

**Company Number: NI623693**

**Chapter 2 of Part 13 of the Companies Act 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**of**

**AUDITCOMPLY LTD (the Company)**

**Date of circulation:** 27 June 2014

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company proposed the following resolutions and they were passed on 2014 as a special resolution:

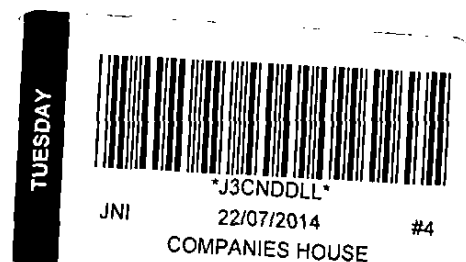
**SPECIAL RESOLUTION**

1. **THAT** the articles of association of the Company be replaced in their entirety with the articles of association attached to this Written Resolution.

**DATED** 27 June 2014



**DIRECTOR**



**Company Number NI623693**

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**AUDITCOMPLY LTD**

**Adopted by special resolution passed on 27 June 2014 ("Adoption Date")**

## **INTRODUCTION**

### **1. INTERPRETATION**

**1.1** In these Articles, unless the context otherwise requires:

**Act:** means the Companies Act 2006.

**Articles:** means the company's articles of association for the time being in force.

**Associate:** means in relation to any person:

- (a) any person who is an associate of that person. The question of whether (or not) a person is an associate of another is to be determined in accordance with Article 4 of the Insolvency (Northern Ireland) Order 1989; or
- (b) any member of the same Group.

**Bad Leaver:** means a Departing Employee Shareholder upon becoming a Departing Employee Shareholder before the third anniversary of the Adoption Date for any of the following reasons:

- (a) gross negligence;
- (b) gross misconduct;
- (c) material breach of service contract or contract of employment or any other contract with the Company (including material breach of obligations to the Company concerning confidentiality or intellectual property or non-compliance with non-compete obligations applicable during the term of any service contract);
- (d) repudiatory breach of service contract or contract of employment or any other contract with the Company;
- (e) fraud or acts of dishonesty;
- (f) being convicted of a criminal offence (other than a road traffic offence which is not punishable by a custodial sentence); or
- (g) refusal or failure to substantially perform his duties and responsibilities to the

Company lawfully prescribed to him by the Board after reasonable notice of such failure and a reasonable opportunity to cure such failure.

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

**Business Day:** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of Belfast are generally open for business.

**Company:** means Auditcomply Ltd.

**Controlling Interest:** means an interest in shares giving the holder control of the Company within the meaning of section 1124 of the Corporation Taxes Act 2010.

**Convertible Loan Notes:** means convertible loan notes created by virtue of any Instrument.

**Convertible Loan Note Holder:** means a holder of Convertible Loan Notes.

**Director:** means a director of the Company from time to time.

**Departing Employee Shareholder:** means an Employee Shareholder who ceases to be a consultant to, or director or non-executive director or employee of, the Company (or any other Group Company) and does not continue as, or become, a consultant to, or director or non-executive director or employee of, any other Group Company.

**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 Shareholder:** means a Shareholder who is, or has been, a consultant, a director, a non-executive director or an employee of any Group Company.

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

**Family Trust:** means in relation to an individual Shareholder, a trust or entitlement set up wholly for the benefit of that individual Shareholder ("**Settlor**") and/or the Settlor's Privileged Relations;

**Founder:** means each of Kevin Donaghy, Joseph Boyle, Jonathan Blair, Colm Dougan, Philip McMahon and Patrick Keehan.

**Fund:** means Invest Growth Fund LP a limited partnership incorporated and registered in Northern Ireland under number NI LP 60 and whose registered office is at Marlborough House, 30 Victoria Street, Belfast, BT1 3GG acting by its general partner E-Synergy NI General Partner Limited, a company incorporated and registered in Northern Ireland under number NI 070198 and whose registered office is at Marlborough House, 30 Victoria Street, Belfast, BT1 3GG.

**Fund Director:** means the non-executive director nominated by the Fund under Article 18.2.

**Fund Raising:** has the meaning set out in the Relevant Agreement.

**Good Leaver:** means a Departing Employee Shareholder upon becoming a Departing Employee Shareholder before the second anniversary of the Adoption Date who is not a Bad Leaver.

**Group:** means the Company and each and any of its Subsidiaries from time to time, and **Group Company** shall be construed accordingly.

**Independent Expert:** means an independent firm of accountants (acting as an expert and not as an arbitrator).

**Instrument:** means any loan note instrument executed by the Company, including any existing loan note instrument and the loan note instrument executed by the Company on or about the Adoption Date.

**Institutional Investor:** means SHC and the Fund.

**Investor Consent:** means the consent of the holders of a majority of the nominal amount of the Convertible Loan Notes outstanding, expressed either in writing or by the Investor Directors at a duly convened and quorate meeting of the Board as recorded in the minutes of the relevant meeting.

**Investor Director:** has the meaning set out in the Relevant Agreement.

**Investors:** has the meaning set out in the Relevant Agreement.

**Model Articles:** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles.

**Member of the Same Fund Group:** means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a fund manager (an "**Investment Fund**") or a nominee of that person:

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any Investment Fund managed by that fund manager or a fund manager which is a Member of the Same Group as that fund manager;
- (c) any trustee, nominee or custodian of such Investment Fund and vice versa;
- (d) the fund manager of that Investment Fund and vice versa; or
- (e) any member of the same Group as that fund manager;

**Ordinary Shares:** means the ordinary shares of £0.001 each in the capital of the Company.

**Permitted Transfer:** means a transfer of Shares made in accordance with Article 6.

**Permitted Transferee:** means, in relation to:

- (a) An Institutional Investor, to (i) a Member of the Same Fund Group, or (ii) an Associated Company of that Institutional Investor, or (iii) any nominee of the Institutional Investor (or of a Member of the Same Fund Group as the Institutional Investor);
- (b) a Shareholder which is a Company, a Member of the Same Group as that company; and
- (c) a Shareholder who is an individual, to a Privileged Relation or to a Family Trust of which the Shareholder is a Settlor or to the new (or remaining) trustees upon a change of trustees of a Family Trust.

**Parent Undertaking:** shall have the meaning given to it in the Act.

**Privileged Relation:** means, in relation to an individual Shareholder, the Investor's spouse, civil partner, (or widow or widower) and/or children, grandchildren (including step or adopted children of the Shareholder and the Shareholder's children);

**Relevant Agreement:** means any agreement entered into by all of the Shareholders (which for the purposes of this definition shall include a person whose Shares are held by a bare nominee or custodian) and the Company from time to time in respect of the Company and their dealings with each other in their role as Shareholders.

**Relevant Securities:** means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the date on which these Articles are adopted but excluding the Shares proposed to be issued under the Instrument or pursuant to any Relevant Agreement.

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

**Seller:** means the transferor of Shares pursuant to a Transfer Notice.

**Shares:** means shares of whatever class in the capital of the Company from time to time.

**Shareholder:** means a holder of Shares in the Company.

**SHC:** means Stonehammer Capital LLC a Delaware limited liability company whose registered is at 601 Carlson Parkway, Suite 1160, Minnetonka, MN 55305, USA.

**Subscription Price:** means the price paid for each Share including the par value and any premium thereon.

**Subsidiary Undertaking:** has the meaning given to it in the Act.

**Transfer Notice:** means a notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any Shares. Where such notice is deemed to have been served, it shall be referred to as a "**Deemed Transfer Notice**".

- 1.2** Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3** Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4** A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5** Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- (a) any subordinate legislation from time to time made under it; and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6** Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7** The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8** Articles 5, 6, 11(2), 13, 19, 22, 26, 34, 38, 39, 41(1), 44(2), 48 and 52 of the Model Articles shall not apply to the company.
- 1.9** Article 7 of the Model Articles shall be amended by:
- (a) the insertion of the words "for the time being" at the end of Article 7(2)(a); and
  - (b) the insertion in Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.10** Article 18 of the Model Articles shall be amended by the insertion of "(g) that person is convicted of a criminal offence (other than a minor motoring offence) and the directors resolve that his office should be vacated".
- 1.11** Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.12** In Article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.13** Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 10," after the word "But".
- 1.14** Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 28(2)," after the words "the transmittee's name".

- 1.15** Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

## **SHARES AND DISTRIBUTIONS**

### **2. SHARE CAPITAL**

Unless the context requires otherwise, references in these Articles to shares of a particular class shall include Shares created and/or issued after the date of adoption of these Articles and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares of the relevant class then in issue.

### **3. ISSUE OF SHARES: PRE-EMPTION**

- 3.1** Subject to the remaining provisions of this Article 3 and to the general exclusion of any application of section 550 of the Act, the Directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to:

3.1.1 offer, allot or grant rights to subscribe for; or

3.1.2 convert securities into; or

3.1.3 otherwise deal in, or dispose of,

any Shares (or any other Relevant Securities in the Company) to any person, at any time and subject to any terms and conditions as the Directors think proper.

- 3.2** The authority referred to in Article 3.1:

3.2.1 shall only apply insofar as the Company in a general meeting has not waived or revoked it; and

3.2.2 may only be exercised for a period of five years commencing on the Adoption Date, save that the Directors may make an offer or agreement which would, or might, require Relevant Securities to be allotted after the expiry of such authority (and the Directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired).

- 3.3** In accordance with section 568 of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Relevant Securities made by the Company.

- 3.4** Unless otherwise agreed by special resolution passed in accordance with section 283 of the Act, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all Shareholders and Convertible Loan Note Holders on the same terms, and at the same price, as those Relevant Securities are being offered to other persons on a *pari passu* and pro rata basis to the aggregate of (i) the number of Shares held by the Shareholders and (ii) in the case of Convertible Loan Note Holders, to the number of Shares such Convertible Loan Note Holder would hold if his Convertible Loan Notes were converted in accordance with the relevant Instrument (as nearly as possible without involving fractions). The offer:

- 3.4.1 shall be in writing and give details of the number and subscription price of the Relevant Securities; and
- 3.4.2 may stipulate that any Shareholder or Convertible Loan Note Holder who wishes to subscribe for a number of Relevant Securities in excess of the proportion to which each is entitled shall, in its acceptance, state the number of excess Relevant Securities (the "**Excess Securities**") for which they wish to subscribe.
- 3.5** Any Relevant Securities not accepted by Shareholders or Convertible Loan Note Holders pursuant to the offer made to them in accordance with Article 3.4 shall be used for satisfying any requests for Excess Securities made pursuant to Article 3.4. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Shares held by the applicants or, in the case of Convertible Loan Note Holders, to the number of Shares such Convertible Loan Note Holder would hold if his Convertible Loan Notes were converted in accordance with the relevant Instrument, immediately before the offer was made to Shareholders or Convertible Loan Note Holders in accordance with Article 3.4 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder or Convertible Loan Note Holders beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered, subject to Article 3.6, to any other person as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders and Convertible Loan Note Holders.
- 3.6** Subject to Article 3.4 and Article 3.5 and to sections 549 to 551 (inclusive) of the Act, any Relevant Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper acting by majority consent.

#### **4. TRANSFER OF SHARES: GENERAL**

- 4.1** In Article 4, Article 5, Article 6 and Article 7.1 references to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 4.2** No Share may be transferred unless the transfer is made in accordance with these Articles.
- 4.3** If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have served a Transfer Notice immediately in respect of all Shares held by him.
- 4.4** Any transfer of a Share by way of sale that is required to be made under Article 4, Article 5 and Article 7.1 shall be deemed to include a warranty that the transferor sells the Share with legal and beneficial title.
- 4.5** In addition to the provisions of Article 26(5) of the Model Articles, the Directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien and they may refuse to register a transfer to a bankrupt, a minor or a person of unsound mind. They may also refuse to register a transfer unless:
- 4.5.1 it is lodged at the office or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other

evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

4.5.2 it is in respect of only one class of shares; and

4.5.3 it is in favour of not more than four transferees.

**4.6** The Directors may, as a condition to the registration of any transfer of Shares in the Company, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of the Relevant Agreement (or similar document) in force between any of the Shareholders, Convertible Loan Note Holders and the Company 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 condition is imposed in accordance with this Article 4.6, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

**4.7** To enable the Directors to determine whether or not there has been any disposal of Shares in the capital of the Company (or any interest in Shares in the capital of the Company) in breach of these Articles, the Directors may, and shall if so requested in writing by any Director, require any holder, or the legal personal representatives of any deceased holder, or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to provide to the Company with any information and evidence that the Directors request regarding any matter which they deem relevant to that purpose. If the information or evidence 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 the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares in the capital of the Company in writing of that fact and the following shall occur:

4.7.1 the relevant Shares shall cease to confer on the holder of them (or any proxy) any rights:

4.7.1.1 to vote, whether on a show of hands or on a poll, and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question; or

4.7.1.2 to receive dividends or other distributions otherwise attaching to those Shares or to any further shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant holder; and

4.7.2 the holder may be required, at any time following receipt of the notice, to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in Article 4.7.1 may be reinstated by the Board subject to the unanimous consent of the Shareholders or, if earlier, shall be reinstated on the completion of any transfer referred to in Article 4.7.2.

**4.8** Where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within 5 Business Days of a written demand being made, a Deemed Transfer Notice shall be given at the end of that period. If a Transfer Notice is required to be given, or is deemed to have been given, under these Articles, the Transfer Notice shall be treated as having specified that:

- 4.8.1 the Transfer of the Sale Shares shall be as agreed between the Board (any Director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within 10 Business Days after the date on which the Board becomes aware that a Deemed Transfer Notice has been given, the Transfer Price shall be the fair value (as determined in accordance with Article 7) of the Sale Shares;
- 4.8.2 whether there is a Minimum Transfer Condition (as defined in Article 5.3.4); and
- 4.8.3 the Seller wishes to transfer all of the Shares held by it.

## **5. TRANSFER OF SHARES SUBJECT TO PRE-EMPTION**

- 5.1** Except where the provisions of Article 6, Article 7.1, Article 8.1 and Article 10 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 5.
- 5.2** For the purposes of this Article 5, any reference to Shareholder shall include Convertible Loan Note Holders who shall be considered to hold such number of Shares as they would hold if their Convertible Loan Notes had been converted in accordance with the relevant Instrument.
- 5.3** A Seller shall, before transferring or agreeing to transfer any Shares, deliver a Transfer Notice to the Company specifying:
  - 5.3.1 the number of Sale Shares he wishes to sell;
  - 5.3.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
  - 5.3.3 the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board) (the "**Transfer Price**"); and
  - 5.3.4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (the "**Minimum Transfer Condition**").
- 5.4** Once given (or deemed to have been given under) these Articles, a Transfer Notice may not be withdrawn except with the consent of the majority of the Board.
- 5.5** A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 5.6** As soon as practicable following the later of:
  - 5.6.1 receipt of a Transfer Notice; or
  - 5.6.2 where the Transfer Price has not been specified, or a Deemed Transfer Notice has been served, the determination of the Transfer Price under Article 6,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Article 5.8. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 5.7** If the Sale Shares are Ordinary Shares, they shall be offered to the holders of Ordinary Shares on the basis as set out in Article 5.8.

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

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under Article 5.8 and Article 5.9 shall be conditional on the fulfilment of the Minimum Transfer Condition.

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. 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.

If only some of the Sale Shares are allocated in accordance with Article 5.8, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this Article 5.8.

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with Article 5.9.

- 5.9** At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion that his existing holding of Shares bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the "**Second Surplus Shares**") shall be offered to any other person in accordance with Article 5.12.

- 5.10** If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 5.8 and Article 5.9 stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If:

5.10.1 the Transfer Notice does not include a Minimum Transfer Condition; and

5.10.2 allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under Article 5.8 and Article 5.9, give written notice of allocation (the "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (the "**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 5 Business Days not more than 10 Business Days after the date of the Allocation Notice).

**5.11** On the service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

If the Seller fails to comply with this Article 5.11:

5.11.1 the Chairman of the Company (or, failing him, one of the Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller:

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

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

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

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

**5.12** If an Allocation Notice does not relate to all of the Sale Shares then, subject to Article 5.13 and within 6 weeks following service of the Allocation Notice, the Seller may transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price. The sale of the Second Surplus Shares in accordance with this Article 5.12 shall continue to be subject to any Minimum Transfer Condition.

**5.13** The Seller's right to transfer Shares under Article 5.12 does not apply if the Board reasonably considers that:

5.13.1 the transferee is a person (or a nominee for a person) who the Shareholders determine, acting by majority consent, in their absolute discretion, is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company; or

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

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

- 5.14** The restrictions imposed by this Article 5 may be waived in relation to any proposed transfer of Shares with the consent of both the Directors and the Shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this Article.

## **6. PERMITTED TRANSFERS OF SHARES**

- 6.1** Notwithstanding any other provision of these Articles (other than Article 8):

- 6.1.1** The Shareholders (each the “**Original Shareholder**”), may transfer all or any of his or its Shares (subject, where applicable to the compulsory transfer provisions of Article 8) to a Permitted Transferee, provided that, in the case of an individual Shareholder transferring to a Privileged Relation, the Board has provided its consent to the transfer, such consent not to be unreasonably withheld.

- 6.1.2** Where the Original Shareholder is an Institutional Investor, if a Permitted Transfer has been made in accordance with Article 6.1.1, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Member of the Same Fund Group as the Original Shareholder, transfer the Shares held by it to:

- (a) the Original Shareholder; or
- (b) a Member of the Same Fund Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction and notify the Board that this has taken place. If the Permitted Transferee fails to make a transfer in accordance with this Article 6.1.2, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 6.1.2.

- 6.1.3** Where the Original Shareholder is a company, if a Permitted Transfer has been made in accordance with Article 6.1.1, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

- (a) the Original Shareholder; or
- (b) a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction and notify the Board that this has taken place. If the Permitted Transferee fails to make a transfer in accordance with this Article 6.1.3, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 6.1.3;

- 6.1.4** Where the Original Shareholder is an individual, if a Permitted Transfer has been made in accordance with Article 6.1.1, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Privileged Relation, transfer the Shares held by him/her to the Original Shareholder for such consideration as may be agreed between them and notify the Board that this has taken place. If the Permitted Transferee fails to make a transfer in accordance with this Article 6.1.4, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 6.1.4.

- 6.1.5** In the event of death of any individual Shareholder, the shares held by that Shareholder (subject, where applicable to the compulsory transfer provisions of

Article 8) may be transferred to his or her Privileged Relations by virtue of provision in his or her will, provided that the Board has provided its consent to the transfer, such consent not to be unreasonably withheld. If any individual Shareholder dies intestate the shares held by that Shareholder (subject, where applicable to the compulsory transfer provisions of Article 8) may only be transferred to his or her Privileged Relations. If any individual Shareholder purports to leave his or her shares to someone other than a Privileged Relation, he or she (or their personal representatives) shall be deemed to have given a Transfer Notice in respect of his or her shares, in which event the provisions of Article 7 shall apply.

- 6.1.6 In respect of a Privileged Relation who has obtained shares by virtue of Articles 6.1.1 or 6.1.4, the provisions of those Articles shall not permit that Privileged Relation to transfer such shares to any person other than (a) the Original Shareholder from whom such shares were acquired or (b) any person to whom such shares could have been transferred by the Original Shareholder had he or she remained the holder thereof.

## **7. VALUATION**

- 7.1 The price at which the Sale Shares are sold (the "**Sale Price**") shall be the price agreed by the Seller and the Directors and with Investor Consent or if the Seller and the Directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to be given if the Transfer Notice is a deemed Transfer Notice an Expert shall be appointed to determine (and to notify the Company in writing of) in his opinion the fair value thereof on a going concern basis (if appropriate) as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest or any uplift in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a majority interest and on the assumption that the Sale Shares are capable of transfer without restriction ("**the Fair Market Value**"). Save for Shares sold pursuant to a deemed Transfer Notice the Transfer Notice may contain a provision that unless all the Shares comprised therein are sold by the Company pursuant to this Article none shall be sold (a "**100 per cent Provision**") and any such provision shall be binding on the Company.
- 7.2 If an Expert is asked to determine the Fair Market Value, as soon as the Company receives his determination it shall furnish a certified copy thereof to the Seller and save for Shares to be sold pursuant to a deemed Transfer Notice the Seller shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the Expert's determination shall be borne by the Company unless the Seller shall have given notice of cancellation as aforesaid in which case the Seller shall bear the cost.
- 7.3 Upon the Sale Price being agreed or determined and provided the Seller shall not give a valid notice of cancellation pursuant to Article 7.1 the Company shall forthwith offer the Sale Shares to all holders of Shares (other than the Seller) pro rata as nearly as may be in proportion to the existing numbers of Shares held by such members giving details of the number and the Sale Price of such Sale Shares. The Company shall invite each such member as aforesaid to state in writing within twenty-one days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum thereof which he is willing to purchase. If at the expiration of the said period of twenty-one days there are any Sale Shares offered which any of the members hereinbefore mentioned have not so stated their willingness to purchase the Company shall offer such Shares to such members as have stated in writing their willingness to purchase all the Shares

previously offered to them. Such remaining Shares shall be offered pro rata as nearly as may be in proportion to the existing numbers of Shares then held by such members which offer shall remain open for a further period of twenty-one days and if any Shares remain to be purchased the Company may (if it is legally able to do so) inform the Seller that it is willing to buy back such Shares.

- 7.4** If the Company shall legally be able to purchase such Sale Shares or shall find a member or members of the Company willing to purchase any or (if the Transfer Notice contained a 100 per cent Provision) all of the Sale Shares, 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 in the absence of a 100 per cent Provision) to such persons. If the Seller shall make default in so doing 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 any director and shall be authorised to execute transfers of the Sale Shares in favour of the purchasers and the Company shall enter the names of the purchasers in the register of members of the Company as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.
- 7.5** If the Directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this Article the Seller (except where the Shares are offered for sale pursuant to a deemed Transfer Notice) shall at any time within six months after the final offer by the Company to its members be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person at a price (taking into account all terms of the sale) being no less than the Sale Price.
- 7.6** The foregoing provisions of this Article and Article 8 below shall not apply to a transfer if the holders of 75% of the Shares so direct in writing, and the Directors shall be obliged to register any such transfer.

## **8. COMPULSORY TRANSFERS**

- 8.1** If an Employee Shareholder becomes a Bad Leaver a Transfer Notice in respect of all Shares held by that Employee Shareholder or by a Permitted Transferee of that Employee Shareholder ("**Bad Leaver Shares**") shall be deemed to have been served on the date on which such Employee Shareholder became a Bad Leaver (a "**Compulsory Transfer**") (and any Transfer Notice served in respect of any of such Bad Leaver Shares before the date such Employee Shareholder becomes a Bad Leaver shall automatically lapse) and the provisions of Articles 7.3 to 7.6 shall apply provided that the Sale Price for each Bad Leaver Share in respect of which a Transfer Notice has been served shall be fifty percent (50%) of the aggregate Fair Market Value of each such Share (or such other price as agreed by the Board).
- 8.2** If an Employee Shareholder becomes a Good Leaver, a Transfer Notice in respect of all Shares held by such Employee Shareholder or by a Permitted Transferee of that Employee Shareholder ("**Good Leaver Shares**") (subject to the written consent of the Board) shall be subject to a Compulsory Transfer to which the provisions of Articles 7.3 to 7.6 shall apply provided that the Sale Price for each Good Leaver Share shall be the higher of the Fair Market Value (determined by an Expert) and the Subscription Price.
- 8.3** If an Employee Shareholder becomes a Departing Employee Shareholder but is not a Good Leaver or a Bad Leaver, no Transfer Notice shall be deemed to have been served in respect of any of the Relevant Shares.

## **9. MANDATORY OFFER ON CHANGE OF CONTROL**

- 9.1** In the event of a proposed transfer of Shares (other than a transfer of Shares made pursuant to Article 6), after going through the pre-emption procedure set out in Article 5, the provisions of Article 9.1 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares (the "**Proposed Transfer**") which would, if carried out, result in any person (the "**Buyer**"), and any person acting in concert with the Buyer, acquiring a Controlling Interest in the Company.
- 9.2** For the purposes of this Article 9, any reference to Shareholder shall include Convertible Loan Note Holders who shall be considered to hold such number of Shares as they would hold if their Convertible Loan Notes had been converted in accordance with the relevant Instrument.
- 9.3** Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (the "**Offer**") to the other Shareholders to buy all of the Company's issued Shares for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person acting in concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 2 months preceding the date of the Proposed Transfer (the "**Specified Price**").
- 9.4** The Offer shall be given by written notice (the "**Offer Notice**"), at least 10 Business Days (the "**Offer Period**") before the proposed sale date (the "**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 9.4.1 the identity of the Buyer;
  - 9.4.2 the purchase price and other terms and conditions of payment;
  - 9.4.3 the Sale Date; and
  - 9.4.4 the number of Shares proposed to be purchased by the Buyer (the "**Offer Shares**").
- 9.5** If the Buyer fails to make the Offer to all of the Shareholders, the Seller shall not be entitled to complete the sale and the Company shall not register any transfer intended to effect that sale.
- 9.6** If the Offer is accepted by any Shareholder (the "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 9.7** The Proposed Transfer is subject to the pre-emption provisions of Article 5, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

## **10. DRAG ALONG**

- 10.1** For the purposes of this Article 10, any reference to Shareholder shall include Convertible Loan Note Holders who shall be considered to hold such number of Shares as they would hold if their Convertible Loan Notes had been converted in accordance with the relevant Instrument and any reference to Shares shall include any Shares which would be issued if the Convertible Loan Notes had been converted in accordance with the relevant Instrument.
- 10.2** If Shareholders holding more than 80% of the Shares (such majority to include each of the Investors for so long as they hold Convertible Loan Notes or Shares) (the

**"Selling Shareholders"**) wish to transfer all of their interest in Shares (the **"Sellers' Shares"**) to a bona fide arm's length purchaser (the **"Proposed Buyer"**), the Selling Shareholders may require all the other Shareholders (the **"Called Shareholders"**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer) directs in accordance with the provisions of this Article (the **"Drag Along Option"**).

- 10.3** The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (the **"Drag Along Notice"**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:
- 10.3.1 the Called Shareholders are required to transfer all their Shares (the **"Called Shares"**) pursuant to this Article 10;
  - 10.3.2 the person to whom the Called Shares are to be transferred;
  - 10.3.3 the consideration payable for the Called Shares calculated in accordance with Article 6; and
  - 10.3.4 the proposed date of the transfer.
- 10.4** Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 10.5** No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 10.
- 10.6** 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.
- 10.7** The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 10.8** Within 20 Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 20 Business Day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due 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.
- 10.9** To the extent that the Proposed Buyer has not, on the expiration of the 20 Business Day period referred to in Article 10.8, put the Company in funds to pay the consideration due, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 10 in respect of their Shares.
- 10.10** If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting

Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the 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 consideration payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 10.10.

- 10.11** Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company, or on the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. 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 10 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## **11. DIVIDENDS**

- 11.1** The Company shall not declare or pay any dividend unless and until the Board has given majority consent.
- 11.2** Each dividend shall be distributed to the appropriate Shareholder pro rata according to the number of Shares held by them and shall accrue daily (assuming a 365-day year). All dividends are expressed net and shall be paid in cash.
- 11.3** Subject to the Act and these Articles, the Board may, with majority consent, pay interim dividends.

## **DIRECTORS**

### **12. CALLING A DIRECTORS' MEETING**

Meetings of the Board shall take place at least 10 times each year. At least 5 Business Days' advance notice of such meeting shall be given to each Director (except with the consent of the majority of the Board, when board meetings may take place less frequently or on shorter notice).

### **13. PARTICIPATION IN DIRECTORS' MEETINGS**

A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity. For a signed resolution under this Article 13 to be effective, it shall not be necessary for it to be signed by a Director who is prohibited by these Articles, or by law, from voting on it.

#### **14. QUORUM FOR DIRECTORS' MEETINGS**

- 14.1** The quorum for the transaction of business at any meeting shall be 3 Directors provided always that each of the Investor Directors must be present or have given their consent for the meeting to proceed without them. If the necessary quorum is not present within half an hour from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If at the first adjourned meeting the necessary quorum for the meeting is not present within half an hour from the time appointed for the meeting, or if, during the meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any further adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.
- 14.2** Any Director who participates in the proceedings of a meeting by means of a communication device (including, without limitation, a telephone) that allows all the other Directors present at the meeting (whether in person, alternate or using a communication device) to hear that Director at all times, and that Director to hear all other Directors present at the meeting (by whatever means) at all times, shall be deemed to be present at the meeting and counted in the quorum. A meeting held by these means shall be deemed to take place where the largest number of participants is assembled. In the absence of a majority, the Chairman's location shall be deemed to be the place of the meeting.

#### **15. CONFLICTS OF INTEREST**

- 15.1** A Director may vote at a Board meeting, and form part of a quorum present at that meeting, in relation to any matter in which he has, directly or indirectly, an interest or duty which conflicts (or may conflict) with the interests of the Company, provided that he has previously disclosed the nature of such duty or interest to the Directors.
- 15.2** For the purposes of Article 15.1:
- 15.2.1** a general notice given 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; and
- 15.2.2** 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.

#### **16. CASTING VOTE**

Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the chairman shall not have a second or casting vote.

#### **17. RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

## **18. NUMBER OF DIRECTORS**

- 18.1** Unless and until the Company in a general meeting determines otherwise, the number of Directors shall be no more than 4 but not less than 3.
- 18.2** The Institutional Investors shall, for so long as they each holds Convertible Loan Notes under the Instrument or Shares in the Company and a Fund Raising as not occurred, each be entitled to nominate one person as a Non-Executive Director of the Company from time to time and to remove any Director so appointed and, upon his removal, to appoint another person to act as a director in his place.
- 18.3** For so long as the Founders have a shareholding in the Company, they shall have a right to appoint and maintain in office, two Directors of the Company to represent their collective interests and to remove any Director so appointed and, upon his removal, to appoint another person to act as a Director in his place.
- 18.4** Each of the Founders and the Institutional Investors shall indemnify the Company in respect of any claim for loss of office arising from the removal of their appointed Director(s) from his/their position as a director of the Company.
- 18.5** For so long as the Institutional Investors each hold Convertible Loan Notes under the Instrument or Shares in the Company and a Fund Raising has not occurred, the Shareholders shall not vote their Shares so as to remove the Investor Directors appointed pursuant to Article 18.2 from office.
- 18.6** Subject as provided at Articles 18.2 and 18.3, the appointment of any additional Directors shall be by majority agreement of the Board.
- 18.7** Any appointment or removal of an Investor Director under Article 18.2 shall take effect at the time that the notice is received at the Company's registered office or produced to a Board meeting.
- 18.8** The Investor Directors shall be entitled to be appointed to any committee of the Board established from time to time.

## **19. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

- 19.1** Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "**appointor**") may appoint any person he thinks fit to be his alternate Director to:
- 19.1.1 exercise that Director's powers; and
  - 19.1.2 carry out that Director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.
- 19.2** The appointment of an alternate Director shall require approval of a majority of the Board.
- 19.3** Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the Directors.
- 19.4** The notice must:

- 19.4.1 identify the proposed alternate; and
- 19.4.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

## **20. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

**20.1** An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

**20.2** Except as the Articles specify otherwise, alternate directors:

- 20.2.1 are deemed for all purposes to be directors;
- 20.2.2 are liable for their own acts and omissions;
- 20.2.3 are subject to the same restrictions as their appointors; and
- 20.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors.

**20.3** A person who is an alternate director but not a Director:

- 20.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- 20.3.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision, but does not participate); and
- 20.3.3 shall not be counted as more than one Director.

**20.4** A Director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.

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

## **21. TERMINATION OF ALTERNATE DIRECTORSHIP**

**21.1** An alternate director's appointment as an alternate terminates:

- 21.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- 21.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;

- 21.1.3 on the death of the alternate's appointor; or
- 21.1.4 when the alternate's appointor's appointment as a Director terminates.

## **DECISION MAKING BY SHAREHOLDERS**

### **22. VOTING AND CLASS RIGHTS**

- 22.1** Subject to any other provisions in these Articles concerning voting rights the Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each Ordinary Share shall carry one vote per share.
- 22.2** Where Shares confer a right to vote, votes may be exercised:
  - 22.2.1 on a show of hands by every Shareholder 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 Shareholder holding Shares with votes shall have one vote); or
  - 22.2.2 on a poll by every Shareholder 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 Shareholder holding Shares with votes shall have one vote).
- 22.3** Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 80% of the issued shares of that class.

### **23. POLL VOTES**

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

### **24. PROXIES**

- 24.1** Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 24.2** Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Article.

## **ADMINISTRATIVE ARRANGEMENTS**

## **25. MEANS OF COMMUNICATION TO BE USED**

**25.1** Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

25.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

25.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

25.1.3 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article, no account shall be taken of any part of a day that is not a working day.

**25.2** In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

## **26. LIEN**

**26.1** The Company shall have a first and paramount lien on every Share (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 is the sole registered holder of the Shares or one of several joint holders) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article 26. The Company's lien on a Share shall extend to any amount payable in respect of it.

**26.2** The Company may sell in such manner as the Directors determine any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 30 clear business days after notice has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

**26.3** To give effect to a sale the Directors may authorise some person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the Shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

**26.4** The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the shares at the date of the sale.

## **27. INDEMNITY**

- 27.1** Subject to the Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, each Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs.
- 27.2** The Company shall buy 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.

## **28. DATA PROTECTION**

- 28.1** Each of the Shareholders and Directors (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a **Recipient**) for 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.
- 28.2** The personal data that may be processed for such purposes under this Article 28 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. Other than as required by law, court order or any regulated authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
- 28.12.1 its Parent Undertaking;
  - 28.12.2 to Subsidiary Undertakings of that Parent Undertaking (the "**Recipient Group Companies**");
  - 28.12.3 to employees, directors and professional advisors of that Recipient or the Recipient Group Companies; and
  - 28.12.4 to funds managed by any of the Recipient Group Companies.
- 28.3** Each of the 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 is it necessary or desirable to do so.