

**Fresh Minds Limited
(the "Company")**

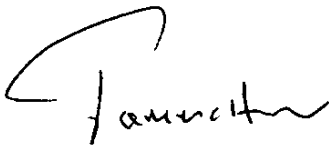
**Company No:
04070264**

The Companies Act 2006

On the 12 November 2013 the following Written Resolution (such resolution being passed as a special resolution) was approved by the eligible members pursuant to sections 288 to 300 of the Companies Act 2006

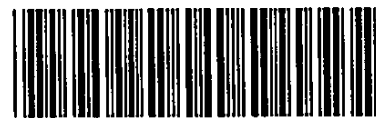
SPECIAL RESOLUTION

- 1 **THAT** the draft regulations attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association



Secretary

WEDNESDAY



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A11

20/11/2013

#273

COMPANIES HOUSE

COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

FRESH MINDS LIMITED

Articles of Association

Adopted 12 November 2013



Everyman Legal Limited
No. 1G Network Point
Range Road
Windrush Park
Witney
Oxon OX29 0YN

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

FRESH MINDS LIMITED

(Adopted by special resolution passed on 12 November 2013)

INTRODUCTION

1 Interpretation

1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings

"Act", the Companies Act 2006,

"Adoption Date", the date of adoption of these Articles,

"Articles", the Company's articles of association for the time being in force,

"Asset Sale", the disposal by the Company of all, or a substantial part of, its business and assets,

"Available Profits", the profits available for distribution within the meaning of Part 23 of the Act,

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

"Call Option Agreement"; an agreement between the Company and an Employee Shareholder granting the Company (or its nominee) the option to purchase Shares held by such Employee Shareholder;

"Companies Acts", has the meaning given to it in the Act,

"Company", means Fresh Minds Limited (Company number 4070264),

"connected", has the meaning given in section 252 of the Act,

"Deemed Transfer Notice", a Transfer Notice which is deemed to have been served by any of the provisions of these Articles,

"Departing Employee Shareholder", an Employee Shareholder who ceases to be an employee of any Group Company and who does not continue as, or become, an employee of any other Group Company,

"Directors", the directors of the Company from time to time,

"Designated Chairman", Paul Perkin or Michael O'Regan,

"Eligible Director", means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter),

"Employee Shareholder", a Shareholder who is, or has been, an employee of any Group Company,

"Exit Value", £4,500,000

"Expert", the auditors of the Company or, if the Company has no auditors or if they should refuse such an appointment, an accountant nominated by the Directors;

"Founder", a holder of 400 or more Preference Shares,

"Group", the Company and its subsidiaries (if any) from time to time and Group Company shall be construed accordingly,

"holding company", has the meaning given in section 1159 of the Act,

"Interest Rate"; 4% above the base lending rate of Barclays Bank plc from time to time;

"Model Articles", the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the Adoption Date,

"Ordinary Shares", the ordinary shares of £0.01 each in the capital of the Company,

"Preference Shares", the preference shares of £1.00 each in the capital of the Company,

"Sale Shares", has the meaning given in article 14.2.1,

"Seller", has the meaning given in article 14.2,

"Share Sale", the sale of (or the grant of a right to acquire and dispose of) any of the shares in the capital of the Company (in one transaction or a series of transactions) which will result in the buyer of those shares (or grantee of that right) acquiring all of the shares in the capital of the Company, except where the shareholders of the buyer and the proportion of shares held by each of them following the completion of the sale are the same as the Shareholders and their shareholdings in the Company immediately before the sale,

"Shareholder", a holder for the time being of any Share or Shares;

"Shares"; shares (of any class) in the capital of the Company and Share shall be construed accordingly,

"subsidiary", in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company,

"Termination Date", (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;

(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,

(c) where an Employee Shareholder dies, the date of his death, or

(d) in any other case, the date on which the employment or holding of office is terminated,

"Transfer Notice", has the meaning given in article 14 2, and

"Transfer Price", has the meaning given in article 15

1 2 A reference in these Articles to

1 2 1 an **Article** is a reference to the relevant numbered article of these Articles, and

1 2 2 a **model article** is a reference to the relevant article,

unless expressly provided otherwise

1 3 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 Adoption Date)

1 4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

1 5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa

1 6 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 6 1 any subordinate legislation from time to time made under it, and

1 6 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

2 Adoption of the Model Articles

2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation

2 2 Model articles 7, 8, 11(2) and (3), 14(1) to (4) (inclusive), 17(1), 26(5), and 52 and 53 shall not apply to the Company

2 3 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"

DIRECTORS

3 Number of directors

- 3 1 Unless otherwise determined by ordinary resolution and with the consent in writing of the holders of not less than 51% of the Preference Shares, the number of Directors shall not be less than two and the maximum number of Directors shall be eight.
- 3 2 Four of such Directors may be appointed in accordance with article 4 1 and four may be appointed by a resolution of the Directors then in office ("Board Director") Any Director appointed to office that is not a Board Director, shall be a "Non Board Director"

4 Appointment and removal of directors

- 4 1 The holders of not less than 51% of the Preference Shares in issue for the time being may appoint, by notice in writing to the Company, and maintain in office, four persons as Directors ("Shareholder Directors") and may remove such Shareholder Directors from office and appoint replacements also by notice in writing to the Company.
- 4 2 The holders of not less than 51% of the Preference shares in issue for the time being may dismiss any Non Board Director(s), by notice in writing to the Company, and appoint any further Director(s) in accordance with, and subject to, clause 4 1
- 4 3 Any appointment or removal of a Director made in accordance with Article 4 1 or Article 4 2 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice
- 4 4 In any case where, as a result of death, the company has no Preference Shareholders and no Directors, the personal representatives of the last Preference Shareholder or Director to have died have the right, by notice in writing, to appoint a person to be a Director

5 Proceedings of directors

- 5 1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 5 2 (subject to article 5 3 and article 5 4) All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes
- 5 2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 5 3 A decision taken in accordance with article 5 2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing
- 5 4 A decision may not be taken in accordance with article 5 2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 5 5 and article 5 6
- 5 5 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be

present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.

5.6 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a Conflict (as defined in article 7.1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

5.7 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to

5.7.1 appoint further Directors, or

5.7.2 call a general meeting so as to enable the Shareholders to appoint further Directors.

5.8 The holders of not less than 51% of the Preference Shares may, by notice in writing to the Company, appoint any Designated Chairman as chairman of the board of Directors and may also by notice in writing remove any chairman of the board of Directors appointed by any means.

5.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the chairman shall have a second or casting vote.

6 Transactions or other arrangements with the Company

6.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

6.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested,

6.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,

6.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,

6.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

6.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any

such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

7 Directors' conflicts

7 1 The Directors may, in accordance with the requirements set out in this article 7, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

7 2 Any authorisation under this article 7 will be effective only if

7 2 1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,

7 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

7 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

7 3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently)

7 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

7 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,

7 3 3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict,

7 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,

7 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

7 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters

- 7 4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict
- 7 5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 7 6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 8 Secretary**
- 8 1 The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors

SHARES AND DISTRIBUTIONS

9 Dividends

- 9 1 In any financial year the Available Profits of the Company shall be used to pay dividends as set out in this article 9
- 9 2 Commencing on 1 April 2016, the Company shall, without resolution of the Directors or the Company in general meeting and before application of any Available Profits to reserve or for any other purpose, first pay to the holders of the Preference Shares a fixed cumulative preferential annual dividend (**Preference Dividend**) in a sum equal in aggregate to 5.5% of the Exit Value which shall be paid half-yearly in arrears on 1 April and 1 October each year (each a **Payment Date**) to the registered holders of the Preference Shares according to the number of shares held by them on the relevant Payment Date
- 9 3 The Preference Dividend shall, provided that the Company has sufficient Available Profits out of which to pay the same and notwithstanding that such dividend is expressed to be cumulative, automatically become a debt due from and immediately payable by the Company on the relevant Payment Date. If and to the extent that the debt so constituted is not paid in full on the relevant Payment Date, the unpaid amount shall carry interest at the Interest Rate in respect of the period from and including the relevant Payment Date to the date of actual payment
- 9 4 If and to the extent that the Company is unable to pay in full the Preference Dividend in accordance with article 9 2 by reason of having insufficient Available Profits, then it shall on the relevant Payment Date pay the Preference Dividend to the extent that it is lawfully able to do so and the unpaid amount of the Preference Dividend shall accumulate and be carried forward until there are Available Profits at which point the unpaid amount of the Preference Dividend shall automatically become a debt due from and immediately payable by the Company. The unpaid amount of the Preference Dividend shall carry interest at the Interest

Rate in respect of the period from and including the relevant Payment Date to the date of actual payment. Such interest shall accumulate and form part of the Preference Dividend and shall only become payable when the Company has sufficient Available Profits to pay the Preference Dividend.

9.5 No dividend shall be paid in respect of the Ordinary Shares until all arrears and accruals of the Preference Dividend have been paid in full.

9.6 No dividend shall be paid in respect of the Preference Shares other than the Preference Dividend and all other dividends in excess of the Preference Dividend shall be distributed to the registered holders of the Ordinary Shares according to the number of Ordinary Shares held by them at the relevant date.

10 Capital

10.1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be applied in the following order of priority:

10.1.1 first in paying to the holders of the Preference Shares the Exit Value, together with a sum equal to any arrears or accruals of the Preference Dividend, divided between the holders of the Preference Shares in proportion to the number of Preference Shares held by them and, if there is a shortfall of assets remaining to satisfy the entitlements of holders of the Preference Shares in full, such assets as are available shall be distributed to the holders of the Preference Shares in proportion to the number of Preference Shares held by them, and

10.1.2 second to the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held.

10.2 The proceeds of a Share Sale shall be distributed in the order of priority set out in Article 10.1 and the Shareholders shall enter into such agreements and transfers as are necessary to give effect to such a distribution. The Directors shall not register any transfer of Shares if the proceeds of sale are not distributed in that manner, provided that, if the proceeds of sale are not settled in their entirety on completion of the Share Sale:

10.2.1 the Directors may register the transfer of the relevant shares, provided that the proceeds have been distributed in the order of priority set out in Article 10.1, and

10.2.2 the Shareholders shall take any action required by the holders of the Preference Shares to ensure that the proceeds of sale are distributed in the order of priority set out in Article 10.1.

10.3 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully able to do so) in the order of priority set out in Article 10.1. If it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the holders of the Preference Shares (including (but not limited to) any actions that may be necessary to put the Company into voluntary liquidation so that Article 10.1 applies).

11 Conversion of Preference Shares

- 11 1 Subject to Article 11 5, the holders of not less than 51% of the issued Preference Shares may, by notice in writing to the Company (**Conversion Notice**), require conversion of all of the issued Preference Shares into Ordinary Shares. The Preference Shares shall convert automatically on the date on which the Conversion Notice is received by the Company (**Conversion Date**)
- 11 2 A Conversion Notice may only be issued by the holders of Preference Shares if:
- 11 2 1 on any particular Payment Date, the Company has failed to pay the Preference Dividend in full together with any arrears of Preference Dividend on two consecutive Payment Dates (ending on any particular Payment Date); or
 - 11 2 2 if the Company takes any action in breach of article 19 2
- 11 3 On the Conversion Date each Preference Share shall (without further authority than that contained in these Articles) stand converted into 100 Ordinary Shares and the Ordinary Shares resulting from such conversion shall rank *pari passu* in all other respects with the existing issued Ordinary Shares
- 11 4 On the Conversion Date, the Company shall enter the holders of the converted Preference Shares on the register of Shareholders of the Company as the holders of the appropriate number of Ordinary Shares and, subject to each holder of Preference Shares delivering the relevant share certificate in respect of such Preference Shares to the Company (or an indemnity for a lost share certificate in a form reasonably satisfactory to the Company), the Company shall, within 10 Business Days of the Conversion Date, forward a definitive share certificate for the appropriate number of Ordinary Shares to such holder of Preference Shares free of charge
- 11 5 A Conversion Notice may only be issued within thirteen years of the date of the adoption of these articles

12 Pre-emption rights on the issue of further shares

- 12 1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company
- 12 2 Save with the written consent of the holders of not less than 51% of the issued Preference Shares, if the Company proposes to allot any Shares, those Shares shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Ordinary Shares (each an **Offeree**) on a *pari passu* basis and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Shares are being, or are to be, offered to any other person
- 12 3 An offer made under Article 12 2 shall
- 12 3 1 be in writing and give details of the number, class and subscription price (including any share premium) of the Shares being offered,

- 12 3 2 remain open for a period of 10 Business Days from the date of service of the offer, and
- 12 3 3 stipulate that any Offeree who wishes to subscribe for a number of Shares in excess of the number to which he is entitled under Article 12 2 shall, in his acceptance, state the number of excess Shares (**Excess Shares**) for which he wishes to subscribe
- 12 4 If, on the expiry of an offer made in accordance with Article 12 2, the total number of Shares applied for is less than the total number of Shares so offered, the Directors shall allot the Shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement
- 12 5 Any Shares not accepted by Offerees pursuant to an offer made in accordance with Article 12 2 shall be used to satisfy any requests for Shares made pursuant to Article 12 3 3. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants in the respective proportions that the number of Ordinary Shares held by each such applicant bears to the total number of such Ordinary Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any Shareholder beyond that applied for by him)
- 12 6 If, after completion of the allotments referred to in articles Article 12 4 and Article 12 5, not all of the Shares have been allotted, the balance of such Shares shall be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders
- 13 Transfers of shares: general**
- 13 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share
- 13 2 Unless otherwise agreed between the transferor and transferee, the transferor of a Share shall be entitled to retain or receive any dividend or distribution declared or paid in respect of such Share prior to the date of transfer
- 13 3 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. The Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 13 4 Any Transfer Notice (but not a Drag Along Notice (as defined in article 17) or a notice served in accordance with articles 17 2 or 17 3) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice
- 14 Pre-emption rights on the transfer of Shares**
- 14 1 Except where the provisions of articles 17 or 18 apply, or where Shares are transferred pursuant to the terms of a Call Option Agreement, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 14

- 14 2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:
- 14 2 1 the number of Shares he wishes to transfer (**Sale Shares**),
- 14 2 2 the name of the proposed transferee, if any,
- 14 2 3 the price per share at which he wishes to transfer the Sale Shares, and
- 14 2 4 whether the Transfer Notice is conditional upon all of the Sale Shares being sold (**Minimum Transfer Condition**)
- 14 3 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 14 4 The Seller may revoke a Transfer Notice (but not a Deemed Transfer Notice) within 5 Business Days of the Expert certifying the Fair Value of a Sale Share in accordance with article 15 but a Transfer Notice shall otherwise be irrevocable
- 14 5 The Company may, within the period of 15 Business Days of receipt of a Transfer Notice (or, in the case of a Deemed Transfer Notice the date such notice was deemed to be served) and subject to Chapter 4 of Part 18 of the 2006 Act, purchase from the Seller all or some of the Sale Shares at the Transfer Price, whereupon the Seller shall be bound to transfer the Sale Shares or such of the Sale Shares as the directors shall resolve to purchase as aforesaid. The Seller shall be bound to exercise all voting rights and other powers of control available to him in relation to the Company in order for the Company to comply with Chapter 4 of Part 18 of the 2006 Act and to transfer the Sale Shares, or such of the Sale Shares as the directors shall resolve to purchase as aforesaid, to the Company at the time and place specified in writing by the directors. If the Seller fails to exercise such rights or other powers of control or to transfer the Sale Shares, or such of the Sale Shares as are applied for, the chairman of the Company or some other person appointed by the directors shall be deemed to have been appointed agent of the Seller with full power to execute, complete and deliver, in the name and on behalf of the Seller, any document necessary in respect of such exercise or transfer
- 14 6 If the Company does not purchase all of the Sale Shares within the period set out in article 14 5, the Directors may, with the prior written consent of the holders of not less than 51% of the Preference Shares, offer the remaining Sale Shares for sale to the trustee or trustees of the Employee Benefit Trust (**Trustees**). The Trustees shall notify the Directors in writing within 10 Business Days of such offer of the number of Sale Shares (if any) they are willing to purchase
- 14 7 If the Trustees do not purchase all of the Sale Shares within the period set out in article 14 6, the Directors shall offer the remaining Sale Shares for sale to the Shareholders holding the same class of Share as the Sale Shares (other than the Seller) in the manner set out in the remaining provisions of this article 14 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered
- 14 8 The Directors shall offer the Sale Shares to the Shareholders holding the same class of Share as the Sale Shares (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy

14 9

- 14 9 1 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- 14 9 2 If, following allocations in accordance with article 14 9.1, not all Sale Shares have been allocated but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 14 9 1. The procedure set out in this article 14 9 2 shall be repeated until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied.
- 14 9 3 If, at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Shareholders in accordance with their applications.
- 14 10 Where the Transfer Notice contains a Minimum Transfer Condition, and the total number of shares applied for under article 14 9 is less than the number of Sale Shares, the Directors shall notify the Seller and all Shareholders who have applied for Sale Shares that the Minimum Transfer Condition has not been met and that the Transfer Notice has lapsed with immediate effect.
- 14 11 Where the Transfer Notice does not contain a Minimum Transfer Condition, or allocations have been made in respect of all the Sale Shares, the Directors shall give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be not more than 10 Business Days, after the date of the Allocation Notice).
- 14 12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.
- 14 13 If the Seller fails to comply with article 14 12
- 14 13 1 any Director or some other person nominated by a resolution of the Directors may, as agent and attorney on behalf of the Seller):
- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
 - (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and
 - (c) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

14 13 2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

14 14 Where an Allocation Notice does not relate to all the Sale Shares then the Seller may, at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer any Sale Shares not so allocated to any person approved in writing by the Directors at a price at least equal to the Transfer Price

15 Transfer Price

15 1 The Transfer Price for each Sale Share the subject of a Transfer Notice shall be

15 1 1 in the case of a Transfer Notice which is not a Deemed Transfer Notice, the price per share specified in the Transfer Notice or, if no such price is specified or if the Directors shall otherwise direct, the Fair Value of each Sale Share determined in accordance with article 15 2,

15 1 2 in the case of a Deemed Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 15 2

15 2 The Fair Value of a Sale Share shall be such amount per share as the Expert shall certify in writing to be the market value of the Sale Share calculated on the basis of a sale between a willing seller and a willing buyer on arms length terms, having taken account of the intended application of the proceeds of a Share Sale under article 10 No discount (or premium) shall be applied in valuing a Sale Share by virtue of the fact that the Sale Shares in question represent a minority (or majority) of the issued Ordinary Shares The costs of such valuation shall be borne by the Company In certifying the market value as aforesaid the Expert shall be considered to be acting as an expert and not as an arbitrator and his decision shall be final

16 Compulsory transfers

16 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine

16.2 If an Employee Shareholder (other than a Founder) becomes a Departing Employee Shareholder a Transfer Notice shall be deemed to be served in respect of all Ordinary Shares held by such Employee Shareholder at any time as the Directors may determine within 12 months of the Termination Date and any Transfer Notice served in respect of any of such Shares before the date such Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse

17 Drag along

17 1 Subject to article 17 8, If at any time the holders of not less than 51% of the Ordinary Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Ordinary Shares to a bona fide arm's-length purchaser (**Proposed Buyer**), the Selling

Shareholders shall have the option (**Drag Along Option**) to require all the other Shareholders (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) for the same consideration per share (whether cash, non-cash, deferred or contingent) payable by the Proposed Buyer to the Selling Shareholders

- 17 2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to the Called Shareholders to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of Shares by the Selling Shareholders. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 17, the identity of the Proposed Buyer, the consideration payable for the Called Shares and the proposed date of transfer and shall require the Called Shareholders to deliver a share certificate or certificates in respect of the Called Shares together with a duly executed stock transfer form
- 17 3 A Drag Along Notice, once served, shall be irrevocable but the Drag Along Notice and all obligations under it shall lapse if the Selling Shareholders do not, for any reason, complete the transfer their Shares to the Proposed Buyer (or as the Proposed Buyer shall direct) within 60 days after the date of the Drag Along Notice
- 17 4 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares
- 17 5 If any Called Shareholder shall default in transferring their Shares pursuant to this article 17 then the directors may appoint any person to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares
- 17 6 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 14
- 17 7 The provisions of this article 17 shall also apply to any Shares acquired on the exercise of any option within 90 days of the date of completion of the sale by the Selling Shareholders to the Proposed Buyer and the option holder may be required to transfer such shares within 14 days of allotment and in default article 17 5 shall apply
- 17 8 The Selling Shareholders may not exercise the Drag Along Option without the prior consent in writing of the holders of 51% of the Preference Shares unless a sum at least equal to the Exit Value plus all arrears and accruals of the Preference Dividend is payable in cash on completion of the sale and purchase of the Shares
- 18 Tag along**
- 18 1 If at any time one or more Shareholders (**Proposed Sellers**) propose to sell, in one or a series of related transactions, a majority of the Ordinary Shares (**Majority Holding**) to any person (other than a person who was a Shareholder on the date of adoption of these Articles), then unless they have served a Drag Along Notice under article 17, the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this article
- 18 2 The Proposed Sellers shall give written notice (**Tag Along Notice**) to the other holders of the Ordinary Shares and Preference Shares in the Company of such intended sale at least ten Business Days prior to the date thereof. The Tag Along Notice shall set out, to the extent not

described in any accompanying documents, the identity of the proposed buyer (**Majority Holding Buyer**), the purchase price and other terms and conditions of payment, the proposed date of sale and the number of Ordinary Shares proposed to be purchased by the Majority Holding Buyer.

- 18 3 Any other holder of Ordinary Shares or Preference Shares in the Company shall be entitled, by written notice given to the Proposed Sellers within five Business Days of receipt of the Tag Along Notice, to require the Majority Holding Buyer to purchase all of his Ordinary Shares on the same terms and conditions as those set out in the Tag Along Notice and his Preference Shares at the due proportion of the Exit Value
- 18 4 If any other holder of Ordinary Shares or Preference Shares in the Company is not given the rights accorded him by the provisions of this article, the Proposed Sellers shall not be permitted to complete their sale of the Majority Holding and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect

DECISION-MAKING BY SHAREHOLDERS

19 Voting

- 19 1 Subject to article 19 2 and any other provisions in these Articles concerning voting rights, each Ordinary Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company. The Preference shares shall not carry the right to receive notice of or to attend, speak or vote at General Meetings of the Company
- 19 2 The following transactions or matters shall require the prior written consent of the holders of not less than 51% of the Preference Shares (such consent not to be unreasonably withheld or delayed)
- 19 2 1 the employment, or engagement as a consultant, by the Company of any person whose remuneration (including benefits in kind and on target earnings bonuses) is equal to or greater than £120,000 per annum,
- 19 2 2 any alteration to the remuneration or benefits in kind payable to any employee or consultant of the Company whose current remuneration (including benefits in kind and on target earnings bonuses) is equal to or greater than £120,000 per annum;
- 19 2 3 any transaction with a Director or any person connected with a Director (each a **Related Party**) or the variation of any contract or arrangement with a Related Party or any transaction with any Shareholder holding (together with such Shareholder's associates) 20% or more of the issued Ordinary Shares,
- 19 2 4 the issue of any new Shares or the grant of options over any Shares, other than the subscription of 67,551 shares by Caroline Plumb and grant of options over 36,374 Ordinary Shares and subsequent issue of such shares,
- 19 2 5 the acquisition of any company or business undertaking;
- 19 2 6 the disposal of the whole, or substantially the whole, of the business and undertaking of the Company or of any significant asset of the Company (being an asset equal in value to 10% or more of the net assets of the Company),
- 19 2 7 the payment of any dividend in respect of the Ordinary Shares prior to 1 April 2016 or at any time when payment of the Preference Dividend is in arrears,

- 19 2 8 any amendment to the Articles,
 - 19 2 9 any amendment or variation to a Call Option Agreement,
 - 19 2 10 any alteration to the terms of employment of any Shareholder holding not less than 15% of the issued Ordinary Shares,
 - 19 2 11 the purchase by the Company of any of its Shares, other than pursuant to the terms of a Call Option Agreement
- 19 3 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article
- 19 4 Model article 45(1) shall be amended by
- 19 4 1 the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate", and
 - 19 4 2 the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article

ADMINISTRATIVE ARRANGEMENTS

20 Notices

- 20 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 20 1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
 - 20 1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
 - 20 1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
 - 20 1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article 20 1, no account shall be taken of any part of a day that is not a working day

20 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

21 Indemnity and insurance

21 1 Subject to article 21 2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled

21 1 1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs, and

21 1 2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 21 1 1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

21 2 This article 21 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

21 3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss

21 4 In this article 21

21 4 1 **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Associated Company) or any pension fund or employees' share scheme of the Company (or other Associated Company),

21 4 2 **Relevant Officer** means any director or other officer or former director or other officer of any Associated Company, and

21 4 3 **Associated Company** : companies are associated if one is the subsidiary of the other or both are subsidiaries of the same body corporate