

Company number 04018752

**ORDINARY AND SPECIAL RESOLUTIONS**

**OF**

**KOBALT MUSIC GROUP LIMITED**

**Passed on 25 February 2014**

At a general meeting of Kobalt Music Group Limited (the **Company**) duly convened and held at 4 Valentine Place, London SE1 8QH at 3 15pm on Tuesday 25 February 2014, the following resolutions were duly passed as an ordinary and as special resolutions

**ORDINARY RESOLUTIONS**

- 1 That, in accordance with section 551 of the Companies Act 2006 (the **2006 Act**), the Directors be generally and unconditionally authorised to allot up to 535,714 Ordinary Shares in the Company to MSD Music Investments, LLC on the terms of an agreement between the Company and MSD Music Investments, LLC dated on or around 30 January 2014, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 31 December 2014

**SPECIAL RESOLUTIONS**

- 2 That, conditional upon their approval (i) by the holders of Series A Preferred Shares and (ii) by the holders of Series B Preferred Shares (either at a separate class meeting or by way of written resolution), the draft regulations produced to the meeting and, for the purposes of identification, initialled by the Chairman, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association
- 3 That the requirement under Article 3 2 of the Articles of Association for Ordinary Shares to be offered first to Shareholders holding Ordinary Shares, Series A Preferred Shares or Series B Preferred Shares be dis-applied in relation to the allotment of Ordinary Shares pursuant to the authority granted to the Directors pursuant to Resolution numbered 1 above

Signed

  
Company Secretary



**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**KOBALT MUSIC GROUP LIMITED<sup>1</sup>**

**1. PRELIMINARY**

1 1 The regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (as amended so as to apply to companies first registered on the date of the adoption of these Articles) shall, except as hereinafter provided and so far as not excluded by or inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or Articles of Association. References herein to "Regulations" are to regulations in the said Table A unless otherwise stated.

1 2 In these Articles

**"Act"** means the Companies Act 2006,

**"Affiliate"** means, with respect to an Institutional Investor, any custodian or nominee for, or company owned or controlled by, the Institutional Investor or any investment fund, collective investment scheme or unit trust or other investment vehicle (howsoever structured) (together a "fund") in respect of which the Institutional Investor, its manager, or any of its related entities is manager, adviser, administrator or owner, and any person, who is or proposes to become manager, adviser or administrator of such fund or any related, linked or successor fund,

**"Ahdritz"** means Willard Ahdritz,

**"Ahdritz Director"** means the director appointed by Ahdritz in accordance with Article 16,

**"Articles"** means these articles of association and "Article" shall be construed accordingly,

**"Approved"** means the holders of 67 per cent or more of the

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<sup>1</sup> As adopted by special resolution passed on 25 February 2014

*Tim Butler*

<b>Majority</b>	Shares in issue from time to time,
<b>“Asking Price”</b>	means the price set out in a Sale Notice at which a Proposing Transferor is prepared to transfer or dispose of any of his Shares,
<b>“Asset Sale”</b>	means the completion (whether in one transaction or a series of transactions) of the sale or transfer or the whole or substantially the whole undertaking or assets of the Company,
<b>“Auditors”</b>	means the auditors from time to time of the Company,
<b>“B Shares”</b>	means the BA Ordinary Shares of 0.5p each in the capital of the Company, the BB Ordinary Shares of 0.5p each in the capital of the Company, the BC Ordinary Shares of 0.5p each in the capital of the Company, the BD Ordinary Shares of 0.5p each in the capital of the Company, the BE Ordinary Shares of 0.5p each in the capital of the Company, the BF Ordinary Shares of 0.5p each in the capital of the Company and the BG Ordinary Shares of 0.5p each in the capital of the Company,
<b>“Balderton”</b>	means Balderton Capital III L P , Balderton Capital IV L P and (for the purpose of Articles 9.1, 16.2 and 16.4) any Member of the Same Group or any Affiliate to which Balderton Capital III L P or Balderton Capital IV L P has transferred Shares at any time in accordance with Article 5.1.1 or 5.1.2 and any subsequent transferee of those Shares in accordance with Article 5.1.1 or 5.1.2,
<b>“Balderton Director”</b>	means the director appointed by Balderton in accordance with Article 16,
<b>“Board”</b>	means the board of directors of the Company or any committee of the board of directors,
<b>“Business”</b>	the business of the Group as carried on from time to time, being as at the date of adoption of these Articles music publishing and the provision of music publishing services,
<b>“Business Day”</b>	means a day other than Saturday, Sunday or a day on which banks are generally closed in the City of London,
<b>“Company”</b>	Kobalt Music Group Limited
<b>“company”</b>	includes any body corporate or limited partnership,

<b>“Connected Person”</b>	<p>means in relation to a person, any other person</p> <p>(a) who is a connected person (as defined in section 839 of the Income and Corporation Taxes Act 1988) to the first mentioned person, or</p> <p>(b) with whom the first mentioned person is acting in concert (as defined in The City Code on Takeovers and Mergers),</p> <p>and the expression “connected with a person” shall be construed accordingly,</p>
<b>“the Directors”</b>	means the directors from time to time of the Company,
<b>“Group”</b>	<p>means the Company, its holding company, its subsidiaries and subsidiary undertakings and subsidiaries and subsidiary undertakings of its holding company from time to time and “Group Company” means any one of them from time to time,</p>
<b>“holder”</b>	in relation to Shares means the Shareholder whose name is entered in the register of members of the Company as the holder of the Shares,
<b>“holding company”</b>	means a holding company as defined in section 1159 of the Act,
<b>“Institutional Investor”</b>	each of Balderton, Ahdritz, the Lemman Shareholders, the Luxcos, NewMedia and MSD (and their respective Affiliates, transferees and assigns).
<b>“Leman Shareholders”</b>	<p>means Lemman Management Nominees Limited (incorporated in the British Virgin Islands whose registered office is at Bison Court, Road Town Tortola, British Virgin Islands), Cape Capital Holdings AG (incorporated in Switzerland whose registered office is at C/O Cape Capital AG, Schipfe 2, CH-8001 Zurich, Switzerland), LM Holdings Limited (incorporated in Bermuda whose registered office is at Wessex House, 2nd Floor, 45 Reid Street, Hamilton, HM 12 Bermuda), Mr Andreas Hoffmann of C/O Massellaz SA, 4 Place De Casino, CH-1110 Morges, Switzerland and Ms Vera Maria Michalski-Hoffmann of C/O Secretariat Vera Michalski, 18 Av De La Gare, CH-1003 Lausanne, Switzerland and (for the purpose of Articles 16 2 and 16 4) any Member of the Same Group or any Affiliate to which Lemman Management Nominees Limited, Cape Capital Holdings AG or LM Holdings Limited has transferred Shares at any time in accordance with Article 5 1 1 or 5 1 2 and any</p>

subsequent transferee of those Shares in accordance with Article 5.1.1 or 5.1.2,

**“Listing”**

means either

- (a) the admission by the UK Listing Authority to listing, together with the admission by the London Stock Exchange to trading, on the Official List of any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing) and such admission becoming effective, or
- (b) the admission by the London Stock Exchange of any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing) to trading on AIM, and such admission becoming effective, or
- (c) any equivalent admission to any other Recognised Investment Exchange becoming unconditionally effective in relation to any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing), or
- (d) the admission by the New York Stock Exchange (“NYSE”) or the National Association of Securities Dealer Automated Quotation system (“NASDAQ”) to listing, together with the admission by the NYSE or NASDAQ to trading, on the NYSE or the NASDAQ Stock Market of any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing) and such admission becoming effective,

**“Luxcos”**

means the following companies registered in Norway Noreg Forvaltning AS, KMG Holdings AS and Portimao Productions AS with registered address at c/o Oslo Regnskapsteam AS, Postboks 5770 St Olavs Plass, N-0130 Oslo Norway and (for the purpose of Articles 9.1, 16.2 and 16.4) any Member of the Same Group or any Affiliate to which Noreg Forvaltning AS, KMG Holdings AS or Portimao Productions AS has transferred Shares at any time in accordance with Article 5.1.1 or 5.1.2 and any subsequent transferee of those Shares in accordance with Article 5.1.1 or 5.1.2,

<b>“Luxco Director”</b>	means a director appointed by the Luxcos in accordance with Article 16,
<b>“Member of the Same Group”</b>	means, in relation to any company, a company which is for the time being a holding company of that company or a subsidiary of that company or a subsidiary of any such holding company,
<b>“MSD”</b>	means MSD Music Investments, LLC and (for the purpose of Articles 9 1) any Member of the Same Group or any Affiliate to which MSD Music Investments, LLC has transferred Shares at any time in accordance with Article 5 1 1 or 5 1 2 and any subsequent transferee of those Shares in accordance with Article 5 1 1 or 5 1 2,
<b>“NewMedia”</b>	means SPARK Ventures Plc (registered in England and Wales under number 3813450) and NewMedia Spark B V (registered in the Netherlands of Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands) and (for the purpose of Articles 9 1, 16 2 and 16 4) any Member of the Same Group or any Affiliate to which SPARK Ventures Plc or NewMedia Spark BV has transferred Shares at any time in accordance with Article 5 1 1 or 5 1 2 and any subsequent transferee of those Shares in accordance with Article 5 1 1 or 5 1 2,
<b>“NewMedia Director”</b>	means the director appointed by NewMedia in accordance with Article 16,
<b>“office”</b>	means the registered office of the Company.
<b>“Ordinary Shares”</b>	means Ordinary Shares of 5p each in the capital of the Company,
<b>“Permitted Transfer”</b>	means a transfer of Shares expressly authorised by Article 5,
<b>“Person”</b>	means an individual or a company,
<b>“Preferred Shares”</b>	means the Series A Preferred Shares and the Series B Preferred Shares,
<b>“Proposing Transferor”</b>	means a person proposing to transfer or dispose of Shares,
<b>“Realisation Value”</b>	bears the meaning set out in Article 6 13
<b>“Recognised Investment</b>	bears the meaning set out in Section 285 of the

<b>Exchange”</b>	Financial Services and Markets Act 2000,
<b>“Relevant Shares”</b>	means any Shares transferred by a Transferor to a Transferee,
<b>“Sale”</b>	means a Share Sale or Asset Sale,
<b>“Sale Notice”</b>	means a notice in writing from a Proposing Transferor to the Company that he desires to transfer or dispose of Shares, or an interest in Shares, in the Company and the Asking Price for those Shares,
<b>“Sale Shares”</b>	means those Shares specified in the Sale Notice,
<b>“seal”</b>	means the common seal of the Company,
<b>“Secretary”</b>	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary,
<b>“Series A Preferred Shares”</b>	means the Series A Preferred Shares of 5p each in the capital of the Company,
<b>“Series B Preferred Shares”</b>	means the Series B Preferred Shares of 5p each in the capital of the Company,
<b>“Shares”</b>	means the Ordinary Shares, the Preferred Shares, the B Shares and any other class of shares of the Company that may be issued from time to time, and “Share” shall be construed accordingly,
<b>“Share Option”</b>	means an option, warrant or any other form of convertible security which provides the holder with the right to the issue of Shares,
<b>“Share Sale”</b>	means the sale or transfer or series of transfers or other disposition of any interest in any Shares in the Company to any bona fide third party purchaser (and any other person or persons who in relation to such third party purchaser is a Connected Person and/or with whom he is acting in concert (within the meaning set out in the City Code on Takeovers and Mergers)) which results in such third party purchaser (and any Connected Party or concert party of such third party purchaser) holding the entire issued ordinary share capital of the Company,
<b>“Shareholder”</b>	means any holder for the time being of a Share or Shares,

<b>“subsidiary”</b>	means a subsidiary as defined in section 1159 of the Act,
<b>“subsidiary undertaking”</b>	shall have the meaning ascribed to such expression by section 1162 of the Act,
<b>“Threshold Value”</b>	means <ul style="list-style-type: none"> <li>(a) in respect of the BA Ordinary Shares £6 00,</li> <li>(b) in respect of the BB Ordinary Shares £7 50,</li> <li>(c) in respect of the BC Ordinary Shares £10 00,</li> <li>(d) in respect of the BG Ordinary Shares £17 50,</li> <li>(e) in respect of the BD Ordinary Shares £20 00,</li> <li>(f) in respect of the BE Ordinary Shares £25 00, and</li> <li>(g) in respect of the BF Ordinary Shares £30 00</li> </ul>
<b>“Transferor”</b>	means a member which has transferred or proposes to transfer Shares to a Member of the Same Group,
<b>“Transferee”</b>	means a company for the time being holding Shares in consequence (directly or indirectly) of a transfer or series of transfers of Shares between companies which, at the time of transfer between them, were Members of the Same Group,
<b>“Winding Up”</b>	means the liquidation, dissolution or winding up of the Company pursuant to the making of a winding-up order by the court or the passing of a resolution by the members of the Company that the Company be wound- up or dissolved (save for a solvent winding-up for the purposes of reconstruction or amalgamation)

## **2. SHARE CAPITAL**

- 2 1 Save as expressly stated in these Articles, Shares shall rank pari passu in all respects and have the same rights under these Articles
- 2 2 The creation of a new class of Shares which has senior rights or rights which are pari passu with the rights of one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares

## **3. ISSUES OF SHARES AND PRE-EMPTION RIGHTS ON ISSUES OF SHARES**

- 3 1 Subject to Section 551 of the Act and to the following provisions of this Article 3, all unissued Shares shall be at the disposal of the Directors and they may allot, grant



rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper

- 3 2 All Shares which the Directors propose to issue shall first be offered to Shareholders holding Ordinary Shares and Preferred Shares (as if the same constituted a single class) in proportion as nearly as may be to the number of existing Ordinary Shares and Preferred Shares held by them respectively and at the same price at which the Shares on offer are proposed to be issued. The offer shall be made by notice specifying the number of Shares offered and the price, and stating a period (not being less than fourteen days) within which the offer, if not accepted in writing, will be deemed to be declined. If any Shares are not taken up by any Shareholder pursuant to such offer those Shares ("Unaccepted Shares") shall then be offered to all the Shareholders holding Ordinary Shares or Preferred Shares who have taken up such offer, who may accept such further offer in respect of all or any part of the Unaccepted Shares. If acceptances are received for more than the total amount of the Unaccepted Shares the acceptances will be scaled down according to the relative proportions of Ordinary Shares and Preferred Shares (as if the same constituted a single class) held by each of the accepting Shareholders prior to the issue of Shares. For the avoidance of doubt, this Article 3 2 shall not apply to B Shares which the Directors propose to issue and no Shares shall be offered under the terms of this Article 3 2 to Shareholders in their capacity as holders of B Shares.
- 3 3 The Directors (by resolution of the Board) may dis-apply Article 3 2 for allotments and issues (including the grant of options, warrants or other rights to subscribe for Shares) in any period of 12 months (with the first such period commencing on the date of adoption of these Articles) of up to 10 % of the number of Shares in issue at the commencement of such period.
- 3 4 Article 3 2 shall not apply
- 3 4 1 to the grant of options and the subsequent issue of Shares pursuant to an employee share option scheme established by the Company and approved by the Board, or
- 3 4 2 to the exercise by the holders thereof of any options or warrants over Shares granted to them prior to the date of adoption of these Articles.
- 3 5 Any Shares not accepted pursuant to Article 3 2 or not capable of being offered except by way of fractions shall for a period of two months thereafter be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted, such Shares shall only be allotted or otherwise disposed of on terms which are no more favourable in any respect to the subscribers than the terms on which they were offered to the holders of the Shares and the Directors may not allot, grant options over or otherwise dispose of the Shares after such period of two months without re-offering such Shares in accordance with this Article 3.
- 3 6 Regulation 4 of Table A and, in accordance with Section 567(1) of the Act, Sections 561 and 562 of the Act shall not apply to the Company.

#### **4. PURCHASE OF OWN SHARES**

Except with the consent in writing of the Approved Majority, the power conferred by Regulation 35 shall be exercised only in such a manner as to maintain the same proportions in which the Shareholders hold Shares prior to the purchase

#### **5. PERMITTED TRANSFERS OF SHARES**

5 1 Any Share may at any time be transferred as follows

5 1 1 by any corporate member to a Member of the Same Group, or

5 1 2 by any Institutional Investor to an Affiliate, or

5 1 3 to any person with the consent in writing of the Board acting by a resolution approved by a majority of the Board in accordance with Article 19 3, or

5 1 4 to any person in accordance with the provisions of any agreement for the time being binding on all the members and the Company

5 2 If, while it holds Shares, a Transferee ceases to be a Member of the Same Group as the Transferor from which the Relevant Shares were derived (the relevant Transferor in the case of a series of transfers being the first Transferor in such series), it shall be the duty of the Transferee to notify all the other members in writing within 30 days of the cessation that such event has occurred and the Transferee shall be bound (except as all the other members may in writing otherwise determine) to transfer the Relevant Shares to the Transferor or to a Member of the Same Group as the Transferor, any such transfer being deemed to be authorised under the foregoing provisions of this Article

5 3 Except in the case of a transfer expressly authorised by this Article or made in accordance with the procedure set out in Article 6 or pursuant to Regulation 30, no transfer of a Share shall be registered without the sanction of an effective resolution of the Directors and if such sanction is not given or refused within eight weeks after the transfer is lodged for registration the sanction shall be deemed to have been refused at the expiration of such period and the transferee shall be notified accordingly

#### **6. PRE-EMPTION RIGHTS ON TRANSFERS**

6 1 Except in the case of a Permitted Transfer or a transfer pursuant to Article 7 or 8, the right to transfer Shares or to dispose of any Shares or any interest in Shares shall be subject to the following restrictions and provisions

6 2 Before transferring or disposing of any Shares or any interest in any Shares the Proposing Transferor shall serve a Sale Notice on the Company A Sale Notice once given or deemed to have been given shall be irrevocable unless otherwise agreed by all of the members of the Company

6 3 Except for a Sale Notice that has been deemed to be given pursuant to Articles 6 11 or 6 12, the Proposing Transferor may state in the Sale Notice that he is only willing

to transfer all the Sale Shares, in which case no Sale Shares can be sold unless offers are received for all of them

6 4 The Sale Notice shall make the Company the agent of the Proposing Transferor for the sale of the Sale Shares on the following terms, which the Company shall notify to the other members of the Company within seven days of receiving the Sale Notice

6 4 1 the number of Sale Shares and the Asking Price for each Sale Share,

6 4 2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them;

6 4 3 each of the other members of the Company holding Ordinary Shares or Preferred Shares ("Relevant Shareholder") shall be entitled to buy the Sale Shares in proportions reflecting, as nearly as possible, the nominal amount of their existing holdings of Ordinary Shares or Preferred Shares (as the case may be) as bears to the total number of Ordinary Shares and Preferred Shares held by all Relevant Shareholders,

6 4 4 Relevant Shareholders shall be entitled to offer to buy all but not part only of any Shares that are not accepted by the other Relevant Shareholders ("Excess Shares"), and

6 4 5 any additional terms pursuant to Article 6 3

6 5 On the date notified by the Company (being fourteen days after the Company's despatch of the terms for the sale of the Sale Shares (the "Closing Date"))

6 5 1 a Relevant Shareholder who has not responded to the offer in writing shall be deemed to have declined it, and

6 5 2 each offer made by a Relevant Shareholder to acquire Sale Shares shall become irrevocable

6 6 If there are Excess Shares and the Company receives offers for more Shares than the number of Sale Shares, the Excess Shares will be allocated according to the relative proportions of Relevant Shares held by each of the Relevant Shareholders applying for Excess Shares prior to the date of the Sale Notice

6 7 Within seven days after the Closing Date, the Company shall notify the Proposing Transferor and the Relevant Shareholder who offered to buy Sale Shares of the result of the offer and, if any Sale Shares are to be sold pursuant to the offer

6 7 1 the Company shall notify the Selling Shareholder of the names and addresses of the Relevant Shareholders who are to buy Sale Shares and the number to be bought by each,

6 7 2 the Company shall notify each Relevant Shareholder of the number of Sale Shares he is to buy, and

- 6 7 3 the Company's notices shall state a place and time, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed
- 6 8 If the Proposing Transferor does not transfer Sale Shares in accordance with Article 6 7 3, the Directors may authorise any Director to transfer the Sale Shares on the Proposing Transferor's behalf to the buying Relevant Shareholders concerned against receipt by the Company of the Asking Price per Sale Share. The Company shall hold the Asking Price in trust for the Proposing Transferor without any obligation to pay interest. The Company's receipt of the Asking Price shall be a good discharge to the buying Relevant Shareholder. The Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Proposing Transferor shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the Asking Price for the Sale Shares.
- 6 9 If, by the Closing Date, the Company has not received offers for all the Sale Shares, the Company shall (subject to the provisions of the Act) have the right to acquire all the Sale Shares not already sold at the Asking Price and such right shall lapse unless exercised by the Company within 42 days of the Closing Date.
- 6 10 If, the Sale Shares, or any of them, remain unsold after the provisions of Articles 6 3 to 6 9 have been complied with, the Selling Shareholder may at any time within the period of 42 days thereafter transfer the unsold Sale Shares, or any of them, to a third party whose identity (including, without limitation, details of its holding company and subsidiaries and the subsidiaries of its holding company) has been notified to the Company in writing not less than 14 days prior to the proposed date of transfer on no more favourable terms than such Sale Shares were offered to Shareholders and the Company under this Article 6 provided always that the unsold Sale Shares may not be transferred to the third party if, prior to the proposed date of transfer, the Board has resolved (and notified the Selling Shareholder accordingly) that, in its opinion, the third party being the holder of Shares in the Company would have a material adverse affect on the Company and/or the Business (taking into account such considerations, including without limitation the identity of the third party, its holding company and subsidiaries, the subsidiaries of its holding company and each of their Connected Persons, and each of their activities within the recorded music and/or music publishing industry, as the Board considers appropriate in all the circumstances). If the Selling Shareholder has appointed a Director to the Board in accordance with Article 16 2
- 6 10 1 such Director shall not be required (for the purposes of Article 19 3) to be in the majority of Directors which voted in favour of the resolution of the Board referred to in this Article 6 10, and
- 6 10 2 the requirement in Article 19 1 that such Director must be present in order for the Board meeting at which such resolution is passed to be quorate shall not apply
- 6 11 Any person becoming entitled to B Shares by way of the death, insolvency or bankruptcy of a member ("the Successor Member") shall be deemed to have served a Sale Notice in respect of his holdings of B Shares on the Company on the date of his becoming so entitled where the Asking Price shall be the Realisation

Value, provided that the Board in its absolute discretion may determine that this Article 6 11 shall not apply and notice of such determination shall be served on the Successor Member within 42 days of his becoming entitled to B Shares

- 6 12 Any member holding B Shares who is dismissed from employment with the Group by reason of gross misconduct shall be deemed to have served a Sale Notice in respect of his holdings of B Shares on the Company on the date of his dismissal where the Asking Price shall (unless the Board determines otherwise) be the lesser of the price that the member originally paid to acquire his B Shares and the Realisation Value. The Board may determine that this Article 6 12 should not apply to all or any of a relevant member's holdings of B Shares
- 6 13 In Articles 6 11 and 6 12, the "Realisation Value" of a B Share shall be the amount per B Share to which the relevant member holding B Shares would be entitled to receive pursuant to Article 29 on the assumption that a Liquidity Event had taken place on the date of deemed service of the Sale Notice pursuant to Article 6 11 or 6 12 (as the case may be) and the Distributable Amount was equal to the Market Value. For this purpose, the "Market Value" shall be the market value of the Company as agreed by the relevant member holding B Shares and the Company as between a willing purchaser and a willing vendor negotiating at arm's-length or, in default of such agreement, as determined by such person being a member of the Institute of Chartered Accountants of England and Wales as may be nominated by the Directors acting as expert and not as arbitrator, the costs of such determination to be borne equally by the member holding B Shares and the Company

## **7. TAG -ALONG RIGHTS ON A CHANGE OF CONTROL**

- 7 1 If an offer or offers are received by one or more Shareholders from any Person or any Connected Person or Member of the Same Group ("Purchase Offer(s)") to make a transfer or series of transfers of Shares (other than a Permitted Transfer) that would upon its completion result in any transferee(s) (and/or any Connected Person or Member of the Same Group of such transferee(s)) of Shares holding or becoming entitled to acquire 50% or more of all of the Shares in issue (a "Change of Control") then such Purchase Offer(s) may only be accepted and the proposed transfer(s) may only take place on the condition (the "Condition") that
- 7 1 1 the consent of the Approved Majority is received prior to such transfer taking place, and
- 7 1 2 the Purchase Offer be extended to the other Shareholders so that they are each entitled to participate
- (a) in the transfer pro rata to their holdings of Ordinary Shares or Preferred Shares as a proportion of the aggregate number of Shares then in issue and at the same price per Share as that offered to the Shareholder(s) in receipt of the Purchaser Offer (and, if more than one price per Share has been offered to such Shareholder(s), at the highest price per Share which has been offered), and
- (b) in the transfer pro rata to their holdings of B Shares as a proportion of the aggregate number of Shares then in issue and at the same price

per Share referred to in Article 7 1 2(a) less the applicable Threshold Value

7 2 If the Condition is not satisfied in relation to any proposed transfer that would result in a Change of Control then any transfer of Shares pursuant to such proposed transfer shall be void

## **8. DRAG-ALONG RIGHTS**

8 1 Subject to the valuation placed on the Company by the relevant transaction being equal to or more than an amount which would (on the basis that such transaction was a Share Sale under Article 29) result in the holders of Ordinary Shares and Series A Preferred Shares receiving £12 00 or more for each Ordinary Share or Series A Preferred Share (as the case may be) as shall be determined by the Board, an Approved Majority may, by serving a notice ("Compulsory Purchase Notice") on each other Shareholder ("Minority Shareholder"), require all the Minority Shareholders to sell all their Shares and beneficial interests therein to a third party ("Purchaser") or such other person or person as the Purchaser may specify

8 1 1 in respect of holdings of Ordinary Shares or Preferred Shares, for the same price per share as is payable in respect of the Purchaser's offer for the Ordinary Shares held by the Approval Majority, and

8 1 2 in respect of holdings of B Shares, for the price per share referred to in Article 8 1 1 less the applicable Threshold Value, but subject always to the distribution of proceeds according to Article 29 as if the transaction was a Share Sale under Article 29

8 2 Within seven days of the Board serving notice on the Minority Shareholders

8 2 1 the Company shall notify the Minority Shareholders of the names and addresses of the proposed transferee and the consideration being offered, and

8 2 2 the Company's notices shall specify the price per share and state a date, between 7 and 14 days after the service of the Compulsory Purchase Notices on which the sale and purchase of the Shares is to be completed ("Completion Date")

8 3 By the Completion Date, the Minority Shareholders shall deliver stock transfer forms for the Shares, with the relevant share certificates, to the Company On the Completion Date, the Company shall pay the Minority Shareholders, on behalf of the proposed transferee, the consideration for their Shares to the extent the transferee has put the Company in the requisite funds The Company's receipt for the price shall be a good discharge to the transferee The Company shall hold the price in trust for the Minority Shareholders without any obligation to pay interest

8 4 To the extent that the transferee has not, by the Completion Date, put the Company in funds to pay the consideration, the Minority Shareholders shall be entitled to the return of the stock transfer forms and share certificates for their Shares and the Minority Shareholders shall have no further rights or obligations under this Article 8

8 5 If a Minority Shareholder fails to deliver stock transfer forms for his Shares to the Company by the Completion Date, the Directors may (and shall, if requested by the Approved Majority) authorise any Director to transfer his Shares on the Minority Shareholder's behalf to the transferee to the extent the transferee has, by the Completion Date, put the Company in funds to pay the Consideration for the Shares offered to him. The Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Minority Shareholder shall surrender his share certificate for his Shares to the Company. On surrender, he shall be entitled to the consideration for his Shares.

8 6 During the time that this Article 8 applies in any particular case to a Minority Shareholder's Shares, those Shares may not be transferred otherwise than under this Article 8.

## **9. PROCEEDINGS AT GENERAL MEETINGS**

9 1 Save as herein otherwise provided, the quorum at any General Meeting shall be three or more members entitled to vote at general meetings present in person or by proxy. Regulation 40 shall be modified accordingly.

9 2 If within half an hour of the time appointed for the holding of any meeting no quorum is present, the Chairman shall resolve to adjourn that meeting to a specified place and time between five and ten Business Days from the date of the original meeting. The Chairman shall give notice in writing of such adjourned meeting to each of the members and the Directors. The quorum for such an adjourned meeting or any other adjourned meeting shall be any one or more members present in person or by proxy. Regulation 41 shall be modified accordingly.

## **10. CHAIRMAN OF GENERAL MEETINGS**

The Chairman of the Board or his representative shall act as chairman at any General Meeting. Regulation 50 shall apply.

## **11. CORPORATE REPRESENTATIVES**

In the case of a corporation a resolution in writing may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be extended accordingly. Regulation 53 (as extended) shall apply mutatis mutandis to resolutions in writing of any class of members of the Company.

## **12. VOTES OF MEMBERS**

12 1 On a show of hands and on a poll every member who is present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder, one vote for every Preferred Share of which he is the holder and one vote for every twenty B Shares of which he is the holder. Regulation 54 shall not apply.

12 2 If at a General Meeting a resolution is proposed which, if passed, would have a material adverse effect on the rights of any Institutional Investor under these Articles ("Disadvantaged Investor") (including, without limitation, a resolution to remove the director appointed by the Disadvantaged Investor pursuant to Article 16 if the

Disadvantaged Investor is then entitled to appoint a director in accordance with that Article), and the Disadvantaged Investor shall vote on a poll against such resolution and the total number of votes cast against such resolution would (in the absence of this Article 12 2) be insufficient to prevent it being passed, then (for so long as it holds 5% or more of the aggregate of the issued Shares which would be in issue if all the Share Options were exercised) the Disadvantaged Investor shall in relation to that resolution carry such number of votes in respect of its holding of Shares as is equivalent to 51 per cent of the total number of votes cast (including those conferred pursuant to this Article 12 2)

- 12 3 The holders of B Shares shall be entitled in their capacity as holders of B Shares to vote on any resolution, the effect of which would be to alter their rights under Articles 7, 8 and this Article 12 3 or the right to capital attaching to the B Shares set out in Article 29, in the proportion of one vote for every B Share held and no such resolution may be duly passed unless a majority of 75% of the votes of the B Shares held by members present and entitled to vote on that resolution vote in favour of it

### **13. PROXIES**

An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof) must either be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the registered office) at least one hour before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used or be delivered to the Secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Regulation 62 shall not apply.

### **14. NUMBER OF DIRECTORS**

The number of Directors shall be between 4 and 12 or such other number as the Company may from time to time determine by an ordinary resolution. Regulation 64 shall not apply.

### **15. ALTERNATE DIRECTORS**

- 15 1 Any Director may at any time appoint any person (including another Director) to be the alternate Director of any Director and may at any time terminate such appointment. Any such appointment or termination of appointment shall be effected in like manner as provided in Article 16. The same person may be appointed as the alternate Director of more than one Director. Regulations 65 to 68 shall not apply.



- 15 2 The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if the Director of whom he is the alternate ceases to be a Director
- 15 3 An alternate Director shall be entitled to receive notices of meetings of the Directors and of all committees of Directors of which the Director of whom he is the alternate is a member and shall be entitled to attend and vote and be counted in the quorum at any such meeting at which the Director of whom he is the alternate is not personally present and generally to perform all the functions of the Director of whom he is the alternate in his absence and the provisions of these Articles shall apply as if he were a Director of the relevant class If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative If the Director of whom he is the alternate is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of the Director of whom he is the alternate
- 15 4 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to the Director of whom he is the alternate as such Director may by notice in writing to the Company from time to time direct

## **16. APPOINTMENT AND REMOVAL OF DIRECTORS**

- 16 1 The Directors shall not be subject to retirement by rotation Regulations 73 to 80 shall not apply
- 16 2 Subject to Articles 16 4 and 16 5
- (a) NewMedia (as long as it holds Shares and Share Options over Shares equal to at least 5% of the aggregate of the number of Shares in issue and the number of Shares which would be in issue if all the Share Options were exercised) may from time to time appoint one person to be a Director,
  - (b) the Luxcos (as long as they together hold Shares and Share Options over Shares equal to at least 5% of the aggregate of the number of Shares in issue and the number of Shares which would be in issue if all the Share Options were exercised) may from time to time appoint one person to be a Director,
  - (c) Ahdritz (as long as he holds Shares and Share Options over Shares equal to at least 5% of the aggregate of the number of Shares in issue and the number of Shares which would be in issue if all the Share Options were exercised) may from time to time appoint one person to be a Director,
  - (d) Balderton (as long as it holds Shares and Share Options over Shares equal to at least 5% of the aggregate of the number of Shares in issue and the

number of Shares which would be in issue if all the Share Options were exercised) may from time to time appoint one person to be a Director,

- (e) the Lemman Shareholders (as long as they together hold Shares and Share Options over Shares equal to at least 5% of the aggregate of the number of Shares in issue and the number of Shares which would be in issue if all the Share Options were exercised) may from time to time appoint one person to be a Director. Jacob Tandberg shall be deemed to be the first person appointed by the Lemman Shareholders under this Article 16 2(e) from the date of adoption of these Articles, and
- (f) MSD (as long as it holds Shares and Share Options over Shares equal to at least 10% of the aggregate of the number of Shares in issue and the number of Shares which would be in issue if all the Share Options were exercised) may from time to time appoint one person to be a Director

16 3 Subject to Articles 16 4 and 16 5, each Shareholder referred to in Article 16 2 who is and then remains entitled to appoint a Director pursuant to Article 16 2 (or in the case where it comprises more than one person registered as a Shareholder, the Shareholder group collectively) may at its sole discretion remove the person appointed by it and appoint another person to be a Director

16 4 If the holding of Shares and Share Options over Shares of any of Ahdritz, NewMedia, the Luxcos, Balderton or the Lemman Shareholders falls below the 5% level referred to in Article 16 2 or of the holding of Shares and Share Options over Shares of MSD falls below the 10% level referred to in Article 16 2, the relevant Director will remain appointed until such time as they resign or are removed by an ordinary resolution. For the avoidance of doubt, in such an event, while the relevant Director remains appointed, the quorum provisions in Article 19 1 and the voting provisions in Article 19 3 in relation to such Director (to the extent to which they are applicable) will remain in force (unless those provisions have been renounced as provided in Article 19 2 or 19 4). If the holding of Shares and Share Options over Shares of NewMedia falls below the 5% level referred to in Article 16 2 at any time, the right of NewMedia under Article 16 2 to appoint a Director shall thereupon terminate and shall not be capable of being exercised thereafter even if its holding of Shares and Share Options over Shares is subsequently 5% or more

16 5 Any of Ahdritz, NewMedia, the Luxcos, Balderton, the Lemman Shareholders or MSD (or in the case where it comprises more than one person registered as a shareholder, the shareholder group collectively) may at its sole discretion serve notice in writing on the Company, with specific reference to this Article 16 5, that it renounces the right to appoint a Director pursuant to Articles 16 2 and 16 3. Such notice shall be irrevocable (notwithstanding anything stated in the notice to the contrary). The relevant Director shall (unless the notice also states that the appointment of such Director also terminates) remain appointed until such time as they resign or are removed by an ordinary resolution. For the avoidance of doubt, in such an event, while the relevant Director remains appointed (and to the extent to which they are applicable), the quorum provisions in Article 19 and the voting provisions in Article 19 2 in relation to such Director will remain in force (unless such provisions have also been renounced as provided in Article 19 2 or Article 19 4)

- 16.6 Any such appointment or removal of Directors by its appointor or notice served under Article 16.5 shall be in writing served on the Company and signed by the relevant Shareholders. In the case of a corporation, such document must be signed on its behalf by a Director or the Secretary thereof or its duly appointed attorney or duly authorised representative.
- 16.7 The Directors may appoint any person or persons, who are willing to act, to be a Director either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors. Regulation 90 shall be modified accordingly.

## **17. VACATION OF OFFICE**

The office of a Director shall be vacated if any of the events specified in Regulation 81 occurs and also if a Director shall in writing offer to resign and the Directors shall resolve to accept such offer.

## **18. REMUNERATION OF DIRECTORS**

Any Director who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine. Regulation 82 shall be extended accordingly.

## **19. PROCEEDINGS OF DIRECTORS**

- 19.1 Board Meetings shall be held in London but the Directors, and any committee of the Directors, shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other, and persons so linked shall be counted in any quorum required. The quorum at a meeting of Directors shall be four including (but subject to Article 19.2) the Ahdritz Director (as long as one has been appointed), the Luxco Director (as long as one has been appointed), the NewMedia Director (as long as one has been appointed) and the Balderton Director (as long as one has been appointed) provided that if within half an hour of the time appointed for the holding of any meeting of the Directors this quorum is not satisfied the Director(s) present shall resolve to adjourn that meeting to a specified place and time on the next Business Day after the expiry of 48 hours from the date of the original meeting and notice sent by email to all Directors. The quorum for such an adjourned meeting shall be 50% of the Directors. An alternate Director shall be counted in the quorum in the same capacity as his appointor but so that not less than two individuals will constitute the quorum. Regulation 89 shall not apply.
- 19.2 Any of Ahdritz, NewMedia, the Luxcos or Balderton (or in the case where it comprises more than one person registered as a shareholder, the shareholder group collectively) may at its sole discretion serve notice in writing on the Company, with specific reference to this Article 19.2, that it renounces the right under Article 19.1 for its currently appointed Director or any future Director appointed by it pursuant to Article 16.2 or 16.3 to be present in order for a meeting of the Board to be quorate.

Such notice shall be irrevocable (notwithstanding anything stated in the notice to the contrary) For the avoidance of doubt, in such an event, service of such notice shall not affect the right to appoint a Director pursuant to Article 16 2 or 16 3 (unless such right has also been renounced as provided in Article 16 5) and the voting provisions in Article 19 3 in relation to such Director will remain in force (unless they have also been renounced as provided in Article 19 4)

- 19 3 All business arising at any meeting of the Directors or of any committee of the Directors shall be determined only by a majority including the Ahdritz Director (as long as there is one appointed), the Luxco Director (as long as there is one appointed), the NewMedia Director (as long as there is one appointed) and the Balderton Director (as long as there is one appointed) The Chairman shall be entitled to a casting vote
- 19 4 Any of Ahdritz, NewMedia, the Luxcos or Balderton (or in the case where it comprises more than one person registered as a shareholder, the shareholder group collectively) may at its sole discretion serve notice in writing on the Company, with specific reference to this Article 19 4, that it renounces the right under Article 19 3 for its currently appointed Director or any future Director appointed by it pursuant to Article 16 2 or 16 3 to be included in a majority of the Directors or of any committee of the Directors Such notice shall be irrevocable (notwithstanding anything stated in the notice to the contrary) For the avoidance of doubt, in such an event, service of such notice shall not affect the right to appoint a Director pursuant to Article 16 2 or 16 3 (unless such right has also been renounced as provided in Article 16 5) and the quorum provisions in Article 19 1 in relation to such Director will remain in force (unless they have also been renounced as provided in Article 19 2)

## **20. COMMITTEE OF DIRECTORS**

The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more Directors and (if thought fit) one or more other named persons or persons to be co- opted as hereinafter provided Insofar as any such power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors Any such regulations may provide for or authorise the co- option to the committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee but so that the number of members who are not Directors shall be less than one-half of the total number of members of the committee Regulation 72 shall be modified accordingly

## **21. CHAIRMAN/NOTICE OF MEETINGS**

- 21 1 The Chairman shall be elected by resolution of the Board

21 2 Notice to attend any meeting of the Directors, together with a full agenda for such meeting, shall be sent to each Director at their last known address, fax number or electronic mail address (or to such temporary address, fax number or electronic mail address as may be notified to the Secretary from time to time) at least 7 days before the meeting unless all the Directors agree to a shorter period. Any further relevant documentation should also, so far as is possible, be sent to the Directors at the same address at least 24 hours before the meeting.

## **22. DIRECTORS' INTERESTS**

On any matter in which a Director is in any way interested he may nevertheless vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 94 to 98 shall be modified accordingly.

## **23. CAPITALISATION OF PROFITS AND RESERVES**

23 1 The Directors may, with the sanction of a Special Resolution (as defined in the Act) of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account and Capital Redemption Reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the Shareholders in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and applying that part of such sum distributable amongst them in paying up in full unissued Shares for allotment and distribution credited as fully paid up to and amongst them.

23 2 The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned. Regulation 110 shall not apply.

## **24. DIVIDEND POLICY**

24 1 The declaration and payment of dividends from time to time shall be at the sole discretion of the Board.

24 2 Any resolution declaring a dividend shall not constitute the declaration of a dividend on any class of Shares unless the said resolution shall so state that it does.

## **25. INDEMNITY**

25 1 Subject to the provisions of and so far as may be permitted by law, every Director, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and/or exempted by the Company from all costs, charges,

losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court Regulation 118 shall not apply

- 25 2 Without prejudice to the provisions of Regulation 87 or Article 25 1, the Directors shall have the power to purchase and maintain insurance for or for the benefit of any person who is or was at any time a Director or officer of any company within the Group, or who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any company within the Group are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by him in respect of any act or omission in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any company within the Group, or any such pension fund or employees' share scheme

## **26. MANAGING DIRECTOR**

- 26 1 The Directors may from time to time appoint one or more persons to the office of managing director for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment
- 26 2 A managing director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine
- 26 3 The Directors may entrust to and confer upon a managing director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers

## **27. AUTHORISED SIGNATORIES**

The Company shall not have a common seal Regulation 1 shall be amended accordingly and Regulation 101 shall not apply Unless otherwise authorised by the Board, two Directors or one Director and the Secretary shall have authority to sign and execute documents on behalf of the Company

## **28. AUDITORS**

Subject to section 485 of the Act, the Auditor or Auditors of the Company shall be appointed by an Approved Majority

## 29. LIQUIDITY EVENT

29 1 If, on a Liquidity Event, the Distributable Amount is less than or equal to the Total Preference Amount

- (a) the Distributable Amount shall be distributed to the holders of Preferred Shares on a pari passu basis in proportion to the amount (including any premium) paid up on their respective Preferred Shares, until each holder of Preferred Shares has received in full the amount (including any premium) paid up on its respective Preferred Shares, and
- (b) the holders of Ordinary Shares and B Shares shall not be entitled to receive any amount

29 2 If, on a Liquidity Event, the Distributable Amount is more than the Total Preference Amount, the Distributable Amount shall be distributed among the Shareholders as follows

- (a) each holder of Ordinary Shares shall receive an amount per Ordinary Share calculated as follows
  - (i) the 1st Amount divided by the number of Ordinary Shares then in issue, if the result of such calculation is less than £6 00,
  - (ii) the 2<sup>nd</sup> Amount divided by the aggregate number of Ordinary Shares and BA Ordinary Shares then in issue, if the result of such calculation is £6 00 or more but less than £7 50,
  - (iii) the 3<sup>rd</sup> Amount divided by the aggregate number of Ordinary Shares, BA Ordinary Shares and BB Ordinary Shares then in issue, if the result of such calculation is £7 50 or more but less than £10 00,
  - (iv) the 4<sup>th</sup> Amount divided by the aggregate number of Ordinary Shares, BA Ordinary Shares, BB Ordinary Shares and BC Ordinary Shares then in issue, if the result of such calculation is £10 00 or more but less than £12 00,
  - (v) the 5<sup>th</sup> Amount divided by the aggregate number of Ordinary Shares, BA Ordinary Shares, BB Ordinary Shares, BC Ordinary Shares and Series A Preferred Shares then in issue, if the result of such calculation is £12 00 or more but less than £17 50,
  - (vi) the 6<sup>th</sup> Amount divided by the aggregate number of Ordinary Shares, BA Ordinary Shares, BB Ordinary Shares, BC Ordinary Shares, BG Ordinary Shares and Series A Preferred Shares then in issue, if the result of such calculation is £17 50 or more but less than £20 00,

- (vii) the 7<sup>th</sup> Amount divided by the aggregate number of Ordinary Shares, BA Ordinary Shares, BB Ordinary Shares, BC Ordinary, BG Ordinary Shares, BD Ordinary Shares and Preferred Shares then in issue, if the result of such calculation is £20 00 or more but less than £25 00,
  - (viii) the 8<sup>th</sup> Amount divided by the aggregate number of Ordinary Shares, BA Ordinary Shares, BB Ordinary Shares, BC Ordinary Shares, BG Ordinary Shares, BD Ordinary Shares, BE Ordinary Shares and Preferred Shares then in issue, if the result of such calculation is £25 00 or more but less than £30 00, or
  - (ix) the 9<sup>th</sup> Amount divided by the aggregate number of Ordinary Shares, B Shares and Preferred Shares then in issue, if the result of such calculation is £30 00 or more,
- (b) each holder of B Shares shall receive an amount per B Share equal to
- (i) the amount per Ordinary Share to which the holders of Ordinary Shares are entitled pursuant to Article 29 2(a) above,
- less
- (ii) the applicable Threshold Value in respect of such holder's B Shares,
- (c) each holder of Series A Preferred Shares shall receive an amount per Series A Preferred Share equal to the higher of
- (i) £12 00, and
  - (ii) the amount per Ordinary Share to which the holders of Ordinary Shares are entitled pursuant to Article 29 2(a) above, and
- (d) each holder of Series B Preferred Shares shall receive an amount per Series B Preferred Share equal to the higher of
- (i) £20 00, and
  - (ii) the amount per Ordinary Share to which the holders of Ordinary Shares are entitled pursuant to Article 29 2(a) above

29 3 In this Article 29, the following definitions apply

- (a) "1<sup>st</sup> Amount" means the Distributable Amount minus the Total Preference Amount,



- (b) “2<sup>nd</sup> Amount” means
- (i) the 1<sup>st</sup> Amount
- plus
- (ii) the total number of BA Ordinary Shares then in issue multiplied by the Threshold Value in respect of BA Ordinary Shares,
- (c) “3<sup>rd</sup> Amount” means
- (i) the 2<sup>nd</sup> Amount
- plus
- (ii) the total number of BB Ordinary Shares then in issue multiplied by the Threshold Value in respect of BB Ordinary Shares,
- (d) “4<sup>th</sup> Amount” means
- (i) the 3<sup>rd</sup> Amount
- plus
- (ii) the total number of BC Ordinary Shares then in issue multiplied by the Threshold Value in respect of BC Ordinary Shares,
- (e) “5<sup>th</sup> Amount” means
- (i) the 4<sup>th</sup> Amount
- plus
- (ii) the total number of Series A Preferred Shares then in issue multiplied by £12 00,
- (f) “6<sup>th</sup> Amount” means
- (i) the 5<sup>th</sup> Amount
- plus
- (ii) the total number of BG Ordinary Shares then in issue multiplied by the Threshold Value in respect of BG Ordinary Shares,
- (g) “7<sup>th</sup> Amount” means
- (i) the 6<sup>th</sup> Amount

plus

- (ii) the total number of Series B Preferred Shares then in issue multiplied by £20 00

plus

- (iii) the total number of BD Ordinary Shares then in issue multiplied by the Threshold Value in respect of BD Ordinary Shares

(h) “8<sup>th</sup> Amount” means

- (i) the 7<sup>th</sup> Amount

plus

- (ii) the total number of BE Ordinary Shares then in issue multiplied by the Threshold Value in respect of BE Ordinary Shares,

(i) “9<sup>th</sup> Amount” means

- (i) the 8<sup>th</sup> Amount

plus

- (ii) the total number of BF Ordinary Shares then in issue multiplied by the Threshold Value in respect of BF Ordinary Shares,

(j) “Distributable Amount” means

- (i) in the case of a return of capital upon a winding up or otherwise, the aggregate amount available for distribution to Shareholders, or
- (ii) in the case of a Share Sale or an Asset Sale, the Sale Proceeds,

(k) “Liquidity Event” means any return of capital upon a winding up or otherwise, a Share Sale or an Asset Sale,

(l) “Sale Proceeds” means

- (i) in the case of a Share Sale, the actual proceeds net of all expenses,

or

- (ii) in the case of an Asset Sale and to the extent that the Company is permitted under the Act to make distributions to

its members, the actual sales proceeds net of all expenses less an amount equal to all retained liabilities of the Company (including, but not limited to, corporation tax in respect of the proceeds of sale), and

- (m) "Total Preference Amount" means the aggregate of
  - (i) the amount per share (including any premium) paid up on the Series A Preferred Shares multiplied by the number of Series A Preferred Shares then in issue, and
  - (ii) the amount per share (including any premium) paid up on the Series B Preferred Shares multiplied by the number of Series B Preferred Shares then in issue

29.4 If a decision is taken by the Company to effect a Listing, then in connection with the Listing

- (a) immediately prior to the Listing, each Shareholder's holding of Shares shall be converted into a number of ordinary shares of a single class in the Company ("New Ordinary Shares"), with such number of New Ordinary Shares for each Shareholder being calculated so that the aggregate value of such New Ordinary Shares at the placing price on the Listing equals the amount to which such Shareholder would have been entitled to receive pursuant to Article 29 in respect of its Shares on the basis that
  - (i) the Listing is a Liquidity Event, and
  - (ii) the Distributable Amount is the initial public offering price of the Company (which, for the avoidance of doubt, is equal to the placing price of a New Ordinary Share multiplied by the total number of New Ordinary Shares in issue on the Listing, taking into account conversion pursuant to this Article 29.4 and any New Ordinary Shares being issued pursuant to the Listing), and
- (b) each Shareholder undertakes to exercise all votes attaching to Shares held by it to implement the Listing and to pass any resolution required to be passed in a general meeting or at a separate class meeting to effect or implement the Listing including (without limitation) resolutions for the re-registration of the Company as a public limited company, the conversion and/or redesignation of all existing Shares into one class of New Ordinary Share, the issue of any New Ordinary Shares and the approval of new articles of association