

Company Number 07974955

A Private Company Limited by Shares

Articles of Association of Perkier Foods Limited

(Adopted by Special Resolution on 4 November 2021)

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1. Introduction

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "Model Articles") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.3 In these Articles article headings are used for convenience only and shall not affect the construction or interpretation of these Articles.

2. Defined terms

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

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

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

"Allocation Notice" has the meaning given in Article 13.4;

"Alternative Director" means the director appointed in accordance with Article 3.5;

"Asset Sale" means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);

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

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

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

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

"Buyer" has the meaning given in Article 18.2;

"Call Notice" has the meaning given in Article 21.1;

"Call Payment Date" has the meaning given in Article 21.10(a);

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

"Company's Lien" has the meaning given in Article 20.1;

"Controlling Interest" means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010;

"Connected Person" has the meaning given to it in section 1122 of the CTA 2010;

"Co Sale Notice" has the meaning given in Article 18.2;

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

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

"Drag Along Notice" has the meaning given in Article 16.1;

"Drag Along Option" has the meaning given in Article 16.1;

"Dragged Shares" has the meaning given in Article 16.1;

"Dragged Shareholders" has the meaning given in Article 16.1;

"Drag Sellers" has the meaning given in Article 16.1;

"Drag Sellers' Shares" has the meaning given in Article 16.1;

"Eligible Shareholder" has the meaning given in Article 13.2;

"Employee" means an individual who is employed by or who provides consultancy services to, the Company or any member of the Group;

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

"Equity Holder" has the meaning given in Article 18.2;

"Expert Valuer" has the meaning given in Article 14.1;

"Extra Shares" has the meaning given in Article 13.2(d);

"Fair Value" is as determined in accordance with Article 14.3;

"Family Trusts" means trust(s) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than a Shareholder who is an individual and/or Privileged Relations of that individual;

"Financial Year" has the meaning set out in section 390 of the Act;

"Founders" means Ann Elizabeth Perkins and Steven Christopher Turner (each, a "Founder");

"Founder Director" means such directors of the Company nominated by the Founders under Article 3.2;

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

"Group" means the Company and its subsidiary undertaking(s) (if any) from time to time;

"Investor(s)" means any person, company or entity who subscribes for Shares in the Company as a bona fide financial investor (excluding any Employee acquiring shares pursuant to a Share Option Plan);

"Investor Director" means either the Nexus Director or the Alternative Director as appointed at the relevant time;

"Investor Majority" has the meaning given to it in the shareholders' agreement of the Company from time to time in force;

"Investor Majority Consent" means the prior written consent of the Investor Majority;

"Lien Enforcement Notice" has the meaning given in Article 20.3(a);

"Loan Conversion Shares" means the 2,253,000 Ordinary Shares issued to the Founders on or about 18th March 2019 (as sub-divided on the Date of Adoption) in consideration of the capitalisation of amounts owing by the Company to such individuals on directors' loan accounts;

"a Member of the same Group" means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of that company or a subsidiary undertaking of any such parent undertaking;

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

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any Investment Fund managed by that Fund Manager;
- (c) any parent undertaking or subsidiary undertaking of that Fund Manager, or any subsidiary undertaking of any parent undertaking of that Fund Manager; or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa;

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption, other than options to subscribe for Shares under any Share Option Plan or NIVL Option Pool;

"New Shareholder" has the meaning given in Article 16.10;

"Nexus" means NIML and NIVL acting jointly;

"Nexus Director" means the director appointed in accordance with Article 3.4;

"Nexus Observer" means the observer appointed in accordance with Article 3.5(b);

"NIML" means Nexus Investment Management Limited (company number 10927854);

"NIVL" means Nexus Investment Ventures Limited (company number 07539942);

"NIVL Option Pool" means the share option pool for NIVL to be established and maintained by the Company;

"Ordinary Shares" means the issued ordinary shares of £0.000001 each in the capital of the Company from time to time, having the rights set out in these Articles;

"Original Shareholder" has the meaning given in Article 12.1;

"Permitted Transfer" means a transfer of Shares in accordance with Article 12;

"Permitted Transferee" means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or a Qualifying Company;
- (b) in relation to a Shareholder which is an undertaking means any Member of the same Group;
- (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group;
- (d) in relation to an Investor:
 - (i) to any Member of the same Group; or
 - (ii) to any Member of the same Fund Group;

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

"Proceeds of Sale" means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale as approved by an Investor Majority;

"Proportionate Allocation" has the meaning given in Article 10.2(d);

"Proposed Purchase" has the meaning given in Article 16.1;

"Qualifying Company" means a company in which a Shareholder or Trustee(s) hold the whole of the share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);

"Relevant Rate" has the meaning given in Article 21.10(b);

"Sale Shares" means the Shares belonging to a Seller which are to be subject to a transfer;

"Seller" means a Shareholder of the Company who wishes to transfer any or all of their Shares;

"Selling Founder" has the meaning given in Article 18.1;

"Shareholder" means any holder of any Shares;

"Share Option Plan" means any share option plan of the Company, the terms of which have been approved by the Board and an Investor Majority;

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

"Shares" means the Ordinary Shares and any other issued shares in the capital of the Company, from time to time;

"Tag Acceptance Notice" has the meaning given in Article 17.4;

"Tag Along Shares" has the meaning given in Article 17.2;

"Tag Offer" has the meaning given in Article 17.2;

"Tag Offeror" has the meaning given in Article 17.1;

"Tag Offer Notice" has the meaning given in Article 17.3;

"Tag Offer Period" has the meaning given in Article 17.3;

"Tag Sale Date" has the meaning given in Article 17.3;

"Tag Sellers" has the meaning given in Article 17.1;

"Tag Sellers' Shares" has the meaning given in Article 17.1;

"Tagging Shareholder" has the meaning given in Article 17.4;

"Transfer Notice" has the meaning given in Article 13.1;

""Transfer Price" has the meaning given in Article 13.1(c); and

"Trustees" means the trustee(s) of a Family Trust.

3. Appointment of Directors

3.1 Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than three.

3.2 For so long as a Founder and/or its Permitted Transferees holds any Shares, that Founder shall be entitled to appoint itself as a Director of the Company.

3.3 In addition to the rights of appointment under article 3.2, for so long as the Founders and/or their Permitted Transferees hold in aggregate more than 50% of the issued Shares in the capital of the Company, they will be entitled to appoint such number of directors which (including themselves if so appointed pursuant to clause 3.2) constitutes a majority of the Board and shall be entitled to remove and replace any person so appointed, provided that this clause shall not entitle the Founders to remove any Investor Director from office.

3.4 For so long as NIML and their Permitted Transferees holds any Shares or Nexus (NIVL and NIML taken together) has provided in aggregate no less than £200,000 in the Company, Nexus shall have the right to appoint and maintain in office such natural person as Nexus may from time to time agree to nominate as a director of the Company and to agree to remove any director so appointed and, upon his removal whether by Nexus or otherwise, to appoint another director in his place (the "Nexus Director").

3.5 For such times as where there is no Nexus Director appointed:

- (a) the Investors shall have the right to (acting by Investor Majority Consent) appoint and maintain in office such natural person as the Investors may from time to time nominate as a director of the Company and to remove any director so appointed and, upon his removal whether by the Investors or otherwise, to appoint another director in his place (the "Alternative Director"); and
- (b) notwithstanding the Investors having not appointed an Alternative Director, Nexus shall have the right to appoint a representative to attend as an observer at any meeting of the Board where the Nexus Director is not to attend or has not been appointed, who will be entitled to speak at any such meetings but will not be entitled to vote (the "Nexus Observer").

3.6 Any appointment or removal of a Director or an observer under this Article shall be by notice in writing addressed to the Company and will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company.

3.7 Each Director and Founder Director shall be entitled at his request to be appointed to any committee of the Board established from time to time.

4. Proceedings of Directors

4.1 The quorum for Directors' meetings shall be three Directors including at least one Founder Director and the Investor Director. Article 11(2) of the Model Articles shall not apply to the Company. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed with a quorum of any two Directors.

- 4.2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 4.3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 4.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 4.5 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a relevant interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 4.6 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 4.7 A decision of the Directors may take the form of a resolution in writing, where each Director has signed one or more copies of it, or to which each Director has otherwise indicated agreement in writing (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.
5. Alternate Directors
- 5.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "Appointor") may appoint any director or any other person as he thinks fit to be his alternate Director to:
- (a) exercise that Director's powers; and
 - (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.
- The appointment of an alternate Director shall not require approval by a resolution of the Directors.
- 5.2 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.
- 5.3 The notice must:
- (a) identify the proposed alternate; and

- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.
- 5.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.
- 5.5 Except as these Articles specify otherwise, alternate directors:
 - (a) are deemed for all purposes to be Directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their Appointors; and
 - (d) are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.
- 5.6 A person who is an alternate Director but not a Director:
 - (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
 - (b) may sign a Directors' written resolution (but only if his Appointor is a Director in relation to that decision, but does not participate).
- 5.7 No alternate may be counted as more than one Director for such purposes.
- 5.8 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is a Director in relation to that decision).
- 5.9 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.
- 5.10 An alternate Director's appointment as an alternate shall terminate:
 - (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
 - (c) on the death of the alternate's Appointor; or
 - (d) when the alternate's Appointor's appointment as a Director terminates.

6. **Directors' interests**

6.1 Subject to the provisions of the Act, and provided that he has declared to the Directors the nature and extent of his interest, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting. Article 14 of the Model Articles shall not apply to the Company.

6.2 Specific interests of a Director

Subject to the provisions of the Act, and provided that he has declared to the Directors the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- (b) where a Director (or a person connected with him) is a director, Employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, Employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company;
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested; or
- (f) where a Director (or a person connected with him or of which he is a member or Employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, Employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this.

7. **Share Capital**

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

7.2 The Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.

8. Dividends

8.1 Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Ordinary Shares pro rata to their respective holdings of Ordinary Shares.

8.2 If there are nil paid or partly paid share(s), any holder of such share(s) shall only be entitled, in case of any dividend, to be paid an amount equal to the amount of the dividend multiplied by the percentage of the amount that is paid up (if any) on such share(s) during any portion or portions of the period in respect of which a dividend is paid.

9. Votes in general meeting and written resolutions

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

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

9.3 No voting rights attached to a share which is nil paid or partly paid may be exercised:

(a) at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or

(b) on any proposed written resolution,

unless all of the amounts payable to the Company in respect of that share have been paid.

10. Allotment of new shares or other securities: pre-emption

10.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act do not apply to an allotment of equity securities made by the Company.

10.2 Any New Securities shall, unless otherwise agreed by shareholders holding not less than 75% of the Shares, before they are allotted or granted on any terms, be first offered by the Company in writing to each holder of Ordinary Shares by:

(a) giving details of the number and subscription price of the New Securities;

(b) inviting him to apply for the New Securities at the subscription price (being on no less favourable terms);

(c) stating that he will have a period of at least 10 Business Days from the date of the notice in which to apply; and

(d) stating that the New Securities will be allocated to him in proportion (as nearly as may be) to his existing holdings of Ordinary Shares (his "Proportionate Allocation") and will not exceed his existing holdings of Ordinary Shares.

10.3 On expiry of an offer made in accordance with Article 10.2 (or sooner if applications or refusals have been received from all Shareholders and all requisite approvals have been given), the Company shall allot or grant (as the case may be) the New Securities as follows:

- (a) if the total number of New Securities applied for is equal to or less than the New Securities offered, each Shareholder shall be allocated the number applied for by him; and
- (b) fractional entitlements shall be rounded to the nearest whole number,

following which the Directors may, subject to these Articles and the Act, allot or grant (as the case may be) such New Securities as have not been taken up in such manner as they think fit, but on no more favourable terms than those offered each holder of Ordinary Shares.

10.4 Any New Securities offered under this Article 10 to any existing holders of Ordinary Shares may be accepted in full or part only by a Permitted Transferee in accordance with the terms of this Article 10.

10.5 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 Income Tax (Earnings and Pensions) Act 2003 election with the Company if so required by the Company.

11. Transfers of Shares – general

11.1 Reference to the transfer of a Share in these Articles includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.

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

11.3 The Directors may refuse to register a transfer of a Share if:

- (a) a Shareholder transfers a Share not in accordance with these Articles; or
- (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company and such person has not entered into a joint section 431 ITEPA election with the Company.

Article 26(5) of the Model Articles shall be modified accordingly.

11.4 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement in force between some or all of the Shareholders and the Company.

11.5 Articles 27 to 29 of the Model Articles regarding transmission of shares shall not apply to the Company.

11.6 Any transfer of a Share by way of sale which is required to be made under Articles 11 to 17 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

12. Permitted Transfers

- 12.1 A Shareholder (the "Original Shareholder") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 12.2 Shares previously transferred as permitted by Article 12.1 may be transferred by the transferee to the Original Shareholder or any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 12.3 Where, upon death of a Shareholder, the persons legally or beneficially entitled to any Shares are Permitted Transferees of that deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees without restriction as to price or otherwise.
- 12.4 A transfer of any Shares approved by the Investor Majority and the Board may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors.
- 12.5 Notwithstanding anything to the contrary in these Articles, in respect of any Shares held by Seedrs Nominees Limited, the following transfers shall be permitted without any restrictions and be deemed "Permitted Transfers":
- (a) a transfer of the Shares to any person who is the beneficial owner of such shares;
 - (b) a transfer of the Shares to any person who is to hold the shares as nominee for the beneficial owner in substitution for the then registered shareholder; and
 - (c) a transfer of the beneficial ownership of such share, where the identity of the registered legal shareholder remains the same before and immediately after such transfer of beneficial ownership.

13. Transfers of Shares subject to pre-emption rights

- 13.1 Save where the provisions of Articles 12, 16 and 17 apply, a Seller shall give notice in writing (which cannot be withdrawn save with the consent of the Board) (a "Transfer Notice") to the Company (constituting the Company the agent of the Seller) specifying:
- (a) the number of Sale Shares which he wishes to transfer;
 - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee; and
 - (c) the price at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no price is agreed between the Seller and the Board (the "Transfer Price").
- 13.2 As soon as practicable following the receipt of a Transfer Notice (or, in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 14), the Company shall give notice in writing to each holder of Ordinary Shares other than the Seller (each an "Eligible Shareholder"):
- (a) inviting him to apply for the Sale Shares at the Transfer Price;
 - (b) stating that he will have a period of at least 10 Business Days from the date of the notice in which to apply;

- (c) stating that, if there is competition among the Eligible Shareholders for the Sale Shares, the Sale Shares will be allocated to him in his Proportionate Allocation; and
 - (d) inviting him to indicate if he is willing to purchase Sale Shares in excess of his Proportionate Allocation ("Extra Shares") and, if so, the number of Extra Shares.
- 13.3 On expiry of an offer made in accordance with Article 13.2 (or sooner if applications or refusals have been received from all Eligible Shareholders), the Company shall allocate the Sale Shares first as follows:
 - (a) if the total number of Sale Shares applied for is equal to or less than the number of Sale Shares, each Eligible Shareholder of the Shares held by the Investors or, as applicable the remaining holders of Shares shall be allocated the number applied for by him; or
 - (b) if the total number of Sale Shares applied for is more than the available number of Sale Shares, each Eligible Shareholder shall be allocated his Proportionate Allocation or, if less, the number of Sale Shares for which he has applied; and
 - (c) applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders of the Shares held by the Investors or, as applicable the remaining holders of Shares applying for Extra Shares in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Shares than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all Shares have been allocated;
 - (d) fractional entitlements shall be rounded to the nearest whole number,

and then if there is any remaining balance of the Sale Shares, in respect of applications from the remaining holders of the Shares in the same above manner.
- 13.4 The Company shall give written notice of allocation (an "Allocation Notice") to the Seller which shall specify the number of Sale Shares to be allocated to each applicant and the place and time (being not less than 7 nor more than 14 days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- 13.5 On service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- 13.6 If the Seller fails to comply with the provisions of Article 13.5:
 - (a) the chairman of the Directors or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the applicants;
 - (ii) receive the transfer price and give a good discharge for it and (subject to the transfer being duly stamped) enter each applicant in the register of members as the holders of the Sale Shares allocated to him; and
 - (b) the Company shall pay the transfer price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate(s) for the relevant Shares (or a suitable indemnity).

- 13.7 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 13.8, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unsold Sale Shares not included in the Allocation Notice to any person at a price at least equal to the Transfer Price.
- 13.8 The right of the Seller to transfer Shares under Article 13.7 does not apply if the Board is of the opinion on reasonable grounds that:
- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an associate (as determined in accordance with section 435 of the Insolvency Act 1986) of a competitor with) the business of the Company or with a subsidiary undertaking of the Company;
 - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - (c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.
- 13.9 Any Sale Shares offered under this Article 13 to an Investor may be accepted in full or part only by a Member of the same Fund Group as that Investor in accordance with the terms of this Article 13.
14. Valuation of Shares
- 14.1 If no price is agreed between the Seller and the Board then, upon service of the Transfer Notice the Board shall appoint an expert valuer in accordance with Article 14.2 (the "Expert Valuer") to certify the Fair Value of the Sale Shares or if the Fair Value has been certified by Expert Valuer within the preceding 12 weeks, such certified Fair Value shall apply.
- 14.2 The Expert Valuer will be the Auditors unless this is not agreed by the Seller and the Board in which case it will be an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement within 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and appointed by the Company.
- 14.3 The "Fair Value" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) that the Sale Shares are capable of being transferred without restriction;
 - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and

- (e) reflect any other factors which the Expert Valuer reasonably believe should be taken into account.
- 14.4 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of its appointment and to notify the Board and the Seller of its determination. The Expert Valuer shall act as experts and not as arbitrators and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 14.5 The cost of obtaining the certificate shall be paid by the Company unless the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the Directors to the Seller for the Sale Share before Expert Valuer was instructed in which case the Seller shall bear the cost.
- 15. Compulsory transfers
- 15.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 15.2 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.
- 15.3 If a Permitted Transferee ceases to be a Permitted Transferee of the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or another Permitted Transferee of the Original Shareholder without restriction as to price or otherwise, failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 15.4 On the death, bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 15.5 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:
 - (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
 - (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the

deceased Shareholder.

If either requirement in this Article 15.5 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

15.6 Where a Shareholder, holds a legal interest in a Share on behalf of another person and the Company is on notice of such arrangement, the provisions of Articles 15.1 – 15.5 shall not apply to such Shareholder, and instead if such a Shareholder suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it (or a material part of its business) or enters into a composition or arrangement with its creditors generally, then:

- (a) If the Shareholder notifies the Company of its intention to transfer the legal interest in the relevant Shares within one month from the date of such appointment or composition or arrangement, then the Company shall, together with such Shareholder, take such steps as may be reasonably be required to effect such a transfer of the legal interest of the relevant Shares; and
- (b) If the Shareholder fails to notify the Company in accordance with Article 15.6(a), then (provided that the Company is itself not in default of Article 15.6(a)) a Transfer Notice shall be deemed to have been given in respect of such Shares on such date as the Directors determine.

16. Drag-along

16.1 If the holders of more than 75% of the issued Ordinary Shares (the "Drag Sellers") wish to transfer all their interest in their Shares (the "Drag Sellers' Shares") to a proposed purchaser who has made an offer on an arm's length basis (the "Proposed Purchaser"), the Drag Sellers shall have the option (the "Drag Along Option") to require all the other holders of Shares and optionholders (the "Dragged Shareholders") to sell and transfer all their Shares (the "Dragged Shares") to the Proposed Purchaser or as the Proposed Purchaser shall direct at the same price as the Drag Sellers are selling the Drag Sellers' Shares.

16.2 The Drag Sellers may exercise the Drag Along Option by giving a written notice to that effect (a "Drag Along Notice") to the Company (which the Company shall immediately send to the Dragged Shareholders) at any time before the transfer of the Drag Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that:

- (a) the Dragged Shareholders are required to transfer all their Dragged Shares under this Article 16;
- (b) the person to whom they are to be transferred;
- (c) the consideration for which the Dragged Shares are to be transferred, which shall be in cash or equity (unless otherwise agreed between the Company and a Dragged Shareholder); and
- (d) the proposed date of transfer.

16.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Drag Sellers' Shares by the Drag Sellers to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Drag Sellers shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 16.4 The consideration (in cash or otherwise) for which the Dragged Shareholders shall be obliged to sell each of the Dragged Shares shall be equal to the highest price per Share paid or payable by the Proposed Purchaser for any Share or paid or payable by the Proposed Purchaser for any Shares purchased from any seller within the 12 months immediately preceding the date of the Drag Along Notice, which price shall be deemed to include any consideration (in cash or otherwise) paid or payable by the Proposed Purchaser which, having regard to the substance of the transaction as a whole, is reasonably regarded by the Board as constituting a payment relating to the Drag Sellers' Shares..
- 16.5 No Drag Along Notice may require a Dragged Shareholder to agree to any terms except those specifically provided for in this Article 16.
- 16.6 Within five Business Days of the Company serving a Drag Along Notice on the Dragged Shareholders, the Dragged Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or an indemnity for lost certificate in a form acceptable to the Directors) to the Company. On the expiration of that five Business Day period the Company shall pay the Dragged Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 16.4 to the extent that the Company has received these amounts in cleared funds from the Proposed Purchaser. The Company's receipt for the amounts due pursuant to Article 16.4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Dragged Shareholders pursuant to Article 16.4 in trust for the Dragged Shareholders without any obligation to pay interest.
- 16.7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 16.4, the Dragged Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or an indemnity) for the relevant Shares and the Dragged Shareholders shall have no further rights or obligations under this Article 16 in respect of their Shares.
- 16.8 If a Dragged Shareholder fails to deliver stock transfer forms and share certificates (or an indemnity) for its Shares to the Company upon the expiration of that five Business Day period, any Director is authorised to transfer the Dragged Shareholder's Shares as agent on the Dragged Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 16.4 for the Dragged Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Dragged Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 16.4.
- 16.9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 13.
- 16.10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

17. Tag-along

- 17.1 Where any one or more Shareholders (the “Tag Sellers”) propose to transfer (the “Proposed Transfer”) the legal and beneficial interest of any Shares (the “**Tag Sellers’ Shares**”) as part of a transaction or series of transactions which would, if carried out, result in any person (other than (i) a Founder, or (ii) a person who holds a Controlling Interest in the Company at that time or a Connected Person of such a person) (the “Tag Offeror”), other than by way of a Permitted Transfer or a transfer under Article 15, and a Drag Along Notice has not been served, the remaining shareholders and option holders of the Company shall be entitled to sell their shares to the Tag Offeror at the same price.
- 17.2 Tag Sellers will not be entitled to sell any such Shares unless the Tag Offeror shall have offered (a “Tag Offer”) to purchase from each other holder of Shares all Shares held by such Shareholder (“Tag Along Shares”) for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Tag Offeror, or any person Acting in Concert with the Tag Offeror, in the Proposed Transfer or in any related previous transaction in the six months preceding the date of the Proposed Transfer.
- 17.3 The Tag Offer shall be given by written notice (the “Tag Offer Notice”) to the other holders of Shares and the Company at least 20 Business Days (the “Tag Offer Period”) before the proposed date of completion of the transfer of the Tag Sellers' Shares (the “Tag Sale Date”). To the extent not described in any accompanying documents, the Tag Offer Notice shall set out:
- (a) that the Tag Offeror offers to purchase the Tag Along Shares;
 - (b) the identity of the Tag Offeror;
 - (c) the purchase price and other terms and conditions of payment; and
 - (d) the Tag Sale Date.
- 17.4 Any holder of Shares who wishes to accept the Tag Offer (a “Tagging Shareholder”) must serve an irrevocable and unconditional written notice to the Tag Offeror (a “Tag Acceptance Notice”) stating that he wishes to transfer his Tag Along Shares before the expiry of the Tag Offer Period.
- 17.5 If a Tagging Shareholder does not send a Tag Acceptance Offer, it shall be deemed to have specified that it does not wish to sell its Shares to the Tag Offeror.
- 17.6 The completion of the transfer of the Tag Sellers’ Shares shall be conditional on completion of the purchase of all the Tag Along Shares for which a Tag Acceptance Notice has been served.
- 17.7 If any Tagging Shareholder having served the Tag Acceptance Notice does not transfer the Tag Along Shares registered in his name, the Directors may authorise any Director to be his agent to execute, complete and deliver a transfer of those Tag Along Shares in favour of the Tag Offeror, against receipt by the Company of the consideration due for the relevant Tag Along Shares. The Company will hold the consideration on trust for the relevant Tagging Shareholder(s) without any obligation to pay interest. Subject to stamping, the Directors will without delay register the transfer(s), after which the validity of such transfer(s) will not be questioned by any person. Each Tagging Shareholder will surrender his share certificate(s) (or, where appropriate provide an indemnity in respect of it in a form satisfactory to the directors) although it will be no impediment to registration of Tag Along Shares under this Article that no share certificate has been produced. On such surrender, the defaulting Tagging Shareholder(s) will be entitled to the consideration for the Tag Along Shares transferred on his behalf.

- 17.8 A transfer of Shares to a Tag Offeror in accordance with the provisions of this Article 17 shall not be subject to the right of pre-emption set out in Article 13.
18. Co-sale
- 18.1 No transfer (other than a Permitted Transfer) of any Shares relating to a Founder may be made or validly registered unless the relevant Founder and any Permitted Transferee of that Founder (each a "Selling Founder") shall have observed the following procedures of this Article unless the Investor Majority has determined that this Article 18 shall not apply to such transfer.
- 18.2 After the Selling Founder has gone through the pre-emption process set out in Article 13, the Selling Founder shall give to each holder of Shares (an "Equity Holder") not less than 10 Business Days' notice in advance of the proposed sale (a "Co-Sale Notice"). The Co-Sale Notice shall specify:
- (a) the identity of the proposed purchaser (the "Buyer");
 - (b) the price per share which the Buyer is proposing to pay;
 - (c) the manner in which the consideration is to be paid;
 - (d) the number of Equity Shares which the Selling Founder proposes to sell; and
 - (e) the address where the counter-notice should be sent.
- 18.3 Each Equity Holder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Founder that they wish to sell a certain number of Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Equity Holder wishes to sell. The maximum number of shares which an Equity Holder can sell under this procedure shall be:

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

where:

- X is the number of Shares held by the Equity Holder;
- Y is the total number of Equity Shares held by the Equity Holders;
- Z is the number of Equity Shares the Selling Founder proposes to sell.

Any Equity Holder who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no shares.

18.4 Following the expiry of five Business Days from the date the Equity Holders receive the Co-Sale Notice, the Selling Founder shall be entitled to sell to the Buyer on the terms notified to the Equity Holders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Equity Holders have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Equity Holders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Founder from the Buyer.

18.5 No sale by the Selling Founder shall be made pursuant to any Co-Sale Notice more than four months after service of that Co-Sale Notice.

18.6 Sales made in accordance with this Article 18 shall not be subject to Article 13.

19. Indemnities and insurance

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

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

(i) any liability incurred by the director to the Company or any associated company; or

(ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or

(iii) any liability incurred by the director:

(A) in defending any criminal proceedings in which he is convicted;

(B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or

(C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 17.1(a)(i), 17.1(a)(iii)(B) and 17.1(a)(iii)(C) applying;

(b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such current or former Director or other officer against any liability

which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

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

20. Lien

- 20.1 The Company shall have a first and paramount lien (the "Company's Lien") over every Share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share.

20.2 The Company's Lien over a Share:

- (a) shall take priority over any third party's interest in that Share; and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

The Directors may at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part.

20.3 Subject to the provisions of this Article 20, if:

- (a) a notice complying with Article 20.4 (a "Lien Enforcement Notice") has been given by the Company in respect of a Share; and
- (b) the person to whom the notice was given has failed to comply with it,

the Company shall be entitled to sell that Share in such manner as the Directors decide.

20.4 A Lien Enforcement Notice:

- (a) may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (b) must specify the Share concerned;
- (c) must require payment of the sum payable within 14 days of the notice;
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

20.5 Where any Share is sold pursuant to this Article 20.4:

- (a) the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser; and
 - (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale.
- 20.6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
 - (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice;
 - (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity for lost certificate in a form acceptable to the Board has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.
- 20.7 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:
 - (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - (b) subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.
- 21. Call Notices
 - 21.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "Call Notice") to a Shareholder who has not fully paid for that Shareholder's Share(s) requiring the Shareholder to pay the Company a specified sum of money (a "call") which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice.
 - 21.2 A Call Notice:
 - (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium);
 - (b) shall state when and how any call to which it relates it is to be paid; and
 - (c) may permit or require the call to be paid by instalments.
 - 21.3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent.
 - 21.4 Before the Company has received any call due under a Call Notice the Directors may:
 - (a) revoke it wholly or in part; or

- (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.
- 21.5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.
- 21.6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to:
 - (a) pay calls which are not the same; or
 - (b) pay calls at different times.
- 21.7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):
 - (a) on allotment;
 - (b) on the occurrence of a particular event; or
 - (c) on a date fixed by or in accordance with the terms of issue.
- 21.8 If the due date for payment of such a sum as referred to in Article 21.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.
- 21.9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below):
 - (a) the Directors may issue a notice of intended forfeiture to that person; and
 - (b) until the call is paid, that person shall be required to pay the Company interest on the call from the Call Payment Date at the Relevant Rate (as defined below).
- 21.10 For the purposes of Article 21.9:
 - (a) the "Call Payment Date" shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "Call Payment Date" is that later date;
 - (b) the "Relevant Rate" shall be:
 - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
 - (ii) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors; or
 - (iii) if no rate is fixed in either of these ways, five per cent a year,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank

of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a).

- 21.11 The Directors may waive any obligation to pay interest on a call wholly or in part.
- 21.12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.
- 22. Forfeiture of Shares
 - 22.1 A notice of intended forfeiture:
 - (a) may be sent in respect of any Share for which there is an unpaid sum in respect of which a call has not been paid as required by a Call Notice;
 - (b) shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
 - (c) shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice;
 - (d) shall state how the payment is to be made; and
 - (e) shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.
 - 22.2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
 - 22.3 Subject to these Articles, the forfeiture of a Share extinguishes:
 - (a) all interests in that Share, and all claims and demands against the Company in respect of it; and
 - (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.
 - 22.4 Any Share which is forfeited in accordance with these Articles:
 - (a) shall be deemed to have been forfeited when the Directors decide that it is forfeited;
 - (b) shall be deemed to be the property of the Company; and
 - (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit.
 - 22.5 If a person's Shares have been forfeited then:
 - (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members;
 - (b) that person shall cease to be a Shareholder in respect of those Shares;

- (c) that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
 - (d) that person shall remain liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
 - (e) the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 22.6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit.
- 22.7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer.
- 22.8 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been forfeited on a specified date:
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 22.9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 22.10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which:
- (a) was, or would have become, payable; and
 - (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,
- but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds.