

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**TRANSFERWISE LTD**

(Adopted by a special resolution passed on 16 May 2019)

**JAG SHAW**  
**BAKER**  EXCELLENCE  
INNOVATION  
GROWTH

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**1. Introduction**

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.3 In these Articles:
- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
  - (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa; and
  - (c) Articles 8(2), 9(4), 10(1), 10(3), 11(2), 13, 17(2), 17(3), 19, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company.

**2. Definitions**

In these Articles the following words and expressions shall have the following meanings:

"**a16z**" means Andreessen Horowitz Fund IV, L.P. and its affiliated funds;

"**Act**" means the Companies Act 2006 (as amended from time to time);

"**Acting in Concert**" has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

"**Anti-Dilution Shares**" shall have the meaning given in Article 10.1;

"**Arrears**" means in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient Available Profits to pay any dividend or sums, together with all interest and other amounts payable on that Share;

**"Asset Sale"** means:

- (a) any sale by one or more Group Companies of the whole or substantially the whole of the business and assets of the Group, or any merger or reorganisation of a Group Company;
- (b) the grant of an exclusive irrevocable license by a Group Company to a person (other than another Group Company) of all or substantially all of the Group's intellectual property rights; or
- (c) any sale of shares of a Group Company (excluding the Company) resulting in the purchaser and its Associates gaining a Controlling Interest in any Group Company (excluding the Company) which holds the whole or substantially the whole of the business and assets of the Group,

other than in connection with a sale by a Group Company of the whole or substantially the whole of its business and assets to another Group Company made as part of a bona fide reorganisation of the Group which is entered into with Preferred Director Consent;

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

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);
- (b) any Member of the same Group;
- (c) any Member of the same Fund Group;

**"Auditors"** means the auditors of the Company from time to time;

**"Available Profits"** means profits available for distribution within the meaning of part 23 of the Act;

**"Baillie Gifford"** means Baillie Gifford & Co and / or Baillie Gifford Overseas Limited;

**"Baillie Gifford Affiliate"** means each of the Baillie Gifford Entities and any individual, corporation, partnership, limited liability company, trust, unincorporated organisation, association or other entity that receives, whether directly or indirectly, investment management or investment advisory services from Baillie Gifford;

**"Baillie Gifford & Co"** means Baillie Gifford & Co, a Scottish partnership with its principal place of business at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN;

**"Baillie Gifford Entities"** means Baillie Gifford and the Baillie Gifford Funds;

**"Baillie Gifford Overseas Limited"** means Baillie Gifford Overseas Limited, a Scottish limited company with address Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN;

**"Baillie Gifford Funds"** means Scottish Mortgage Investment Trust, and any Shareholder which receives, whether directly or indirectly, investment management or investment advisory services from Baillie Gifford, or any of such Shareholders' respective successors in title in their capacity as Permitted Transferees;

**"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;

**"Bonus Issue" or "Reorganisation"** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the Preferred Shareholders) or any consolidation or sub-division or redenomination or the cancellation of shares following any repurchase or redemption of Shares (other than Preferred Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding Shares in each case other than Shares issued as a result of the events set out in Article 12.4;

**"Business Day"** means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

**"Civil Partner"** means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;

**"Company"** means TransferWise Ltd (company number 07209813);

**"Competitor"** has the meaning given in Article 15.9(f)(i);

**"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 2010;

**"Conversion Date"** has the meaning given in Article 9.1 or Article 9.2 (as the case may be);

**"CTA 2010"** means the Corporation Tax Act 2010;

**"Date of Adoption"** means the date on which these Articles were adopted;

**"Director(s)"** means a director or directors of the Company from time to time;

**"electronic address"** has the same meaning as in section 333 of the Act;

**"electronic form"** and **"electronic means"** have the same meaning as in section 1168 of the Act;

**"Eligible Director"** means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors;

**"Employee"** means an individual (excluding a Preferred Director) who is employed by, or who provides consultancy services to, the Company or any member of the Group;

**"Employee Share Option Plan(s)"** means the employee share option plan(s) of the Company, the terms of which have been approved by a Preferred Special Majority;

**"Employee Shares"** in relation to an Employee means all Ordinary Shares in the Company held by:

- (a) the Employee in question; and
- (b) any Permitted Transferee of that Employee other than those Ordinary Shares held by those persons that a Preferred Special Majority declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of his relationship with the Employee;

**"Employee Trust"** means a trust, the terms of which are approved by a Preferred Special Majority, whose beneficiaries are the Employees;

**"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 of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

**"Equity Securities"** has the meaning given in sections 560(1) to (3) inclusive of the Act;

**"Exercising Investor"** means any Investor who exercises its rights to acquire Anti-Dilution Shares in accordance with Article 10.1;

**"Exit"** means a Share Sale or an Asset Sale;

**"Expert Valuers"** is as determined in accordance with Article 16.2;

**"Fair Value"** is as determined in accordance with Article 16.3;

**"Family Trusts"** means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

**"Financial Year"** means an accounting reference period (as defined by the Act) of the Company;

**"Founders"** means Kristo Käärman, Taavet Hinrikus and OÜ Notorius;

**"Founder Director"** means such director(s) of the Company nominated by the Founders under Article 27.3;

**"Fund Manager"** means a person whose principal business is to make, manage or advise upon investments in securities;

**"Group"** means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **"Group Company"** shall be construed accordingly;

**"hard copy form"** has the same meaning as in section 1168 of the Act;

**"Holding Company"** means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company immediately prior to the transfer of the issued share capital of the Company to such holding company;

**"IA Ventures"** means each of the following entities either individually or as a group: IA Venture Strategies Fund II, LP and IA Venture Strategies II Side Fund, LP;

**"Independent Directors"** means the Manager Independent Director and the Shareholder Independent Director;

**"Index"** means each of the following entities either individually or as a group: Index Ventures V (Jersey), L.P., Index Ventures V Parallel Entrepreneur Fund (Jersey), L.P.,

Yucca (Jersey) SLP (in its capacity as administrator of the Index V Seed Co-Investment Scheme) and Yucca (Jersey) SLP (in its capacity as administrator of the Index Co-Investment Scheme) and Local Globe;

**"Investment Agreement"** means the investment agreement relating to the Company entered into by, amongst others, the Company and the Investors dated 25 February 2016 as amended from time to time;

**"Investors"** means a holder of Seed Preferred Shares and his Permitted Transferees, a holder of Series A Preferred Shares and his Permitted Transferees, a holder of Series B Preferred Shares and his Permitted Transferees, a holder of Series C Preferred Shares and his Permitted Transferees, a holder of Series D Preferred Shares and his Permitted Transferees and a holder of Series E Preferred Shares and his Permitted Transferees;

**"Investor Fund Manager"** means a Fund Manager which advises or manages an Investor;

**"IPO"** means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be admitted to or traded or quoted on Nasdaq or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

**"Issue Price"** means the price at which the relevant Share is issued, including any premium;

**"ITEPA"** means Income Tax (Earnings and Pensions) Act 2003;

**"IVP"** means Institutional Venture Partners XV, L.P. and Institutional Venture Partners XV Executive Fund, L.P.;

**"Local Globe"** means LGV, L.P., Suite 1, First Floor, The Energy Centre, Admiral Park, St Peter Port, Guernsey GY1 2BB Channel Islands;

**"Manager Independent Director"** means such director(s) of the Company nominated by Kristo Käärman and OÜ Notorius under Article 27.5;

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

- (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 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 or its nominee managed or advised by that Fund Manager or any affiliate of that Fund Manager;
- (c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager;
- (d) any other individual or entity who, directly or indirectly, controls, is controlled by, or is under common control with such Shareholder, including without limitation any general partner, limited partner, managing member, officer or director of such Shareholder or any Investment Fund now or hereafter existing that is controlled by

one or more general partners, limited partners or managing members of, or shares the same management or advisory company with, such Shareholder; or

(e) any trustee, nominee or custodian of such Investment Fund and vice versa;

**"a Member of the same Group"** means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

**"Nasdaq"** means the Nasdaq National Stock Market of the Nasdaq OMX Group Inc.;

**"New 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 of Adoption (other than shares or securities issued as a result of the events set out in Article 12.4);

**"Ordinary Majority"** means the holders of more than 50% of the Ordinary Shares;

**"Ordinary Shareholders"** means the holders from time to time of the Ordinary Shares;

**"Ordinary Shares"** means the ordinary shares of £0.00001 each in the capital of the Company from time to time;

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 14;

**"Permitted Transferee"** means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Shareholder Companies;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act), any Member of the same Group;
- (c) in relation to a Shareholder which is an Investment Fund, any Member of the same Fund Group; and
- (d) in relation to an Investor:
  - (i) any Member of the same Group;
  - (ii) any Member of the same Fund Group;
  - (iii) any other Investor (subject to the approval of a majority of the Directors);
  - (iv) any nominee of that Investor; or
  - (v) any third party who is transferred Preferred Shares in accordance with the terms of these Articles;
- (e) in relation to any Baillie Gifford Funds, subject to determination by the Board (including the Preferred Directors) that such proposed transferee at the time of the proposed transfer would not be an Undesirable Transferee, to a Baillie Gifford Affiliate;

**"Pre-emption Rights Holders"** means the holders of Preferred Shares, the Founders and Seedcamp;



**"Preference Amount"** means the Seed Preference Amount, the Series A Preference Amount, the Series B Preference Amount, the Series C Preference Amount, the Series D Preference Amount and/or the Series E Preference Amount, as the case may be;

**"Preferred Directors"** means such directors of the Company nominated by a Preferred Special Majority under Article 27.1 and a Series C Majority under Article 27.2;

**"Preferred Director Consent"** means the prior written consent of at least one of the Preferred Directors at that time and, if no Preferred Directors are appointed under either Article 27.1 or 27.2 at the relevant time, either Preferred Special Majority Consent or consent of a Series C Majority, respectively;

**"Preferred Shares"** means the Series E Preferred Shares, Series D Preferred Shares, the Series C Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and the Seed Preferred Shares, from time to time;

**"Preferred Shareholders"** means the Seed Preferred Shareholders, the Series A Preferred Shareholders, the Series B Preferred Shareholders, the Series C Preferred Shareholders, Series D Preferred Shareholders and the Series E Preferred Shareholders from time to time;

**"Preferred Special Majority"** means holders of not less than two-thirds (2/3) of the Preferred Shares (except in respect of Article 27.1, in which case it shall mean holders of not less than two-thirds (2/3) of the Preferred Shares other than the Series C Preferred Shares) but shall not include the Preferred Shares held by (i) any transferee of Valar other than a Permitted Transferee and (ii) any Undesirable Transferee, whether or not such holder qualifies as a Permitted Transferee of Valar;

**"Preferred Special Majority Consent"** means the prior written consent of the Preferred Special Majority;

**"Priority Rights"** means the rights of Shareholders and the Company to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 15.6;

**"Privileged Relation"** in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);

**"Proceeds of Sale"** means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale;

**"Proposed Purchaser"** means a proposed purchaser who at the relevant time has made an offer on arm's length terms, provided that (i) neither Valar nor any of Valar's Associates shall be considered a Proposed Purchaser for purpose of Article 19 and (ii) in the event Valar or any of its Associates makes an offer to purchase Shares from any Shareholder the provisions of Article 19 will not be triggered by such offer;

**"Qualifying IPO"** means the legal completion of an IPO pursuant to which the Company receives aggregate gross proceeds (before deduction of underwriters' commissions and expenses) of at least US\$75,000,000;

**"Qualifying Person"** has the meaning given in section 318(3) of the Act;

**"Relevant Interest"** has the meaning set out in Article 30.5;

**"Scottish Mortgage Investment Trust"** means Scottish Mortgage Investment Trust plc a trust incorporated under the laws of Scotland, acting through Baillie Gifford & Co, its agent;

**"Sale Shares"** has the meaning set out in Article 15.2(a);

**"Seed Preference Amount"** means US\$0.2655153 per share, together with a sum equal to any Arrears;

**"Seed Preferred Shareholders"** means the holders of the Seed Preferred Shares;

**"Seed Preferred Shares"** means the seed preferred shares of £0.00001 each in the capital of the Company;

**"Seed Starting Price"** means US\$0.2655153 (if applicable, adjusted as referred to in Article 10.3);

**"Seedcamp"** means Seedcamp Investments II LLP;

**"Seller"** has the meaning set out in Article 15.2;

**"Series A Preference Amount"** means US\$0.8842515 per share, together with a sum equal to any Arrears;

**"Series A Preferred Shareholders"** means the holders of the Series A Preferred Shares;

**"Series A Preferred Shares"** means the Series A Preferred Shares of £0.00001 each in the capital of the Company;

**"Series A Starting Price"** means US\$0.8842515 (if applicable, adjusted as referred to in Article 10.3);

**"Series B Preference Amount"** means US\$5.44162 per share, together with a sum equal to any Arrears;

**"Series B Preferred Shareholders"** means the holders of the Series B Preferred Shares;

**"Series B Preferred Shares"** means the Series B Preferred Shares of £0.00001 each in the capital of the Company;

**"Series B Starting Price"** means US\$5.44162 (if applicable, adjusted as referred to in Article 10.3);

**"Series C Majority"** means holders of more than 50% of the Series C Preferred Shares;

**"Series C Preference Amount"** means US\$23.38727 per share, together with a sum equal to any Arrears;

**"Series C Preferred Shareholders"** means the holders of the Series C Preferred Shares;

**"Series C Preferred Shares"** means the Series C Preferred Shares of £0.00001 each in the capital of the Company;

**"Series C Starting Price"** means US\$23.38727 (if applicable, adjusted as referred to in Article 10.3);

**"Series D Majority"** means holders of more than 50% of the Series D Preferred Shares;

**"Series D Preference Amount"** means US\$29.798696800 per share, together with a sum equal to any Arrears;

**"Series D Preferred Shareholders"** means the holders of the Series D Preferred Shares;

**"Series D Preferred Shares"** means the Series D Preferred Shares of £0.00001 each in the capital of the Company;

**"Series D Starting Price"** means US\$29.798696800 (if applicable, adjusted as referred to in Article 10.3);

**"Series E Majority"** means holders of more than 50% of the Series E Preferred Shares;

**"Series E Preference Amount"** means US\$42.3437 per share, together with a sum equal to any Arrears;

**"Series E Preferred Shareholders"** means the holders of the Series E Preferred Shares;

**"Series E Preferred Shares"** means the Series E Preferred Shares of £0.00001 each in the capital of the Company;

**"Series E Starting Price"** means US\$42.3437 (if applicable, adjusted as referred to in Article 10.3);

**"Share Sale"** means the sale of (or the grant of a right to acquire or to dispose of) any of the Shares (in one transaction or as a series of transactions) which will result in the purchaser of those Shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares of the buyer held by each of them are the same as the shareholders and their respective shareholdings in the Company immediately prior to the sale;

**"Shareholder"** means any holder of any Shares;

**"Shareholder Company"** means an entity wholly owned and controlled by a Shareholder holding Shares on behalf of such Shareholder;

**"Shareholder Independent Director"** means such director of the Company nominated by a Shareholder Majority under Article 27.6;

**"Shareholder Majority"** means holders of more than 50% of the Shares;

**"Shares"** means the Ordinary Shares, the Seed Preferred Shares, the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares, the Series D Preferred Shares and the Series E Preferred Shares from time to time;

**"Starting Price"** means the Seed Starting Price, Series A Starting Price, Series B Starting Price, the Series C Starting Price, the Series D Starting Price and the Series E Starting Price, as applicable;

**"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking"** have the respective meanings set out in sections 1159 and 1162 of the Act;

**"Transfer Notice"** shall have the meaning given in Article 15.2;

**"Transfer Price"** shall have the meaning given in Article 15.2(c);

**"Trustees"** in relation to a Shareholder means the trustee or the trustees of a Family Trust;

**"Undesirable Transferee"** means a Competitor or any other person or entity that the Board determines, in the Board's reasonable good faith judgment, would be materially detrimental to the Company or create a material conflict of interest if such person or entity held Shares in the Company; and

"Valar" means each of the following entities either individually or as a group: VV Global LP, VV Global Principals LP, Valar Global Fund I LP, Valar Global Principals Fund I LP and Valar Co-Invest 1 LP.

### **3. Share capital**

- 3.1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption 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.
- 3.2 Except as otherwise provided in these Articles, the Series E Preferred Shares, the Series D Preferred Shares, the Series C Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares, the Seed Preferred Shares and the Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares.
- 3.3 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the whole Shares representing such individual fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders who were previously owed and due the fractions of a Share, and the Directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 3.4 The words "*and the directors may determine the terms, conditions and manner of redemption of any such shares*" shall be deleted from article 22(2) of the Model Articles.
- 3.5 Subject to Preferred Special Majority Consent and the Act, the Company may purchase its own Shares with cash to the extent permitted by section 692(1)(b) of the Act.
- 3.6 In article 25(2) of the Model Articles, the words "*payment of a reasonable fee as the directors decide*" in paragraph (c) shall be deleted and replaced by the words "*payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine*".
- 3.7 The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical, electronic or other means or may be printed on them. Article 24(5) of the Model Articles shall be amended accordingly.

### **4. Dividends**

- 4.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4.
- 4.2 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.
- 4.3 Article 31(1) of the Model Articles shall be amended by:
- (a) the replacement of the words "*either in writing or as the directors may otherwise decide*" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "*in writing*"; and

- (b) the replacement of the words "*either in writing or by such other means as the directors decide*" from the end of paragraph (d) of that article 31(1) with the words "*in writing*".

4.4 The Company will not distribute any Available Profits in respect of any Financial Year, except with Preferred Special Majority Consent. Any Available Profits which the Company may determine, with Preferred Special Majority Consent, to distribute in respect of any Financial Year will be distributed among the holders of the Shares (pari passu as if the Shares constituted one class of share) pro rata to their respective holdings of Shares.

4.5 Subject to the Act and these Articles, the Board may, provided Preferred Special Majority Consent is given, pay interim dividends if justified by the Available Profits in respect of the relevant period.

## **5. Liquidation preference**

5.1 Subject to Article 5.2, on a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so):

- (a) first in paying to each of the Preferred Shareholders, in priority to any other classes of Shares, an amount per share held equal to the relevant Preference Amount (provided that if there are insufficient surplus assets to pay the amounts per share equal to the relevant Preference Amount, the remaining surplus assets shall be distributed to the Preferred Shareholders pro rata to the aggregate amounts otherwise due to them under this Article 5.1(a));
- (b) second in paying to Seedcamp in priority to the holders of Ordinary Shares, an amount equal to the Issue Price of the Ordinary Shares held by Seedcamp, provided that Seedcamp held such shares on the Date of Adoption; and
- (c) the balance of the surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held.

5.2 The right of each of the Preferred Shareholders to receive an amount equal to the relevant Preference Amount per Preferred Share held in priority to any other payment to Shareholders pursuant to Article 5.1(a) and Seedcamp to receive an amount equal to the Issue Price of the Ordinary Shares held by Seedcamp, provided that Seedcamp held such shares on the Date of Adoption pursuant to Article 5.1(b), shall cease in the event that a distribution of the surplus assets among the holders of Shares pro rata to the number of Shares held would result in (a) the Series E Preferred Shareholders receiving at least an amount equal to the Series E Preference Amount per Series E Preferred Share held, (b) the Series D Preferred Shareholders receiving at least an amount equal to the Series D Preference Amount per Series D Preferred Share held, (c) the Series C Preferred Shareholders receiving at least an amount equal to the Series C Preference Amount per Series C Preferred Share held, (d) the Series B Preferred Shareholders receiving at least an amount equal to the Series B Preference Amount per Series B Preferred Share held, (e) the Series A Preferred Shareholders receiving at least an amount equal to the Series A Preference Amount per Series A Preferred Share held, (f) the Seed Preferred Shareholders receiving at least an amount equal to the Seed Preference Amount per Seed Preferred Share held and (g) Seedcamp receiving an amount equal to the Issue Price of the Ordinary Shares held by Seedcamp (provided that Seedcamp held such shares on the Date of Adoption). In such circumstances, all of the surplus assets of the Company remaining after payment of its liabilities shall be distributed among the holders of Shares pro rata (as if the Shares constituted one and the same class) to the number of Shares held (to the extent that the Company is lawfully permitted to do so) on an as converted to Ordinary Share

basis assuming all Shares (other than Ordinary Shares) are converted to Ordinary Shares at the Conversion Ratio applicable to any such Shares at such time.

## **6. Exit provisions**

6.1 On a Share Sale the Proceeds of Sale shall be distributed to those Shareholders selling Shares under the Share Sale in the order of priority set out in Article 5 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

(a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 5; and

(b) the Shareholders shall take any action required by the Investors to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5.

6.2 On an Asset Sale 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 5 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Preferred Special Majority (including, but without prejudice to the generality of this Article 6.2, actions that may be necessary to put the Company into voluntary liquidation so that Article 5 applies).

6.3 Subject to Article 21 in the case of a Share Sale, in the event of an Exit approved by the Board, with the consent of a Preferred Special Majority and an Ordinary Majority, in accordance with the terms of these Articles (the "**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit ("**Actions**"). The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are reasonably required by the Board to give effect to or otherwise implement the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders.

## **7. Votes in general meeting and written resolutions**

7.1 The Preferred Shares shall confer on each holder of Preferred Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

7.2 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 to receive and vote on proposed written resolutions of the Company.

7.3 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Equity Security held by him.

**8. Reserved**

**9. Conversion of Preferred Shares**

- 9.1 Any holder of Preferred Shares shall be entitled at any time, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the Preferred Shares held by it and those Preferred Shares shall convert automatically on the date of such notice (the "**Conversion Date**"). The holder may in such notice state that conversion of its Preferred Shares into Ordinary Shares is conditional upon the occurrence of particular events (the "**Conditions**").
- 9.2 All of the Preferred Shares shall automatically convert into Ordinary Shares on the "**Conversion Date**" being:
- (a) immediately upon the occurrence of a Qualifying IPO, provided that conversion will be effective only immediately prior to such Qualifying IPO (and "**Conversion Date**" shall be construed accordingly) and, if such Qualifying IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred; or
  - (b) subject to the consent of a Series C Majority in respect of conversion of Series C Preferred Shares, the consent of a Series D Majority in respect of conversion of the Series D Preferred Shares and the consent of a Series E Majority in respect of conversion of the Series E Preferred Shares, on the date of delivery of a notice requiring conversion of the Preferred Shares delivered with Preferred Special Majority Consent. The Preferred Special Majority Consent may in such notice state that conversion of the Preferred Shares into Ordinary Shares is conditional upon the occurrence of particular events (the "**Conditions**").
- 9.3 In the event of a conversion under Article 9.1 or Article 9.2(b), if the relevant Conditions have not been satisfied or waived by the relevant holder(s) by the Conversion Date such conversion shall be deemed not to have occurred.
- 9.4 In the case of (i) Article 9.1 and Article 9.2(b), not more than ten Business Days after the Conversion Date or (ii) in the case of Article 9.2(a), not more at least five Business Days prior to the occurrence of the Qualifying IPO, each holder of the relevant Preferred Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being.
- 9.5 On the Conversion Date, the relevant Preferred Shares shall without further authority than is contained in these Articles stand converted into and redesignated as Ordinary Shares on the basis of one Ordinary Share for each Preferred Share held (the "**Conversion Ratio**"), and the Ordinary Shares resulting from that conversion and redesignation shall in all other respects rank pari passu with the existing issued Ordinary Shares.
- 9.6 The Company shall on the Conversion Date enter the holder of the converted Preferred Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Preferred Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Preferred Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.
- 9.7 On the Conversion Date (or as soon afterwards as it is possible to calculate the amount payable), the Company will, if it has sufficient Available Profits, pay to holders of the Preferred Shares to be converted a dividend equal to all Arrears and accruals of dividends in relation to those Preferred Shares to be calculated on a daily basis down to and including

the day immediately preceding the Conversion Date. If the Company has insufficient Available Profits to pay all such Arrears and accruals of dividends in full then it will pay the same to the extent that it is lawfully able to do so and any Arrears and accruals of dividends that remain outstanding shall continue to be a debt due from and immediately payable by the Company.

9.8 Subject to Articles 9.9 and 9.10, the Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article:

- (a) if Preferred Shares remain capable of being converted into Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Preferred Director Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each holder of Preferred Shares is in no better or worse position as a result of such consolidation or sub-division, such adjustment to become effective immediately after such consolidation or sub-division; and
- (b) if Preferred Shares remain capable of being converted into Ordinary Shares, on an allotment of fully-paid Ordinary Shares pursuant to a capitalisation of profits or reserves to holders of Ordinary Shares the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Preferred Director Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each holder of Preferred Shares is in no better or worse position as a result of such capitalisation of profits or reserves, such adjustment to become effective as at the record date for such issue.

9.9 Subject to Article 9.10, so long as any conversion rights of the Preferred Shares remain exercisable, the Company will not do any act or thing resulting in an adjustment of the Conversion Ratio pursuant to Article 9.8 if the consequence of such act would involve the issue of Shares at a discount to nominal value.

9.10 If the aggregate nominal value of Preferred Shares converted into Ordinary Shares is more than the aggregate nominal value of the Ordinary Shares, then the excess shall be dealt with in such manner as the Board may determine, subject to applicable laws, with Preferred Director Consent. If the aggregate nominal value of the Preferred Shares converted into Ordinary Shares is less than the aggregate nominal value of the Ordinary Shares then, to the extent it is lawful to do so and provided the Company has sufficient reserves, the shortfall shall be paid up as to nominal value by the issue to the relevant holder of additional Ordinary Shares by way of bonus issue, such Ordinary Shares to be issued fully paid up by the amount standing to the credit of the share premium account or any other available reserves of the Company as determined by the Board (with Preferred Director Consent). The Board are authorised to so issue Ordinary Shares so paid up. If it is unlawful for the Company to so capitalise its reserves or such reserves are insufficient, then the holder of Preferred Shares so converted shall have the right to subscribe at nominal value for such number of Ordinary Shares as would have been so acquired by way of capitalisation issue had such capitalisation issue been permitted or sufficient.

9.11 If any holder of Preferred Shares becomes entitled to fractions of an Ordinary Share as a result of conversion ("**Fractional Holders**"), the Directors may (in their absolute discretion) deal with these fractions as they think fit on behalf of the Fractional Holders. In particular, the Directors may aggregate and sell the fractions to a person for the best price reasonably obtainable and distribute the net proceeds of sale in due proportions among the Fractional Holders or may ignore fractions or accrue the benefit of such fractions to the Company rather than the member. For the purposes of completing any such sale of fractions, the chairman of the Company or, failing him, the secretary will be deemed to have been appointed the Fractional Holder's agent for the purpose of the sale.



- 9.12 If a doubt or dispute arises concerning an adjustment of the Conversion Ratio in accordance with Article 9.8, or if so requested by Preferred Director Consent, the Board shall refer the matter to the Auditors for determination who shall make available to all Preferred Shareholders their report and whose certificate as to the amount of the adjustment is, in the absence of manifest error, conclusive and binding on all concerned and their costs shall be met by the Company.
- 9.13 If Preferred Shares remain capable of being converted into Ordinary Shares and Ordinary Shares are offered by the Company by way of rights to holders of Ordinary Shares (an "Offer By Way of Rights"), the Company shall on the making of each such offer, make a like offer to each holder of Preferred Shares as if immediately before the record date for the Offer By Way Of Rights, his Preferred Shares had been converted into fully-paid Ordinary Shares at the then applicable Conversion Ratio; provided however that notwithstanding the foregoing, any Offer By Way of Rights shall be first subject to the terms and obligations of Article 11.6.

**10. Anti-Dilution protection**

- 10.1 If New Securities are issued by the Company at a price per New Security which equates to less than the Seed Starting Price, Series A Starting Price, Series B Starting Price, Series C Starting Price, Series D Starting Price and/or Series E Starting Price (a "Qualifying Issue") (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall, unless and to the extent that a Preferred Special Majority shall have specifically waived all of the respective rights of all of the affected holders of the Seed Preferred Shares, Series A Preferred Shares, the Series B Preferred Shares, (subject to Article 10.4) the Series C Preferred Shares, (subject to Article 10.5) the Series D Preferred Shares and/or (subject to Article 10.6) the Series E Preferred Shares (the "Diluted Preferred Shares") under this Article in writing, offer (such offer, unless so waived, to remain open for acceptance for not less than 15 Business Days) to each holder of the Diluted Preferred Shares (the "Exercising Investor") the right to receive a number of new Preferred Shares of the same class as the holder's Diluted Preferred Shares determined by applying the following formula, to be applied separately for each class of Diluted Preferred Shares as applicable (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 10.3 (the "Anti-Dilution Shares"):

$$N = \left( \left( \frac{SIP}{WA} \right) x Z \right) - Z$$

Where:

N= Number of Anti-Dilution Shares to be issued to the Exercising Investor

$$WA = \frac{(SIP x ESC) + (QISP x NS)}{(ESC + NS)}$$

SIP = the applicable Starting Price of the Diluted Preferred Shares

ESC = the number of Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to the Qualifying Issue

QISP = the lowest per share price of the New Securities issued pursuant to the Qualifying Issue (which in the event that that New Security is not issued for cash shall be the sum certified by the Auditors acting as experts and not arbitrators as being in their opinion the current cash value of the non cash consideration for the allotment of the New Security)

NS = the number of New Securities issued pursuant to the Qualifying Issue

Z = the number of Diluted Preferred Shares (Series E Preferred Shares, Series D Preferred Shares, Series C Preferred Shares, Series B Preferred Shares, Series A Preferred Shares and/or Seed Preferred Shares, as applicable) held by the Exercising Investor prior to the Qualifying Issue.

10.2 The Anti-Dilution Shares shall:

(a) be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by the Preferred Directors) and the entitlement of such Exercising Investors to Anti-Dilution Shares shall be increased by adjustment to the formula set out in Article 10.1 so that the Exercising Investors shall be in no worse position than if they had not so subscribed at par. In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 10.1 or this Article 10.2, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor. All Shareholders shall vote in favour of the necessary resolutions to authorise issue of the Anti-Dilution Shares in accordance with this Article; and

(b) subject to the payment of any cash payable pursuant to Article 10.2(a) (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing Preferred Shares of the same class as the Anti-Dilution Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 10.2(a).

10.3 In the event of any Bonus Issue or Reorganisation (other than a Bonus Issue or Reorganisation in which shares are issued in order for the Company to comply with its obligations under these Articles including, but not limited to its obligations under this Article 10), the Starting Price shall also be subject to adjustment on such basis as is necessary to ensure that the payment to each holder of Preferred Shares pursuant to Article 5.1(a) equals the aggregate Issue Price in respect of each of the Preferred Shares other than Anti-Dilution Shares held by that Shareholder together with an amount equal to the aggregate nominal value of the Anti-Dilution Shares held by that Shareholder, or in the event that any Anti-Dilution Share is subscribed for at more than nominal value the subscription price paid for such Anti-Dilution Shares.

10.4 So long as at least 25% of the Series C Preferred Shares in issue on the Date of Adoption remain outstanding, the written consent of a Series C Majority shall be required to waive any of the rights of a Series C Preferred Shareholder under Article 10.1.

10.5 So long as at least 25% of the Series D Preferred Shares in issue on the Date of Adoption remain outstanding, the written consent of a Series D Majority shall be required to waive any of the rights of a Series D Preferred Shareholder under Article 10.1.

10.6 So long as at least 250,000 Series E Preferred Shares (subject to equitable adjustment for stock splits, bonus issues, and the like) remain outstanding, the written consent of a Series

E Majority shall be required to waive any of the rights of a Series E Preferred Shareholder under Article 10.1.

## **11. Variation of rights**

- 11.1 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 75 percent (75%) in nominal value of the issued shares of that class, save that, subject to Articles 11.4 and 11.5, the special rights attaching to the Preferred Shares may be varied or abrogated with Preferred Special Majority Consent.
- 11.2 The creation of a new class of shares which has rights, preferences or privileges *pari passu* with or senior to one or more existing classes of shares (including preferential rights as regards the liquidation preference in Article 5 and any resulting effect on the enjoyment by the existing classes of shares of their existing rights under Article 5), or which has a different subscription price to the existing classes of shares, shall not of itself constitute a variation of the rights of those existing classes of shares.
- 11.3 Without prejudice to the generality of Article 11.1, the special rights attaching to the Preferred Shares shall be deemed to be varied by the occurrence of the following events:
- (a) the amendment or repeal of any provision of, or addition of any provision to the Articles (including by the adoption of a new set of articles of association of the Company);
  - (b) the alteration of the issued share capital of the Company or creation, authorisation or issue of any securities other than as referred to in Article 12.4;
  - (c) the reduction of the amount standing to the credit of the share premium account or capital redemption reserve, other than as expressly provided for in these Articles;
  - (d) the approval of any merger, liquidation, dissolution or acquisition of the Company or sale of all or a substantial part of the business, undertaking or assets of the Company;
  - (e) the purchase by the Company of any Shares except as specifically contemplated by these Articles;
  - (f) the acquisition by the Company of any shares or other securities;
  - (g) the making of any bonus issue of shares or debenture stock;
  - (h) the entering into of a voluntary winding-up;
  - (i) the transferring of any profits to reserves or otherwise and the taking of any action (excluding payment of dividends) which will raise or may reduce the amount of the profits of the Company available for distribution;
  - (j) any member of the Group doing any of the events described in paragraphs (a) to (i) above; or
  - (k) the Company or a member of the Group incurring any legally binding obligation to do any of the events described in paragraphs (a) to (i) above.

- 11.4 Without prejudice to the generality of Article 11.1, and subject to Article 11.2, the special rights attaching to the Series C Preferred Shares shall be deemed to be varied by the occurrence of the following events unless consented to in writing by the Series C Majority:
- (a) any increase in the number of authorised Series C Preferred Shares;
  - (b) the amendment or repeal of any provision of, or addition of any provision to the Articles (including by the adoption of a new set of articles of association of the Company) that alters or changes the rights, privileges or preferences of the Series C Preferred Shares;
  - (c) the waiver of the application of Articles 5, 6, 9.2 and 27.2;
  - (d) any member of the Group doing any of the events described in paragraphs (a) to (c) above; or
  - (e) the Company or a member of the Group incurring any legally binding obligation to do any of the events described in paragraphs (a) to (c) above.
- 11.5 Without prejudice to the generality of Article 11.1, and subject to Article 11.2, the special rights attaching to the Series D Preferred Shares shall be deemed to be varied by the occurrence of the following events unless consented to in writing by the Series D Majority:
- (a) any increase in the number of authorised Series D Preferred Shares;
  - (b) the amendment or repeal of any provision of, or addition of any provision to the Articles (including by the adoption of a new set of articles of association of the Company) that alters or changes the rights, privileges or preferences of the Series D Preferred Shares;
  - (c) the waiver of the application of Articles 5, 6, and 9.2;
  - (d) any member of the Group doing any of the events described in paragraphs (a) to (c) above; or
  - (e) the Company or a member of the Group incurring any legally binding obligation to do any of the events described in paragraphs (a) to (c) above.
- 11.6 Without prejudice to the generality of Article 11.1, and subject to Article 11.2, the special rights attaching to the Series E Preferred Shares shall be deemed to be varied by the occurrence of the following events unless consented to in writing by the Series E Majority:
- (a) any increase in the number of authorised Series E Preferred Shares;
  - (b) the amendment or repeal of any provision of, or addition of any provision to the Articles (including by the adoption of a new set of articles of association of the Company) that alters or changes the rights, privileges or preferences of the Series E Preferred Shares;
  - (c) the waiver of the application of Articles 5, 6, and 9.2;
  - (d) any member of the Group doing any of the events described in paragraphs (a) to (c) above; or
  - (e) the Company or a member of the Group incurring any legally binding obligation to do any of the events described in paragraphs (a) to (c) above.

## **12. Allotment of new shares or other securities: pre-emption**

- 12.1 In accordance with sections 567(1) and/or 570 of the Act, sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.
- 12.2 Unless otherwise agreed by special resolution passed in general meeting or as a written resolution passed in accordance with part 13 of the Act, and subject to Article 12.4, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the Pre-emption Rights Holders on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Preferred Shares and/or Ordinary Shares held by those holders (as nearly as may be without involving fractions). The offer shall be in writing, give details of the number and subscription price of the New Securities and the time period (being not less than 15 Business Days) within which the offer, if not accepted, will be deemed to have been declined.
- 12.3 Subject to Article 12.2 and to the provisions of section 551 of the Act, any New 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, provided that the allotment or grant to that person must be approved by Preferred Special Majority Consent.
- 12.4 The provisions of Article 12.2 shall not apply to:
- (a) the grant of options to subscribe for Ordinary Shares under the Employee Share Option Plans and approved by the Board, and the issue of Ordinary Shares on exercise of such options;
  - (b) New Securities issued or granted in order for the Company to comply with its obligations under these Articles including, but not limited to the Anti-Dilution Shares;
  - (c) New Securities issued in consideration of the acquisition by the Company of any company or business, or any joint venture or other strategic transaction which has been approved by the Board and with Preferred Special Majority Consent;
  - (d) New Securities issued or granted in connection with any venture debt financing with Preferred Special Majority Consent;
  - (e) Ordinary Shares issued upon conversion of any Preferred Share to an Ordinary Share in accordance with these Articles;
  - (f) Ordinary Shares issued or issuable upon the conversion of any debenture, warrant, option or other convertible security issued and outstanding on the Date of Adoption;
  - (g) Ordinary Shares issued or issuable upon a share split, share dividend or any subdivision of shares of Ordinary Shares approved by Preferred Special Majority Consent;
  - (h) Ordinary Shares issued to the public in a Qualified IPO;
  - (i) Ordinary Shares issued or issuable to banks, equipment lessors pursuant to a debt financing, equipment leasing or real property leasing transaction or any other providers of goods and services to the Company, in each case approved by the Board and with Preferred Special Majority Consent;

- (j) Ordinary Shares issued as a result of a bonus issue of shares to one or more Employees which has been approved by Preferred Special Majority Consent; and
- (k) Shares or options over Shares issued or granted to the Investors in accordance with the terms of the Investment Agreement.

12.5 Any New Securities offered under this Article 12.5 to an Investor may be accepted in full or in part by an Investor and/or by a Member of the same Fund Group as that Investor in accordance with the terms of this Article 12.5.

12.6 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the reasonable opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company, if so required by the Board.

### **13. Transfers of Shares – General**

13.1 In Articles 13 to 21 (inclusive), reference 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.

13.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

13.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

13.4 Any transfer of a Share by way of sale which is required to be made under Articles 15 to 21 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

13.5 Unless express provision is made in these Articles to the contrary, no Ordinary Shares shall be transferred by the Founders or by any Employee or person that at any time has been an Employee (or any Permitted Transferee of any Founder, Employee or any person that at any time has been an Employee) without Preferred Special Majority Consent.

13.6 Notwithstanding Article 13.5, each of the Founders may transfer Shares representing up to 10% of their holdings of Shares (as of the Date of Adoption) per year, up to a maximum of 20% of their holdings of Shares (as of the Date of Adoption) in aggregate, provided that such transfers shall continue to be subject to the pre-emption rights contained in Article 15 and, provided further that in respect of the transfer of the first 5% of their holdings of Shares (as of the Date of Adoption) per year, up to a maximum of the first 10% of their holdings of Shares (as of the Date of Adoption) in the aggregate, shall not be subject to the co-sale provisions contained in Article 20.

13.7 The Directors may refuse to register a transfer if:

- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
- (b) the transfer is to an Employee, Director or prospective Employee or prospective Director of the Company who in the reasonable opinion of the Board is subject to taxation in the United Kingdom and such person has not entered into a joint section 431 ITEPA election with the Company;
- (c) the transfer is not lodged at the registered office or at such other place as the Directors may appoint;

- (d) the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form reasonably acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (e) the transfer is in respect of more than one class of Shares; or
- (f) the transfer is in favour of more than four transferees.

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

13.8 The Directors shall, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of the Investment Agreement or any other shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any 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) and if any condition is imposed in accordance with this Article 13.8 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

13.9 To enable the Directors to determine whether or not there has been any disposal of Shares (or any interest in Shares) in breach of these Articles the Directors may, with Preferred Director Consent, 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 or the Preferred Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they reasonably deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where 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 writing of that fact and the following shall occur:

- (a) the relevant Shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:
  - (i) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question) provided that such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of an Investor; or
  - (ii) to receive dividends or other distributions otherwise attaching to those Shares or to any further Shares issued in respect of those Shares; and
- (b) 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 (a) above may be reinstated by the Board subject to Preferred Director Consent and shall in any event be reinstated upon the completion of any transfer referred to in (b) above.

- 13.10 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration 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 will be treated as having specified that:
- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (including the Preferred Directors) (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 five Business Days after the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, will be the Fair Value of the Sale Shares;
  - (b) it does not include a Minimum Transfer Condition (as defined in Article 15.2(d)); and
  - (c) the Seller wishes to transfer all of the Shares held by it.
- 13.11 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor.

#### **14. Permitted Transfers**

- 14.1 Subject to Article 13.5 and Article 14.13, a Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 14.2 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 14.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 14.3 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 14.4 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.
- 14.5 Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying Company**") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.



- 14.6 No transfer of Shares may be made to Trustees unless the Board is satisfied:
- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
  - (b) with the identity of the proposed trustees;
  - (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 14.7 If a company to which a Share has been transferred under Article 14.6, ceases to be a Qualifying Company it must within five Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 14.8 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - (b) give a Transfer Notice to the Company in accordance with Article 15.2,
- failing which he shall be deemed to have given a Transfer Notice in respect of such Shares.
- 14.9 If a Shareholder Company ceases to be a Shareholder Company it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 14.10 On the death (subject to Article 14.2), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation, administration or administrative receivership) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice in respect of such Shares.
- 14.11 A transfer of any Shares approved by the Preferred Special Majority may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors.

- 14.12 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board, including Preferred Director Consent.
- 14.13 Notwithstanding anything herein to the contrary, a transfer of any Preferred Shares (or Ordinary Shares issued upon conversion thereof) held by Valar may be made without restriction as to price or otherwise, including without limitation the provisions of Article 13.7, Articles 15, 16, 18,19 and 20, and each transfer shall be registered by the Directors. Save for transfers contemplated by Section 16.5 of Schedule 7 of the Investment Agreement, Preferred Shares (or Ordinary Shares issued upon conversion thereof) held by Valar may not be transferred to an Undesirable Transferee without the consent of the Board.

## 15. Transfers of Shares subject to pre-emption rights

- 15.1 Save where the provisions of Article 14 apply, and where Article 20 (*Co-sale right*) and Article 21 (*Drag-along*) expressly exempt the sale and transfer of certain Shares from the provisions of this Article 15, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 15.
- 15.2 A Shareholder who wishes to transfer Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:
- (a) the number of Shares which he wishes to transfer (the "**Sale Shares**");
  - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
  - (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be the Fair Value of the Sale Shares if no cash price is stated in the Transfer Notice and is not agreed between the Seller and the Board (including the Preferred Directors) within five Business Days of receipt of the Transfer Notice) (the "**Transfer Price**"); and
  - (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").
- 15.3 Except with Preferred Special Majority Consent, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.
- 15.4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 15.5 As soon as practicable following the later of:
- (a) receipt of a Transfer Notice; and
  - (b) in the case where the Transfer Price has not been specified in the Transfer Notice or the Transfer Notice is deemed to have been served, the date of determination of the Transfer Price under Article 16,

the Board shall offer the Sale Shares for sale to the Company and the Shareholders at the Transfer Price and the Company in the manner set out in Articles 15.6 to 15.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered, as well as the name of the proposed transferee.

#### 15.6 *Priority for offer of Sale Shares*

The Company shall have a priority right to purchase the Sale Shares, the exercise of which shall be decided by the Board with Preferred Director Consent, and shall be exercised by written notice sent to the Seller within ten (10) Business Days (the "**Company's Refusal Period**") of the Company's receipt of the Transfer Notice (or if Article 15.5(b) applies, the date of determination of the Transfer Price). If the Company does not exercise its purchase right hereunder, or chooses only to purchase some of the Sale Shares, then the Board shall offer the Sale Shares (or any remaining portion thereof) in the following priority:

- (a) first, to the Preferred Shareholders, which for purposes of this Article 15.6 shall be deemed to be a single class of Shareholders, on the basis as set out in Article 15.7; and
- (b) second, to the Ordinary Shareholders on the basis as set out in Article 15.8.

#### 15.7 *Transfers: First Offer*

- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all Preferred 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 15 Business Days after the offer (inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy. Any such offer to an Investor under this Article 15 shall be capable of being accepted by any other Member of the same Fund Group as an Investor, as the case may be.
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 15.6, 15.7 and 15.8 will be conditional on the fulfilment of the Minimum Transfer Condition.
- (c) 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 (fractional entitlements being rounded to the nearest whole number) which his existing holding of the relevant class of Shares bears to the total number of the relevant class of Shares held by those Continuing Shareholders who have applied for Sale Shares but 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.
- (d) If not all Sale Shares are allocated in accordance with Article 15.7(c) 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 Article 15.7(c).
- (e) If, at the end of the First Offer Period, the 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 and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with Article 15.8.

#### 15.8 *Transfers: Second Offer*

- (a) At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all Ordinary 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 15 Business Days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy.

- (b) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but 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.
- (c) 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 the Priority Rights and with their applications and the balance (the "**Second Surplus Shares**") will be offered to any other person in accordance with Article 15.9(e).

#### 15.9 *Completion of transfer of Sale Shares*

- (a) 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 specified as being subject to the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated (including the Company) under Articles 15.6, 15.7 and 15.8 stating the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect, and Article 15.9(e) shall apply.
- (b) If:
  - (i) the Transfer Notice does not include a Minimum Transfer Condition;
  - (ii) the Transfer Notice includes a Minimum Transfer Condition which has been met, but allocations have not been made in respect of all the Sale Shares; or
  - (iii) allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under Articles 15.7 and 15.8 (and once the requirements of Article 19 have been fulfilled to the extent required), give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of Article 15.9(c):
  - (i) 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:

- (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
  - (B) receive the Transfer Price and give a good discharge for it; and
  - (C) (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
- (ii) 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 to the Company his certificate or certificates for the relevant Sale Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).
- (e) If the Minimum Transfer Condition is not satisfied or the Allocation Notice does not relate to all the Sale Shares then, subject to Article 15.9(f), the Seller may, within eight weeks after service of notice under Article 15.9(a) or 15.9(b)(i) or 15.9(b)(ii) (as the case may be), transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Sale Shares shall continue to be subject to any Minimum Transfer Condition.
- (f) The right of the Seller to transfer Shares under Article 15.9(e) does not apply if the Board is of the opinion on reasonable grounds that:
- (i) the transferee is a person (or a nominee for a person) who the Preferred Directors determine 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 (a "**Competitor**");
  - (ii) 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
  - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

#### 15.10 *Waiver of restrictions*

The restrictions imposed by this Article 15 may be waived in relation to any proposed transfer of Shares with Preferred Director Consent and the consent of the Preferred Special Majority and an Ordinary Majority.

### 16. **Valuation of Shares**

- 16.1 If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served and the Board and Seller cannot agree a Transfer Price in accordance with Article 13.10 or Article 15.2 then, on the date of failing agreement the Board shall either:
- (a) appoint expert valuers in accordance with Article 16.2 (the "**Expert Valuers**") to certify the Fair Value of the Sale Shares; or
  - (b) (if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related

and multiplying such Fair Value by the number of Sale Shares that are the subject of the Transfer Notice.

- 16.2 The Expert Valuers will be either:
- (a) the Auditors; or
  - (b) (if so specified in the relevant Transfer Notice or if the Auditors decline to act for such purposes) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.
- 16.3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuers on the following assumptions and bases:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction;
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
  - (e) reflect any other factors which the Expert Valuers reasonably believe should be taken into account.
- 16.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 16.5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 16.6 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 16.7 The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 16.8 The Expert Valuers shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 16.9 The cost of obtaining the certificate shall be paid by the Company unless:
- (a) the Seller cancels the Company's authority to sell; or
  - (b) the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any)

offered by the Directors to the Seller for the Sale Share before Expert Valuers were instructed,

in which case the Seller shall bear the cost.

## **17. Compulsory transfers – General**

17.1 A person entitled to an Ordinary Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Ordinary Share at a time determined by the Directors.

17.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:

- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
- (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 17.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that the Directors may otherwise determine.

17.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine. This Article 17.3 shall not apply to a Shareholder that is an Investor.

17.4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of a Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of the Original Shareholder before being required to serve a Transfer Notice. This Article 17.4 shall not apply to a Shareholder that is an Investor.

## **18. Restrictions on Voting – Founders**

18.1 All voting rights attached to Employee Shares held by a Founder (the "**Restricted Member**"), if any, shall at the time he ceases to be an Employee (for these purposes Taavet Hinrikus ceasing to be an Employee shall be deemed to be OÜ Notorius (and/or its Permitted Transferees) ceasing to be an Employee) be suspended, unless the Board and the Preferred Special Majority notify him otherwise.

18.2 Any Employee Shares whose voting rights are suspended pursuant to Article 18.1 ("**Restricted Shares**") shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company and copies of all written resolutions, but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. Voting rights suspended pursuant to Article 18.1 shall be automatically restored immediately prior to an IPO. If a Restricted Member transfers any Restricted Shares in the Company in accordance with these Articles all voting rights

attached to the 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.

## **19. Mandatory Offer on a Change of Control**

- 19.1 Except in the case of Permitted Transfers and transfers pursuant to Article 17 (*Compulsory Transfers – General*), after going through the pre-emption procedure in Article 15, the provisions of Article 19.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Shares (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.
- 19.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to all other holders of Preferred Shares to acquire all of the Shares held by them for a consideration per Share the value of which is at least equal to the Specified Price (as defined in Article 19.7).
- 19.3 The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**").
- 19.4 If any holder of Preferred Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 19.5 If the Offer is accepted by any holder of Preferred Shares (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 19.6 All Proposed Transfers are subject to the pre-emption provisions of Article 15 but the sale of the Accepting Shareholders' shares under this Article 19 shall not be subject to Article 15.
- 19.7 For the purpose of this Article:
- (a) the expression "**transfer**" and "**purchaser**" shall include the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively;
  - (b) the expression "**Specified Price**" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:
    - (i) in the Proposed Transfer; or
    - (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,plus an amount equal to the Relevant Sum, as defined in Article 19.7(c) of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares



(the "**Supplemental Consideration**") provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Seller and Accepting Shareholders in accordance with the provisions of Articles 5 and 6;

(c) **Relevant Sum** =  $C \div A$

where: A = number of Shares being sold in connection with the relevant Proposed Transfer;

C = the Supplemental Consideration.

## 20. Co-Sale right

20.1 No transfer (other than a Permitted Transfer or a transfer pursuant to Article 17) of any Shares held by a Shareholder other than Valar may be made or validly registered unless the relevant Shareholder (a "**Co-Sale Seller**") shall have observed the following procedures of this Article.

20.2 After the Co-Sale Seller has gone through the pre-emption process set out in Article 15, the Co-Sale Seller shall give to each Shareholder not less than 15 Business Days' notice in advance of the proposed sale (a "**Co-Sale Notice**"). The Co-Sale Notice shall specify:

- (a) the identity of the proposed purchaser (the "**Buyer**");
- (b) the price per share which the Buyer is proposing to pay;
- (c) the manner in which the consideration is to be paid;
- (d) the number of Shares which the Co-Sale Seller proposes to sell; and
- (e) the address where the counter-notice should be sent.

20.3 Each Shareholder shall be entitled within 15 Business Days after receipt of the Co-Sale Notice (the "**Response Period**"), to notify the Co-Sale Seller that they wish to sell a certain number of Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Shareholder wishes to sell. The maximum number of shares which a Shareholder can sell under this procedure shall be:

$$\left( \frac{X}{Y} \right) \times Z$$

where:

X is the number of Shares held by the Shareholder;

Y is the total number of Shares outstanding at such time;

Z is the number of Shares the Co-Sale Seller proposes to sell.

A Shareholder who does not send a counter-notice within such Response Period shall be deemed to have specified that they do not wish to sell any Shares to the Buyer.

20.4 Following the expiry of the Response Period, the Co-Sale Seller shall be entitled to sell to the Buyer on the terms notified to the Shareholders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Shareholders have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases

from the Shareholders the number of Shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Co-Sale Seller from the Buyer.

- 20.5 No sale by the Co-Sale Seller shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.
- 20.6 Sales by Shareholders made in accordance with this Article 20 shall not be subject to the pre-emption provisions of Article 15.
- 20.7 The restrictions imposed by this Article 20 may be waived in relation to any proposed transfer of Shares with Preferred Director Consent and the consent of the Preferred Special Majority and an Ordinary Majority.

## **21. Drag-along**

- 21.1 If the Preferred Special Majority and the Ordinary Majority (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article.
- 21.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company, a copy of which the Company shall forthwith send to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer.
- 21.3 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 Proposed Purchaser within 40 Business 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.
- 21.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5.
- 21.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article such that without limitation no Called Shareholder shall be required to provide any warranty or representation (except as to title and capacity and then only on the basis that the Called Shareholder's maximum liability shall be limited to the consideration actually received by such Called Shareholder inclusive of all costs and expenses of the claimant) or indemnity.
- 21.6 Within five Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver duly executed stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they

are due pursuant to Article 21.4 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 21.4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 21.4 in trust for the Called Shareholders without any obligation to pay interest.

- 21.7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 21.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations to the Proposed Purchaser under this Article 21 in respect of their Shares.
- 21.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder for taking such actions and entering into such documents and agreements as are necessary to effect the transfer of the Called Shareholder's Shares and the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 21.4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 21.4.
- 21.9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 15.
- 21.10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire Shares or pursuant to 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, and such New Shareholder shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article 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.

## **22. General meetings**

- 22.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 22.2 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.

- 22.3 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 22.4 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
- 22.5 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 22.6 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

### **23. Proxies**

- 23.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)".
- 23.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may:
- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
  - (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director; or
  - (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

### **24. Directors' borrowing powers**

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party.

## 25. Alternate Directors

25.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "**Appointor**") may appoint any director or any other person as he thinks fit to be his alternate Director to:

- (a) exercise that Director's powers; and
- (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

The appointment of an alternate Director shall not require approval by a resolution of the Directors.

25.2 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.

25.3 The notice must:

- (a) identify the proposed alternate; and
- (b) 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.

25.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.

25.5 Except as these Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.

25.6 A person who is an alternate Director but not a Director:

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
- (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).

No alternate may be counted as more than one Director for such purposes.

25.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each 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).

- 25.8 An alternate Director is not 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.
- 25.9 An alternate Director's appointment as an alternate shall terminate:
- (a) when the alternate's Appointor or a Preferred Special Majority revokes the appointment by notice to the Company in writing specifying when it is to terminate;
  - (b) 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;
  - (c) on the death of the alternate's Appointor; or
  - (d) when the alternate's Appointor's appointment as a Director terminates.

## 26. Number of Directors

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not more than six nor less than two.

## 27. Appointment of Directors

- 27.1 A Preferred Special Majority shall be entitled to nominate one person to act as a Director by written notice from time to time and the other Shareholders shall not vote their Shares so as to remove that Director from office. A Preferred Special Majority shall be entitled to remove their nominated Director so appointed at any time by written notice and appoint another person to act in his place.
- 27.2 A Series C Majority shall be entitled to nominate one person to act as a Director by written notice from time to time and the other Shareholders shall not vote their Shares so as to remove that Director from office. A Series C Majority shall be entitled to remove their nominated Director so appointed at any time by written notice and appoint another person to act in his place.
- 27.3 Each of Kristo Käärman and OÜ Notorius (the "**Entitled Founders**" and each an "**Entitled Founder**"), for so long as (i) he or it respectively holds shares in the capital of the Company equal to not less than ten percent (10%) of the Shares in issue, and (ii) at least one of Kristo Käärman or Taavet Hinrikus continues to be employed by the Company, shall be entitled ("**Entitled Founder's Right**") to nominate by written notice one person to act as a Director. Subject to Article 27.4, the other Shareholders shall not vote their Shares so as to remove such Directors from office. Each Entitled Founder shall be entitled to remove his nominated Director so appointed at any time by written notice and appoint another person to act as in his place.
- 27.4 In the event that, pursuant to the provisions of Article 27.3 an Entitled Founder loses his or its Entitled Founder's Right, then the Shareholders by ordinary resolution shall be entitled to remove any Director appointed by such Entitled Founder and to nominate to act in his place such person as the Shareholders by ordinary resolution may from time to time nominate, and at any time by ordinary resolution to remove any Director so appointed and appoint another person to act in his place.
- 27.5 Kristo Käärman and OÜ Notorius (for so long as they both have their Entitled Founder's Right as set out in Article 27.3 shall be entitled together to nominate one independent person who is an industry expert to act as a Director by written notice from time to time and the other Shareholders shall not vote their Shares so as to remove such Director from office. Each of Kristo Käärman and OÜ Notorius (for so long as they both have their

Entitled Founder's Right as set out in Article 27.3) shall be entitled to remove such independent Director so appointed at any time by written notice and, if any such Director is so removed, nominate another person as set forth above to act in their place. Should either Entitled Founder lose his or its Entitled Founder's Right, the Shareholders shall be entitled by ordinary resolution to remove any independent Director appointed by the Entitled Founders under this Article 27.5 and to nominate to act in his place such person as the Shareholders by ordinary resolution may from time to time nominate and by ordinary resolution to remove any Director so appointed and, upon his removal appoint another Director in his place.

- 27.6 A Shareholder Majority shall be entitled to nominate one independent person who is an industry expert to act as a Director by written notice to the Company from time to time and the Company, following receipt of any such notice, shall circulate a resolution for the approval of the appointment of such person to the Shareholders. If Shareholders holding at least 75% of the Shares approve the resolution, the Company shall effect the appointment. A Shareholder Majority shall be entitled to remove a Director so appointed at any time by written notice and nominate another independent person who is an industry expert to act in such Director's place, provided that the approval of Shareholders holding at least 75% of the Shares shall always be required to approve such appointment.
- 27.7 An appointment or removal of a Director under Articles 27.1 to 27.6 by written notice requires a notice in writing to the Company which shall take effect at and from the time when the relevant notice is delivered to the registered office of the Company or produced to a meeting of the Directors.
- 27.8 Each Preferred Director shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking.
- 27.9 Each of IA Ventures and Valar shall be entitled to appoint one person to act as an observer to the Board and any committee thereof. Each observer shall be entitled to attend and speak at all meetings of the Board and receive copies of all board papers and other information as if he were a Director, but shall not be entitled to vote on any resolutions proposed at a board meeting. IVP shall be entitled to send one representative to attend meetings of the Board to act as an observer, at the invitation of the Company.

## **28. Disqualification of Directors**

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if he is convicted of a criminal offence (other than a minor motoring offence) which in the reasonable opinion of the Directors would bring the Company into disrepute and the Directors resolve that his office be vacated.

## **29. Proceedings of Directors**

- 29.1 The quorum for Directors' meetings shall be a majority of the Directors appointed from time to time, who must include (to the extent appointed) at least one of the Preferred Directors, one of the Founder Directors and one of the Independent Directors (save that where a Relevant Interest of a Preferred Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such Preferred Director and any other Relevant Director (as defined in Article 30.5) shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting). If such a 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 the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting and the Preferred Directors. If a quorum is not present at any such adjourned

meeting within half an hour from the time appointed, then the meeting shall proceed with those Directors present.

- 29.2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 29.3 The Directors participate (whether directly, by telephone or by any other means (whether electronically or otherwise)) in a Directors' meeting, or part of a Directors' meeting, when:
- (a) the meeting has been called and takes place in accordance with these Articles; and
  - (b) they can each hear (or otherwise receive real time communications made by) each of the other participating members addressing the meeting and address (or otherwise communicate in real time) to the others any information or opinions they have on any particular item of the business of the meeting.
- 29.4 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 29.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 29.6 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 29.7 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 29.8 A decision of the Directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this Article also.

### **30. Directors' interests**

#### *Specific interests of a Director*

- 30.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles and the Act, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed



contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;

- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (h) any other interest authorised by ordinary resolution.

*Interests of a Preferred Director*

30.2 In addition to the provisions of Article 30.1, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is a Preferred Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:

- (a) an Investor Fund Manager;
- (b) any of the funds advised or managed by an Investor Fund Manager from time to time; or
- (c) another body corporate or firm in which an Investor Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies.

*Interests of which a Director is not aware*

30.3 For the purposes of this Article 30, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

*Accountability of any benefit and validity of a contract*

- 30.4 In any situation permitted by this Article 30 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

*Terms and conditions of Board authorisation*

- 30.5 The Board may, subject to Article 30.7, authorise any matter which relates to a situation in which a Director (the “**Relevant Director**”) has, or can have, a direct or indirect interest which conflicts or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in a breach of duty by the Relevant Director under section 175 of the Act (a “**Relevant Interest**”).
- 30.6 The Relevant Director seeking authorisation in respect of a Relevant Interest must declare to the Board the nature and extent of his interest in that Relevant Interest as soon as is reasonably practicable in accordance with Article 30.13. The Relevant Director must provide the Board with such details as are necessary for the Board to decide whether or not to authorise the Relevant Interest, and such additional information as may be requested by the Board.
- 30.7 Any director (including the Relevant Director) may propose that a Relevant Interest be authorised by the Board. Such proposal and any authorisation given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board in accordance with the provisions in these Articles save that:
- (a) the Relevant Director and any other director with an interest in the Relevant Interest shall not count towards the quorum nor vote on any resolution giving such authorisation; and
  - (b) a Relevant Director may, if the other Directors so decide, be excluded from any meeting of the Board or any committee of Directors while the Relevant Interest is under consideration.
- 30.8 Subject to Article 30.9, any authority given in accordance with section 175(5)(a) of the Act in respect of a Relevant Director who has proposed that the Directors authorise his Relevant Interest pursuant to that section may, for the avoidance of doubt:
- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:
    - (i) restricting the Relevant Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
    - (ii) restricting the Relevant Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
    - (iii) restricting the application of the provisions in Articles 30.7 and 30.8, so far as is permitted by law, in respect of such Relevant Director;
  - (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Situation as they see fit from time to time, provided that this will not affect anything done by the Relevant Director prior to such withdrawal or variation in accordance with the terms of such authorisation; and

subject to Article 30.9, a Relevant Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 30.

*Terms and conditions of Board authorisation for a Preferred Director*

- 30.9 Notwithstanding the other provisions of this Article 30, it shall not (save with the consent in writing of a Preferred Director) be made a condition of any authorisation of a matter in relation to that Preferred Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 30.8.

*Director's duty of confidentiality to a person other than the Company*

- 30.10 Subject to Article 30.11 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 30), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
  - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

- 30.11 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 30.10 shall apply only if the conflict arises out of a matter which falls within Article 30.1 or Article 30.2 or has been authorised under section 175(5)(a) of the Act.

*Additional steps to be taken by a Director to manage a conflict of interest*

- 30.12 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
  - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

*Requirement of a Director to declare an interest*

- 30.13 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 30.1 or Article 30.2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:

- (a) falling under Article 30.1(g);
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

*Shareholder approval*

30.14 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 30.

30.15 For the purposes of this Article 30:

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director; and
- (c) 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.

**31. Notices**

31.1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 31.

*Notices in hard copy form*

31.2 Any notice or other document in hard copy form given or supplied under these Articles shall be delivered by hand or sent by pre-paid first class post (if sent to an address in the United Kingdom), or by courier using an internationally recognised courier company (if sent to an address outside of the United Kingdom):

- (a) to the Company at its registered office; or
- (b) to any Shareholder at its address on the register of members;

- (c) to the address notified to or by the Company for that purpose; or
- (d) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or
- (e) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or
- (f) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
- (g) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company.

31.3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:

- (a) if delivered by hand, at the time of delivery;
- (b) if sent by pre-paid first class post, on the second day after posting; or
- (c) if sent by courier, the third day after posting.

*Notices in electronic form*

31.4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:

- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
- (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 31.2; or
- (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify:
  - (i) on its website from time to time; or
  - (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time.

31.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:

- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;
- (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
- (c) if delivered in an electronic form, at the time of delivery; and

- (d) if sent by any other electronic means as referred to in Article 31.4(c), at the time such delivery is deemed to occur under the Act.

31.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

*Notice by means of a website*

31.7 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website.

*General*

31.8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**"). Notice so given shall constitute notice to all the joint holders.

31.9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

## **32. Indemnities and insurance**

32.1 Subject to the provisions of and so far as may be permitted by, the Act:

(a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against:

- (i) any liability incurred by the director to the Company or any associated company; or
- (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
- (iii) any liability incurred by the director:
  - (A) in defending any criminal proceedings in which he is convicted;
  - (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or
  - (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 32.1(a)(i), 32.1(a)(iii)(B) and 32.1(a)(iii)(C) applying;

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

- 32.2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

### **33. Data Protection**

- 33.1 Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the 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 among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed 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. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group ("**Recipient Group Companies**") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors consent to the transfer of relevant personal data to persons acting on behalf of the 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.

### **34. Secretary**

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.