option to acquire shares in the Company (a **"New Member"**), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article 11.2 shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member.

12. APPOINTMENT AND REMOVAL OF DIRECTORS

- (a) Each Founder Shareholder shall have the right at any time and from time to time to appoint himself as a director of the Company and shall have such number of votes as exceeds by one vote the number of votes required to be cast, whether on a show of hands or on a poll or a resolution in writing, to defeat a proposal for a resolution for his removal from office as a director.
- (b) The directors may, by unanimous agreement only, appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- (c) No director shall be appointed otherwise than pursuant to these Articles.
- (d) The number of directors shall not be subject to any maximum or minimum.

13. MEETINGS OF DIRECTORS AND QUORUM

- (a) Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Meetings of the directors may be held by conference telephone or similar equipment so long as all the participants can hear each other. Such meetings shall be as effective as if the directors had met in person.
- (b) Save where the Company has only one director, a quorum throughout any meeting of the Board shall consist of two directors, being the Founder Shareholders whilst they remain directors and continue to hold shares, whether present in person or participating by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other. Where the Company has only one director, that director may take decisions without regard to any of the provision of these Articles relating to directors' decision making and the quorum for any meeting of the directors shall be one director.
- (c) In the event of a quorum not being present or ceasing to be present, the meeting shall be adjourned to the same day in the next week at the same time and place and those directors as may be present at the adjourned meeting shall constitute a quorum.
- (d) The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that all meetings of the directors shall be held within the United Kingdom. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. Unless a majority of the directors or their duly appointed alternates present in the United Kingdom shall agree to

the holding of a meeting by shorter notice, at least 14 days' notice of every meeting of directors shall be given either in writing or by cable or telex or other means of visible communication to each director, unless absent from the United Kingdom. Regulation 98 of Table A shall be amended accordingly.

- (e) Subject to Article 9.4, questions arising at any meeting of the directors (or of any committee of the directors) shall be made by resolution and any such resolution shall be decided by a majority of votes PROVIDED THAT, save where there is no Founder Director who is an Eligible Director at such meeting:
 - (i) for a resolution to be passed, the Founder Director must have voted in favour of such resolution; and
 - (ii) if the Founder Director so elects, the Founder Director shall have the number of votes in relation to resolutions of the Board which exceed by one the number of votes in aggregate of the other directors.
- (b) The chairman shall not have a casting vote and Regulation 88 shall be varied accordingly.

14. DIRECTORS' INTERESTS

- (a) Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
 - (i) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - (ii) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
 - (iii) may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
 - (iv) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
 - (v) shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this Article.
- (b) For the purposes of this Article 14:
 - (i) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
 - (ii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
 - (iii) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.



P000N

15. DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST

- (a) The directors may, with the consent of a Relevant Majority, in accordance with the requirements set out in this Article 15, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest ('Conflict').
- (b) Any authorisation under this Article will be effective only if:
 - (i) the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - (ii) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and
 - (iii) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- (c) Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):
 - (i) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised;
 - (ii) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine;
 - (iii) be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.
- (d) In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to:
 - (i) disclose such information to the directors or to any director or other officer or employee of the company;
 - (ii) use or apply any such information in performing his duties as a director;

where to do so would amount to a breach of that confidence.
- (e) Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director:
 - (i) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
 - (ii) is not given any documents or other information relating to the Conflict;
 - (iii) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- (f) Where the directors authorise a Conflict:
 - (i) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict;

- (ii) the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.
- (g) A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

16. PROCEEDINGS AT GENERAL MEETINGS

A poll may be demanded at any general meeting by the chairman or by any Member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.

17. LIEN

The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder of the shares or one of several joint holders.

18. PARTLY PAID SHARES

- (a) The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non- payment".
- (b) If the subscription price of any share (including any premium) is partly paid, the rights to dividend and on a return of capital of any such share shall be abated in the same proportion as the unpaid amount bears to the total subscription price.

19. SEAL



Regulation 6 of Table A shall be modified so as to remove the reference to the company seal and regulation 101 of Table A shall be modified by the insertion of the words", if the Company has one," after the words "The seal" at the beginning of that regulation.

20. NOTICES

Notices shall be given to a Member whose registered address is outside the United Kingdom. Regulation 112 shall be modified accordingly.

21. INDEMNITY

- (a) Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, 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 relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- (b) The Company may purchase and maintain insurance against any liability falling upon its directors or other officers or auditors which arises out of their respective duties to the Company or in relation to its affairs.

22. DATA PROTECTION

Each of the shareholders and directors of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a "Recipient") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually. The personal data which may be processed for such purposes under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Subject to any confidentiality undertakings given to them by a Recipient, each of the Company's shareholders and directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.