

Company Number: 06768053

Radio Physics Solutions Ltd  
(the "Company")



The following resolutions was passed at a General Meeting of the Company held on the 1 June 2018 at 10 am at The Elms Courtyard, Bromesberrow, Ledbury HR8 1RZ:

#### AS ORDINARY RESOLUTIONS

1. That the directors be and are authorised to issue to Grapevine Capital Holdings LLC on the terms set out in a letter to shareholders and term sheet dated 17 May 2018 (the "Letter to Shareholders"):
  - a. £500,580 principal value of loan notes and the number of shares being the most senior class of share ("Senior Shares") in issue at the date of conversion of the loan notes required to fulfil the terms of conversion;
  - b. a warrant to subscribe for Senior Shares and 5,562 Senior Shares on the exercise of the warrant;
  - c. a warrant to subscribe for the number of Senior Shares required to fulfil the condition that if the Bank Account has a Negative Balance (as defined in the Letter to Shareholders) a warrant is to be issued to holders of loan notes issued pursuant to this resolution and ordinary resolution 2 for 50 Senior Shares pro-rata to the number of loan notes held ("Penalty Warrants"), and the number of Senior Shares on the exercise of Penalty Warrants to fulfil the Condition;

The authority given by this resolution shall expire on the date that any obligation incumbent on the Company to allot shares in respect of which authority is given by this resolution terminates in accordance with the terms of the relevant obligation.

2. That the directors be and are authorised to issue to shareholders and new investors on the terms set out in the Letter to Shareholders:
  - a. £499,500 principal value of loan notes convertible into Senior Shares and the number of Senior Shares required to fulfil the terms of conversion;
  - b. warrants to subscribe for Senior Shares and 5,550 Senior Shares on the exercise of those warrants;

- c. Penalty Warrants to subscribe for the number of Senior Shares required to fulfil the Condition and the Senior Shares on the exercise of those Penalty Warrants;

The authority given by this resolution shall expire on the date that any obligation incumbent on the Company to allot shares in respect of which authority is given by this resolution terminates in accordance with the terms of the relevant obligation.

3. That the directors be and are authorised to issue on the terms set out in the Letter to Shareholders:

- a. the number of shares required to convert existing loan notes into Senior Shares;
- b. warrants to subscribe for Senior Shares to holders of existing loan notes of the Company and up to 2,590 Senior Shares on the exercise of those warrants;
- c. warrants to subscribe for ordinary shares of £0.01 each of the company ("Ordinary Shares") to creditors of the Company and up to 2,525 Ordinary Shares on the exercise of those warrants;
- d. a warrant to subscribe for Ordinary Shares to Risqué Investments Limited and up to 5,488 Ordinary Shares on the exercise of those warrants;
- e. a warrant to subscribe for Ordinary Shares to Windsor Estates Finance Limited and up to 5,556 Ordinary Shares on the exercise of those warrants.

The authority given by this resolution shall expire on the date that any obligation incumbent on the Company to allot shares in respect of which authority is given by this resolution terminates in accordance with the terms of the relevant obligation.

#### AS SPECIAL RESOLUTIONS

1. That the articles of association produced to the meeting be and are adopted as the new articles of association of the Company in substitution for and to the exclusion of the existing articles of association.
2. That the obligation to offer Shares on a pre-emptive basis shall for all purposes be dis-applied in respect of the issue of securities pursuant to ordinary resolutions 1 and 3 above.

Signed  .....

Anglo Scientific Ltd, Company Secretary

Company Number: 6768053

**Companies Act 2006**  
**Private Company Limited by Shares**

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**ARTICLES OF ASSOCIATION**

**of**

**Radio Physics Solutions Limited**

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(Adopted by special resolution passed at a General Meeting on 1 June 2018)

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Company number: 6768053

**COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION OF**  
**Radio Physics Solutions Limited (the "Company")**  
**(Adopted by special resolution on 1 June 2018)**

**1 PRELIMINARY**

- 1.1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "Model Articles") shall apply to the Company save in as far as they are excluded or modified hereby and such Model Articles and the articles set out below shall be the Articles of Association of the Company (the "Articles").
- 1.2 In these articles the expression the "**Act**" means the Companies Act 2006 and any reference or provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment there of for the time being in force.
- 1.3 In these articles references to an Article or Articles are to the relative numbered article(s) of these articles and a reference to a Regulation is a reference to the relevant regulation in the Model Articles.
- 1.4 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the date of the adoption of these Articles).
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.5.1 any subordinate legislation from time to time made under it; and

1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

1.6 The Schedule forms part of these articles and the definitions set out in Schedule 1 shall apply throughout the articles and the Schedule. References to paragraphs are to the relative numbered paragraphs of the relevant Schedule.

## **2 ALLOTMENT OF EQUITY SECURITIES**

2.1 In accordance with section 567(1) and (2) of the Act, sections 561(1) to 561 (3) and 562(1) to (5) of the Act do not apply to an allotment of Equity Securities made by the Company.

2.2 Unless otherwise agreed by special resolution at general meeting or by written resolution passed in accordance with Chapter 2 of Part 13 of the Companies Act 2006, if the Company proposes to allot any new Equity Securities those new Equity Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Shares on the same terms and at the same price as those new Equity Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as may be without involving fractions). The offer:

2.2.1 shall be in writing giving details of the number and subscription price of the new Equity Securities proposed to be issued;

2.2.2 may stipulate that any Shareholder who wishes to subscribe for a number of new Equity Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess new Equity Securities ("Excess Securities") for which they wish to subscribe; and

2.2.3 shall stipulate a time period, being not less than 14 days, during which the offer may be accepted and if no acceptance is received by the Company within the time period specified, the relevant Shareholder will be deemed to have declined the offer.

2.3 Any new Equity Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 2.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 2.2 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of Shares held by the applicants

immediately prior to the offer made to Shareholders in accordance with Article 2.2 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) and after that allotment, any Excess Securities remaining shall be offered, subject to Article 2.4, to any other person as the directors may determine at the same price and on the same terms as the offer to the Shareholders.

2.4 Subject to Articles 2.2 and 2.3, any new Equity 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.

2.5 The provisions of Articles 2.2 to 2.4 shall not apply to options to subscribe for Shares under an Employee Share Option Plan.

2.6 If the provisions of 2.2 and 2.3 apply in relation to the grant of a right to subscribe for, or to convert any securities into Shares of the Company, it does not apply in relation to the allotment of Shares in pursuance of that right.

### **3 RETURN OF CAPITAL**

On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied in payment to each member at such amount as represents the same proportion of the amount available to be returned to members as that member's holding of Shares bears to the total issued equity share capital (as defined in section 548 of the Act) of the Company.

### **4 LIEN**

The Company has a first and paramount lien on all Shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company (whether or not such moneys are presently due and payable).

### **5 GENERAL MEETING AND RESOLUTIONS**

5.1 Every notice convening a general meeting shall comply with the provisions of section 325(1) of the Act as to giving information to members in regard to their right to appoint proxies. Notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.

- 5.2 The quorum at any general meeting of the Company shall be two persons present in person or by proxy.
- 5.3 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefore such adjourned meeting shall be dissolved.
- 5.4 Regulation 41 of the Model Articles shall not apply to the Company.
- 5.5 Resolutions under section 168 of the Act for the removal of a director before the expiration of his office and under section 510 of the Act for the removal of an auditor before the expiration of his period of office shall only be considered by the Company in general meeting.
- 5.6 A member present at a meeting by proxy shall be entitled to speak at the meeting. In any case where the same person is appointed proxy for more than one member he shall have as many votes as the number of members for whom he is proxy. A member present at a meeting by more than one proxy shall be entitled to speak at the meeting through each of the proxies but the proxies together shall be entitled to only one vote. In the event that the proxies do not reach agreement as to how their vote should be exercised, the voting power is treated as not exercised.
- 5.7 A vote at general meeting of the Company shall be conducted on the basis of a poll, and every shareholder who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Share of which he is the holder. The poll or polls shall be taken forthwith on the putting of the relevant resolution to the meeting.
- 5.8 Model Article 42 and 44 shall not apply to the Company.
- 5.9 In accordance with Chapter 2 of Part 13 of the Companies Act 2006 the period which a proposed written resolution lapses can be set at the directors' discretion, but can be no fewer than 14 days and no longer than 28 days.



## **6 SHAREHOLDERS' CONSENTS**

- 6.1 The matters set out at paragraphs 2.1 to 2.21 of Schedule 1 shall not be undertaken without the prior consent of a Shareholder Majority save that such consent shall not be required to implement any of the matters specifically set out in the Business Plan.
- 6.2 If a member has appointed an Observer under the provisions of Article 8.7, the Observer will, if so confirmed by the relevant appointor to the Company in writing, have the authority to grant or withhold the appointor's consent to the matters covered by this Article. Such authority given by any appointor may be revoked by notice in writing to the Company at any time.
- 6.3 The Company shall give reasonable notice of a request to seek consent in accordance with Article 6.1 at the same time to all shareholders. For the purposes of this Article, "reasonable" shall mean 14 clear days' notice, however, in the case of emergency or in respect of matters requiring prompt resolution, shorter notice may be given as may be thought appropriate by the directors and may be given via email.

## **7 PROVISION OF FINANCIAL INFORMATION**

- 7.1 The Company shall issue to all members:
- 7.1.1 copies of the profit and loss account and balance sheet of the Company (whether audited or not) in respect of each financial year as soon as they become available and in any event not later than three months from the end of each accounting reference period; and
  - 7.1.2 if requested by a member the Company shall issue to such member, any other reasonable information relating to the Company, its business and affairs.
- 7.2 Regulation 50 of the Model Articles shall not apply to the Company.

## **8 APPOINTMENT OF DIRECTORS**

- 8.1 The maximum and minimum number respectively of the directors may be determined by ordinary resolution in general meeting of the Company. Subject to and in default of any such determination the maximum number of directors shall be 7 and the minimum number of directors shall be two. Whensoever the minimum number of directors shall be one, a sole director shall not take any decision other than a decision:
- 8.1.1 to appoint further directors; or

- 8.1.2 to call a general meeting so as to enable the shareholders to appoint further directors.
- 8.2 No person shall be appointed a director at any general meeting unless either:
- 8.2.1 he is recommended by the directors, acting reasonably; or
- 8.2.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, a notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with a notice signed by that person of his willingness to be appointed.
- 8.3 Subject to Article 8.2, the Company may by ordinary resolution in general meeting appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- 8.4 The Company may by ordinary resolution in general meeting remove any person as a director of the Company.
- 8.5 The directors may appoint a person who is 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 the number determined in accordance with Article 8.1 as the maximum number of directors and for the time being in force, if applicable.
- 8.6 A member or members acting together holding in aggregate at least 10% of the issued share capital of the Company shall be entitled by notice in writing to the Company to appoint one director and by like notice to remove such a director and at any time and from time to time by like notice to appoint any other person to be a director in the place of a director so removed and any director appointed pursuant to this Article 8.6 shall be at liberty from time to time to make such disclosure to his appointor(s) as to the business and affairs of the Company as he shall in his absolute discretion determine.
- 8.7 Every member of the Company holding at least 10% of the issued share capital of the Company shall (at their own expense) be entitled to send a representative (who shall be entitled to report to the member on the affairs of the Company) as an observer to attend any meeting of the directors of the Company, including any meeting of a committee of the directors ("**Observer**"). The appointor shall give notice to the Company of the appointment of the Observer together with contact details for the purpose of service of notice of board meetings in accordance with Article 14.2. For the avoidance of doubt,

this right may not be exercised if the relevant member has already exercised his right to appoint a director of the Company pursuant to Article 8.6.

8.8 Any relevant member shall, and shall procure that all persons connected with it (including an Observer appointed by it) keep all information relating to the business, affairs and trade secrets of the Company obtained by reason of the Observer's presence at a board meeting or by access to information of the Company (in any format) strictly confidential, save as required by law and save in respect of information that comes into the public domain otherwise than as a consequence of a breach of the provisions of this Article.

8.9 An Observer shall be entitled to speak but not vote at board meetings of the directors and shall be entitled to receive all and any papers circulated to directors prior to or during any board meeting, together with any other financial information reasonably requested by the appointing member in writing.

8.10A notice of appointment or removal of a director pursuant to this Article 8 shall take effect upon lodgement at the office or on delivery to a meeting of the directors or on delivery to the secretary.

8.11 Every director appointed pursuant to this Article 8 shall hold office until he is either removed in manner provided by this Article 8, resigns or dies.

## **9 BORROWING POWERS**

Subject to Article 6, the directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **10 ALTERNATE DIRECTORS**

10.1 Any director (appointor) may appoint as an alternate any other director or any other person approved by a resolution of the directors to:

10.1.1 exercise that director's powers; and

10.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.



10.2 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.

10.3 The notice must:

10.3.1 identify the proposed alternate; and

10.3.2 in the case of a notice of appointment contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

## **11 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

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

11.2 Except as the Articles specify otherwise, alternate directors:

11.2.1 are deemed for all purposes to be directors;

11.2.2 are liable for their own acts and omissions;

11.2.3 are subject to the same restrictions as their appointor's; and

11.2.4 are not deemed to be agents of or for their appointor's

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.

11.3 A person who is an alternate director but not a director:

11.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

11.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, and does not participate); and

11.3.3 shall not be counted as more than one director for the purposes of Articles 11.3.1 and 11.3.2.

11.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of



the directors (provided that his appointor is an eligible director in relation to that decision).

11.5 An alternate director may be paid expenses pre-approved by the board and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing to the Company.

## **12 DISQUALIFICATION OF DIRECTORS**

The office of a director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs.

## **13 PROCEEDINGS OF DIRECTORS**

13.1 Regulation 14(1)-(4) of the Model Articles shall not apply to the Company.

13.2 Subject to Article 13.3, the directors may, in accordance with section 175(5)(a) of the Act, authorise any matter which would otherwise involve or may involve a director breaching his duty under section 175(1) of the Act to avoid conflicts of interest (a "Conflict").

13.3 When a Conflict is considered by the directors, the director seeking authorisation in relation to the Conflict and any other director with a similar interest:

- (a) shall not count in the quorum nor vote on a resolution authorising the Conflict; and
- (b) may, if the other directors so decide, be excluded from the board meeting while the Conflict is considered.

13.4 Each director shall comply with his obligations to disclose his interest in the existing and proposed transactions or arrangements with the Company pursuant to sections 177 and 182 of the Act.

13.5 Save in relation to a resolution authorising a Conflict, a director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to the matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall whether or not

he shall vote on the same be taken into account in calculating the quorum present at the meeting.

#### **14 NOTICE OF DIRECTORS' MEETINGS**

14.1 Regulation 9(3) of the Model Articles shall not apply to the Company

14.2 Reasonable notice in writing or by e-mail of every meeting of the directors shall be given to each director and any Observer (provided that the appointor has complied with Article 8.7). Reasonable notice shall, for the purpose of this Article 14.2, mean 7 clear days, however, in case of emergency or in respect of matters requiring prompt attention, shorter notice may be given as thought appropriate by the directors.

14.3 Notice of directors meetings shall not be served on any director or Observer, if the director or the Observer has (a) failed to furnish the Company with an address or e-mail address to which such notices should be sent or (b) (in the case of a director only) nominated an alternate, provided that if a director's nomination of an alternate comes to an end or is revoked the director in question shall once again be entitled to receive notice of directors meetings provided that he has furnished the Company with an address or e-mail address to which such notices should be sent.

14.4 Each such notice shall:

14.4.1 be sent to the address or an e-mail address notified from time to time by each director or each appointed Observer to the secretary (or, if there is none at that time, the chairman) at his address for the service of such notices (or if no address has been so supplied, to his last known address);

14.4.2 contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting; and

14.4.3 be accompanied by any relevant papers for discussion at such meeting.

14.5 Any such notice may be delivered personally or by first class prepaid letter or by e-mail.

14.6 Any such notice shall be deemed to be served:

14.6.1 if personally delivered, at the time of delivery, provided that if the time of delivery does not fall on a Business Day then the notice shall be deemed to be served on the next Business Day and, in proving service, it shall be sufficient to produce a receipt for the notice signed by or on behalf of the addressee;

14.6.2 if by letter, at noon on the Business Day 48 hours after posting, provided that if the time of deemed delivery does not fall on a Business Day then the notice shall be deemed to be served on the next Business Day and, in proving service it shall be sufficient to prove that the letter was properly stamped first class, addressed and delivered to the postal authorities; and

14.6.3 if by e-mail, 12 hours after transmission, provided that if the time of delivery does not fall on a Business Day, then the notice will be deemed to be served on the next Business Day and, in proving service it shall be sufficient to produce a delivery receipt, sourced from the transmitting computers.

14.7 Save in the case of emergency, no business or resolution shall be transacted or passed at any meeting of the directors except as was fairly disclosed in the agenda for such meeting.

14.8 Appropriate complete minutes of each meeting of the directors shall be maintained by the Company and copies thereof distributed to the directors and appointed Observers within ten days after the meeting shall have been held.

14.9 A minimum of 9 board meetings shall be held in each calendar year.

## **15 PARTICIPATION BY TELEPHONE**

Any director, his alternate or any appointed Observer may validly participate in a meeting of the directors or a committee of the directors through the medium of conference telephone, video conference or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the chairman of the meeting then is.

## **16 DOCUMENTS SENT IN ELECTRONIC FORM OR BY MEANS OF A WEBSITE**

16.1 Subject to the provisions of the Act, a document or information may be sent or supplied by the Company to its members in electronic form or by being made available on a website.

16.2 Subject to the provisions of the Act, only such documents and notices as are specified by the Company may be sent in electronic form to the address specified by the Company for that purpose.

## 17 PROTECTION FROM LIABILITY

17.1 For the purpose of this Article 17:

- (a) a “**Liability**” is any liability incurred by a director in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties, powers or office or any liability incurred by an auditor in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company occurring in the course of the audit of accounts; and
- (b) “**Associated Company**” shall bear the meaning referred to in section 256 of the Act.

17.2 Subject to the provisions of the Act, and without prejudice to any protection from liability which may otherwise apply:

- (a) the directors shall have the power to purchase and maintain for any director of the Company, any director of an Associated Company and any officer of the Company (not being a director or auditor of the Company), insurance against any Liability; and
- (b) every director and auditor of the Company and every officer of the Company (not being a director or auditor of the Company) shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from any Liability.

17.3 Regulations 52 and 53 of the Model Articles shall not apply to the Company.

## 18 TRANSFER OF SHARES

18.1 The directors shall refuse to register any transfer of Shares made in contravention of the provisions of these articles but (subject to Article 18.2) shall not otherwise be entitled to refuse to register any transfer of Shares. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these articles, the directors may



request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the reasonable satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

18.2 If the directors refuse to register a transfer of Shares, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal, together with their reasons for the refusal. Regulation 26(5) in the Model Articles shall not apply to the Company.

## 19 PERMITTED TRANSFERS

19.1 For the purposes of these articles:

19.1.1 **"Family Trust"** in relation to any member means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of that member and/or a Privileged Relation of that member and under which no power of control is capable of being exercised over the votes of any Shares which are the subject of the trust by any person other than the trustees or such member or his Privileged Relations;

19.1.2 **"Privileged Relation"** in relation to a member means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children;

19.1.3 **"Settlor"** includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member; and

19.1.4 **"Nominee"** means a person in whose name Shares are registered and held for the benefit of another (the **"Beneficiary"**).

19.2 Notwithstanding any other provision in these articles any member (being an individual) may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any Shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust or to a Nominee.



19.3 Notwithstanding any other provision in these articles, the Nominee, upon written request by a Beneficiary, may transfer the legal interest in any Shares held by it to the Beneficiary.

19.4 Where any Shares are held by trustees upon a Family Trust:

19.4.1 on any change of trustees such Shares may be transferred to the new trustees of that Family Trust;

19.4.2 such Shares may be transferred at any time to the settlor or to another Family Trust of the settlor or to any Privileged Relation of the settlor;

19.4.3 if and whenever any such Shares cease to be held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to another Family Trust of the settlor or to any Privileged Relation of the settlor) a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such Shares may not otherwise be transferred;

19.5 For the purposes of Article 19.4.3 the expression 'relevant shares' means and includes the Shares originally transferred to the trustees and any additional Shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.

19.6 Notwithstanding any other provision contained in these articles, the directors shall register the transfer of any Shares made from any member of the Company which is a corporation (as defined in section 1173 of the Act) to any other corporation, which is a holding company or a subsidiary company of that shareholder (as both such expressions are defined in section 1159 of the Act), or another subsidiary of that shareholder's holding company without restriction as to price or otherwise, provided that should the transferee cease to be a holding company or subsidiary company (as both such expressions are defined in section 1159 of the Act) of the transferring shareholder it shall be deemed to have served a Deemed Transfer Notice (as defined in Article 20.2) in respect of its entire shareholding in the Company and the provisions of Article 20 shall apply accordingly.

19.7 Notwithstanding any other provision of these articles, any shareholder that is a fund may transfer any Shares held by it to any other fund that is managed by the same fund manager, save that if the transferee shall cease to be managed by the same fund manager, it shall be deemed first to have transferred the relevant shares back to the



original transferee, or, if that cannot be effected, second, to have transferred the relevant shares to another fund managed by the original fund manager, or if that cannot be effected third, to have served a Deemed Transfer Notice in respect of its entire shareholding in the Company and the provisions of Article 20 shall apply accordingly.

## 20 PRE-EMPTION PROVISIONS

20.1 Save as otherwise provided in these articles every member who desires to transfer any Shares (hereinafter called "**the Vendor**") to a third party shall give to the Company notice in writing of such desire (hereinafter called a "**Transfer Notice**").

20.2 Any holder of Shares who has been made the subject of a bankruptcy order or administration order or is applying for an interim order under section 253 of the Insolvency Act 1986 or has taken steps to make any voluntary arrangement with his creditors or take advantage of any statute from time to time in force for the relief of insolvent debtors shall immediately upon the occurrence of the relevant event (as set out above) be deemed to have served a Transfer Notice (a "**Deemed Transfer Notice**") in respect of the whole of his holding of Shares in the Company unless otherwise decided by resolution of the directors. In the event of a member being deemed to have served a Deemed Transfer Notice as aforesaid all Privileged Relations and trustees of any Family Trust to whom such member shall have transferred any Shares pursuant to the provisions of these articles shall be deemed to have served contemporaneously with the Deemed Transfer Notice aforesaid a Transfer Notice in respect of those Shares so held and any additional Shares issued to such Privileged Relations and trustees of any Family Trust by virtue of the holding of such Shares. Any such further deemed transfer notice shall also be termed a Deemed Transfer Notice. A Deemed Transfer Notice may not be withdrawn.

20.3 Subject as hereinafter mentioned a Transfer Notice and a Deemed Transfer Notice shall constitute the Company the Vendor's agent for the sale of the Shares specified therein or in the case of a Deemed Transfer Notice all the Shares in respect of which such Deemed Transfer Notice is to be given (hereinafter called "**the Sale Shares**") in one or more lots at the discretion of the directors to all the holders of Shares in the Company (such Shares being hereinafter in this article referred to as 'Equity Shares') other than the Vendor at the Sale Price and in accordance with Article 20.5 The Sale Price shall be a price agreed by the Vendor and the directors or, if the Vendor and the directors are unable to agree a price within 28 days of the Deemed Transfer Notice or Transfer Notice

being given, the price which a chartered accountant (acting as an expert and not as an arbitrator) nominated by agreement between the Vendor and the Company or in default of such agreement by the President for the time being of the Institute of Chartered Accountants in England and Wales (or in his absence such applicable deputy) shall by writing under his hand certify to be in his opinion a fair value thereof on a going concern basis as between a willing seller and a willing buyer, and on the assumption that the Sale Shares are capable of transfer without restriction and his decision as to the Sale Price shall in the absence of manifest error shall be final and binding. Save for Shares sold pursuant to a Deemed Transfer Notice the Transfer Notice may contain a provision that unless all the Shares comprised therein are sold by the Company pursuant to this Article none shall be sold (a "Total Transfer Provision") and any such provision shall be binding on the Company.

20.4 If a chartered accountant is asked to certify the fair value as aforesaid his certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor and save for Shares sold pursuant to a Deemed Transfer Notice the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case the Vendor shall bear the cost.

20.5 Upon the price being fixed as aforesaid and provided the Vendor shall not give valid notice of cancellation the Company shall forthwith offer the Sale Shares to all holders of Equity Shares (other than the Vendor), stating whether the Sale Shares are subject to a Total Transfer Provision, in accordance with the same procedure defined in Article 2.2 for allotments of new Shares.

20.6 If the Company shall pursuant to the above provisions of this Article 20 find a member or members of the Company willing to purchase all or any of the Sale Shares the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor shall make default in so doing the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter

the names of the purchasers in the register of members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.

20.7 If the directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this Article 20 the Vendor shall at any time within six months after the final offer by the Company to its members be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person at a price being no less than the Sale Price. If the Sale Shares were the subject of a Total Transfer Provision, such a sale may only comprise all the Sale Shares and not part only.

20.8 The foregoing provisions of this Article 20 shall not apply to a transfer if the holders of 75% of the Shares so direct in writing and the directors shall be obliged to register any such transfer.

20.9 The foregoing provisions of this Article 20 shall not apply on any transfer of Shares to a Third Party Purchaser (or as they may direct) or in connection with a Reorganisation pursuant to a sale or transfer of Shares in respect of which a Drag Along Notice or a Tag Along Notice has been duly served.

20.10 A Transfer Notice shall be deemed to have been given to the Company by any member who purports to transfer any Shares other than in accordance with these articles without giving a Transfer Notice to the Company and, in those circumstances, the Deemed Transfer Notice shall:

20.10.1 be deemed to apply to the number of Shares purported to have been transferred; and

20.10.2 entitle the Company to acquire delivery to it of the certificate for the Shares purported to have been transferred,

20.10.3 and where the context permits, references in these articles to a Vendor shall include a member deemed to have served a Transfer Notice.

## **21 DRAG ALONG**

21.1 If a Shareholder Majority wish to transfer all their interest in their Shares to either:

21.1.1 a bona fide arm's length purchaser ("**the Third Party Purchaser**") or receives an offer from a Third Party Purchaser to acquire the entire issued Share capital of the Company; or

21.1.2 to any other person, company or corporation as part of a Reorganisation, then the Shareholder Majority shall instruct the Company to either:

21.1.3 in the case of a transfer proposed to be made where article 21.1.1 applies, notify the other shareholder(s) in writing of the offer, the aggregate Consideration payable and the Consideration payable per share (being calculated when the offer is to purchase the Shareholder Majority's entire shareholding in the Company by dividing the aggregate Consideration offered by the Third Party Purchaser by the number of Shares in issue held by the Shareholder Majority and when the offer is to purchase the Company's entire issued share capital by dividing the aggregate Consideration by the number of shares in issue at the date when the offer is made) together with the identity of the Third Party Purchaser a copy of any letter of offer received from the Third Party Purchaser and such evidence as the Called Shareholders (as hereinafter defined) shall reasonably require that the Third Party Purchaser can complete the offer; or

21.1.4 In the case of a proposed transfer forming part of a Reorganisation (where article 21.1.2 applies), notify the other shareholders in writing of the terms of the Reorganisation.

21.2 The shareholder(s) receiving notification pursuant to article 21.1 (the "Called Shareholder(s)") shall have a period of 28 days ("the Notice Period") in which:

21.2.1 in the case of a notification made in accordance with article 21.1.1, to either agree to sell and transfer their shares to the Third Party Purchaser or to the Shareholder Majority at the price per share calculated in accordance with article 21.1.3 or, alternatively, to purchase the shares of the Shareholder Majority at the price per share calculated in accordance with article 21.1.3; or

21.2.2 in the case of a notification made under article 21.1.2 the Called Shareholder(s) shall have the Notice Period to agree to transfer their shares in accordance with the terms of the relevant Reorganisation.

21.3 In the case of a notification made in accordance with article 21.1.3, if the Called Shareholder(s) notifies the Shareholder Majority in writing that they wish to purchase the Shareholder Majority's shares in accordance with article 21.2.1 then completion of

the sale of the Shareholder Majority's shares shall take place within 7 days of the date of the Called Shareholder's notice pursuant to this article or the expiry of the Notice Period pursuant to article 21.2 whichever is the earlier. At completion the Called Shareholder shall pay to the Shareholder Majority the purchase monies and the Shareholder Majority shall deliver an executed stock transfer form in the name of the Called Shareholder together with the Shareholder Majority's share certificate(s) or in the absence of such certificate(s) a share certificate indemnity on terms to be approved by the Shareholder Majority (acting reasonably).

21.4 In the case of a notification made under article 21.1.3 if the Called Shareholder has not exercised his right within the Notice Period under article 21.2 or completed the purchase of the Shareholder Majority's shares pursuant to article 21.3, then he shall, at the option of the Shareholder Majority, be required to sell and transfer all his shares of whatever class to either the Shareholder Majority or the Third Party Purchaser (the "**Drag Along Option**") at the price per share calculated in accordance with article 21.1.3.

21.5 In the case of a notification made under article 21.1.2, if the Called Shareholder has not complied with the request(s) made of him to transfer his shares in accordance with the terms of the Reorganisation, then he shall be required to transfer his shares of whatever class in accordance with the terms of the Reorganisation and on the same terms (pro-rata to the relevant number of shares) as the shares belonging to the members of the Shareholder Majority are proposed to be transferred (the **Reorganisation Drag Along Option**).

21.6 The Shareholder Majority may exercise the Drag Along Option or the Reorganisation Drag Along Option by instructing the Company to give written notice to that effect (the "**Drag Along Notice**") at any time following the expiry of the relevant Notice Period or, in the case of a transfer proposed to be made following a notification made in accordance with article 21.1.3 the failure of the Called Shareholder to complete the purchase of the Shareholder Majority's shares and at any time before the transfer of the Shareholder Majority's shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholder is required to transfer all his shares (the "**Called Shares**") pursuant to this article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (which shall be calculated in accordance with article 21.1.3 or in accordance with the terms of the Reorganisation, as the case may be) and (subject to article 21.9) the proposed date of transfer.

21.7A Drag Along Notice shall be irrevocable but will lapse if for any reason there is not a sale of the Shareholder Majority's shares by the Shareholder Majority to the Third Party Purchaser or if the Reorganisation does not occur within 90 days after the date of service of the Drag Along Notice. The Shareholder Majority shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

21.8 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Shareholder Majority's shares to the Third Party Purchaser, or the completion of the Reorganisation, as the case may be.

21.9 If the Called Shareholder does not on completion of the sale of the Called Shares execute transfer(s) in respect of all the Called Shares held by him the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purposes by the Shareholder Majority to be his agent and attorney to execute all necessary transfer(s) on his behalf.

21.10 In the case of a transfer of Called Shares otherwise than in accordance with a Reorganisation, and upon receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and the directors shall forthwith register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by a Called Shareholder or any other person. It shall be no impediment to registration of shares under this sub-article that no share certificate has been produced.

21.11 In the case of a transfer of Called Shares made in accordance with a Reorganisation, the Shareholder Majority shall procure that the Called Shareholder receives the benefit to which he is entitled in accordance with the terms of the Reorganisation, such as, but not limited to, shares or other securities issued by a company or corporation in accordance with the terms of the Reorganisation.

## 22 TAG ALONG PROVISIONS

22.1 If a Shareholder Majority wishes to transfer their interest in their Shares in the Company (the Shareholder Majority being referred to in this Article 22 as "the Vendor") to a Third Party Purchaser pursuant to a bona fide arms length offer, the Vendor shall notify in



writing all the other holders of the Shares in the Company of the proposed transfer of their interest in their Shares in the Company, the aggregate Consideration payable and the Consideration payable per Share (being calculated by dividing the aggregate Consideration by the number of Shares in issue held by the Vendor) all the other holders of Shares (the “**Tag Along Shareholders**”) shall have the option (the “**Tag Along Option**”) to require the Vendor to procure the purchase by the Third Party Purchaser of all Shares (the “**Tag Along Shares**”) on the same terms and conditions as those offered to the Vendor by the Third Party Purchaser.

22.2 The Tag Along Shareholders may exercise the Tag Along Option by giving written notice to that effect (a “**Tag Along Notice**”) to the Vendor at any time within 28 days (“**the Notice Period**”) of receiving notification pursuant to Article 22.1. a Tag Along Notice shall specify that the Tag Along Shareholders wish to transfer all their Tag Along Shares at a price per Share calculated in accordance with Article 22.1 to the Vendor.

22.3 Tag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Vendor’s Shares to the Third Party within 90 days after the date of service of the Tag Along Notice. The Tag Along Shareholders shall be entitled to serve further Tag Along Notices following the lapse of any particular Tag Along Notice.

22.4 Completion of the sale of the Tag Along Shares shall be the same date as the date for completion of the sale of the Vendor’s Shares unless all of the Tag Along Shareholders and the Vendor agree otherwise.

## **23 PROHIBITED TRANSFERS**

Notwithstanding anything else contained in these articles no Share shall be issued or transferred to any infant, bankrupt or person of unsound mind.

## **24 FINANCING OF PURCHASE OF COMPANY’S OWN SHARES**

The Company may, in accordance with section 692 (1) (b) of the Act purchase its own shares with cash up to an amount in a financial year not exceeding the lower of:

- (i) £15,000, or
- (ii) the value of 5% of the Company’s share capital as at the beginning of the financial year.

## **25 LIABILITY OF MEMBERS**

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

**25 REGISTERED OFFICE**

The Company's registered office is to be situated in England and Wales.



## SCHEDULE 1

### DEFINITIONS, RESERVED MATTERS AND THE RIGHT TO APPOINT A DIRECTOR

#### 1 DEFINITIONS

In these articles and Schedule unless the context otherwise requires the following expressions have the following meanings:

- 1.1. **“Business Day”** means any day (other than a Saturday or Sunday) on which clearing banks are open for normal business in London;
- 1.2. **“Business Plan”** means the business plan approved by the directors of the Company on or around the date of the adoption of these articles, or such other business plan or plans from time to time and as provided to Shareholders;
- 1.3. **“Connected”** shall have the meaning attached to it in section 993 of the Income Taxes Act 2007;
- 1.4. **“Consideration”** shall mean the sum or sums reasonably attributable to the transaction as a whole;
- 1.5. **“Employee Share Option Plan”** means any share option scheme established by the company for the benefit of personnel connected with the company including (but not limited to) its employees, directors, consultants and managers;
- 1.6. **“Emoluments”** means emoluments of every description including, without limitation, salaries, directors’ fees, consultancy fees, bonuses, commissions, profit shares under any incentive scheme, pension contributions payable by the Company and benefits in kind as quantified for income tax purposes;
- 1.7. **“Encumbrance”** means and includes any interest or equity of any person (including, without prejudice to the generality of the foregoing, any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien or assignment or any other encumbrance priority or security interest or arrangement of whatsoever nature over or in the relevant property;
- 1.8. **“Equity Securities”** means (i) Shares and (ii) the grant of a right to subscribe for, or to convert any securities into Shares of the Company;
- 1.9. **“Intellectual Property Rights”** means all intellectual property rights of any nature anywhere in the world whether registered, registerable or otherwise, including but not limited to all patents, trademarks, copyright and rights in the nature of copyright, design

rights (whether registered or not), business names, brand names and domain names, rights in databases, rights in and to software source codes and object codes, moral rights and know how.

1.10. **“Reorganisation”** means in relation to the Company, any issue by way of capitalisation of profits or reserves or by way of rights and any consolidation or sub-division or reduction of capital or capital dividend or other reconstruction or adjustment or transfer relating to the equity share capital (or any shares, stock or securities derived therefrom) and any other amalgamation, arrangement, reconstruction or compromise affecting the share capital (or any shares, stock or securities derived therefrom);

1.11. **“Shares”** means any share of any class in the capital of the Company; and

1.12. **“Shareholder Majority”** means holders of Shares holding together in excess of 50% in aggregate in nominal value of the Shares in issue from time to time.

## **2. MATTERS REQUIRING SHAREHOLDERS’ CONSENT**

The following matters require the consent of the members of the Company in accordance with Article 6.1:

- 2.1. issue, allot, redeem, purchase or grant options over any of the Company’s shares or other securities, excluding options to subscribe for Shares under an Employee Share Option Plan, or reorganise the Company’s share capital in any way;
- 2.2. pay or make any dividend or other distribution;
- 2.3. make any distribution out of capital profits or capital reserves (including any share premium account or capital redemption reserve fund);
- 2.4. alter the provisions of the Company’s articles of association or pass any resolution for winding up;
- 2.5. go into liquidation or request the appointment of a receiver or receiver and manager or administrative receiver to be appointed over all or any part of the assets of the Company or petitioning the court for the grant of an administration order pursuant to the Insolvency Act 1986 or taking steps for the implementation of a voluntary arrangement pursuant to part 1 of the Insolvency Act 1986 (save that the consent of the members of the Company shall not be required to implement any of the matters contemplated by this paragraph 2.5 where the directors reasonably believe that this is in the interests of the creditors of the Company as a whole or is otherwise required of them in their capacity as directors of the Company);

- 2.6. acquire or make any investment in another company or business or incorporate any subsidiary;
- 2.7. merging or amalgamating with any other company firm or undertaking;
- 2.8. appoint any new director or senior employee whose rate of gross contractual salary is £180,000 per annum or more or vary the Emoluments of any of its directors to in excess of £180,000;
- 2.9. enter into any agreement or transaction which cannot be terminated by the Company without penalty within 6 months of its commencement, is material and otherwise than in the ordinary course of business, or the liability of the Company under which is in excess of £300,000 over a 12 month period;
- 2.10. enter into or vary any contract or arrangement (whether legally binding or not) with any director or with any associate of a director;
- 2.11. give any guarantee, indemnity or security in respect of the obligations of any other person, other than in the ordinary course of business;
- 2.12. create or allow to subsist any Encumbrance over any of its assets;
- 2.13. borrow any money or obtain any advance or credit in any form other than normal trade credit or other than on normal banking terms for overdraft facilities which would result in the aggregate borrowings of the Company to exceed £250,000 or materially and adversely vary the terms and conditions of any borrowings;
- 2.14. lend any money to any person (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit to any person (except to its customers in the normal course of business);
- 2.15. incur any material expenditure or liability of a capital nature (including, for this purpose, the acquisition of any asset under lease or hire purchase) save in respect of office machinery and equipment reasonably required in the ordinary course of its business;
- 2.16. sell, transfer, lease, license, sub-let or in any way dispose of its business, material part of any undertaking, heritable, freehold or leasehold property or any part thereof or interest therein (being in excess of 10% by value as shown in the last audited balance sheet of the Company for the time being) or (except in the ordinary course of business) do any of the foregoing with any other of its assets or any interest therein;



- 2.17. change the nature or scope of its business as carried on from time to time or commence any new business not being ancillary or incidental to such business;
- 2.18. enter into any partnership or joint venture with any other person;
- 2.19. enter into any material contract or arrangement that is not bona fide for the benefit of the Company as a whole or on an arm's length basis;
- 2.20. pay any remuneration or expenses to any person other than as proper remuneration for work done or services provided or as proper reimbursement for expenses incurred in connection with its business;
- 2.21. make any gift or political or charitable donation; and
- 2.22. allow any expansion, development or evolution of the business (whether to be conducted as part of or in connection with its main business or ancillary to it) to be effected otherwise than through the Company.

