

THE COMPANIES ACT 2006

Company No 08326947

THURSDAY



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29/10/2015

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COMPANIES HOUSE

A PRIVATE COMPANY LIMITED BY SHARES

**SPECIAL WRITTEN RESOLUTION OF  
FIELD CANDY LIMITED**  
( 'the Company' )

Dated this 16<sup>th</sup> day of AUGUST 2015

We, being the shareholders of the Company entitled to attend and vote at general meetings of the Company hereby pass the following written resolutions of the Company pursuant to s288 of the Companies Act 2006 and hereby agree that the said resolutions shall for all purposes be as valid and effective as if passed at a duly convened meeting of the Company

- 1 That, the Company adopt new Articles of Association as are set out in the Articles of Association attached to this resolution and signed by way of identification by members for the time being entitled to receive notice of and attend a vote of the Company either in person or by proxy, and together holding not less than seventy-five percent in nominal value of the shares in issue and which are by this resolution adopted as the new Articles of Association in substitution for and to the complete exclusion of the existing Articles of Association of the Company
- 2 That the 12,750 Ordinary Shares and 477 Convertible Loan Notes of £0 001 each in the capital of the Company be subdivided into 13,227,000 Ordinary Shares of £0 000001 each in the capital of the Company, with the rights and restrictions set out in the Articles of Association of the Company referred to in the resolution above
3. That the Company create new classes of shares known as A Ordinary Shares and B Investment Shares with the rights and obligations of those shares being laid down in the new Articles of Association attached to this resolution
- 4 That, subject to the receipt of subscription monies from the relevant investors, in accordance with section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot up to a maximum of 2,810,762 A Ordinary Shares and 397,498 B Investment Shares in the Company, provided that this authority shall, unless renewed, varied or revoked by the Company, expire 3 months from the date of this resolution. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Companies Act 2006 but is in addition to that confirmed by Article 17 1 of the Articles of Association of the Company. This resolution shall become effective on the receipt of the relevant subscription monies and should any of the investors fail to advance their subscription monies, the relevant shares shall not be allotted to that investor and the number of shares allotted shall be adjusted down accordingly

## AGREEMENT

Please read the notes at the end of this document before signifying your agreement to any of the resolutions

The undersigned, as persons entitled to vote on the above resolutions hereby irrevocably agrees to those resolutions as indicated above

Signed by Philip Blackwell

Date

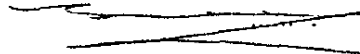
Signed by Rhona Ann Carr

Date

Signed by John Andrew Harris

Date

Signed by John Ayton



Date

Signed by Joanna Cleverly

Date

Signed by Anna Porter Wright

Date

Signed by Annoushka Ducas




Date

Signed by Philip Blackwell

Date

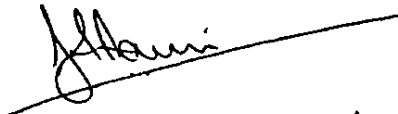
Signed by Rhona Ann Carr

Date

  
14th August 2015

Signed by John Andrew Harris

Date

  
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Signed by Joanna Cleverly

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Signed by Anna Porter Wright

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Signed by Annoushka Ducas

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**NOTES**

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Signed by John Ayton

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Signed by Joanna Cleverly

Date

Signed by Anna Porter Wright

Date

Signed by Annoushka Ducas

Date

## NOTES

1 Once you have indicated your voting intentions please sign and date this document and return it to the Company by attaching a scanned copy of the signed document to an e-mail and sending it to [john@fieldcandy.com](mailto:john@fieldcandy.com)

If there are no resolutions you agree with, you do not need to do anything you will not be deemed to agree if you fail to reply

2 Once you have indicated your agreement to a resolution, you may not revoke your agreement

3 Where, such date as is 28 days after the date of this resolutions, insufficient agreement has been received for a resolution to pass, such resolution will lapse. If you agree to all or any of the resolutions, please ensure that your agreement reaches us before this date

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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NEW

ARTICLES OF ASSOCIATION

-of-

FIELD CANDY LIMITED (the "Company")

(Incorporated in England & Wales under  
Registered no 08326947)

(Adopted by Special Resolution passed on 16<sup>th</sup> August 2015)

## **PRELIMINARY**

### **1. MODEL ARTICLES**

- 1.1** Save insofar as they are excluded or modified by or are otherwise inconsistent with these Articles, the Model Articles shall apply to the Company

### **2. DEFINITIONS AND INTERPRETATION**

- 2.1** In these Articles the following expressions shall have the following meanings

**2006 Act or the Act** means the UK Companies Act 2006

**A Ordinary Shares** means the A Ordinary Shares of £0 000001 each in the capital of the Company and **A Ordinary Shareholder** means a holder of any of those shares

**Accepting Shareholders** shall be as defined in Article 11 2

**Adoption Date** means the date of adoption of these Articles

**Auditors** means the auditors of the Company from time to time (or where appropriate, such Other firm of accountants as the Board shall agree)

**Available Profits** means profits available for distribution within the meaning of the Act

**B Investment Shares** means the B Investment Shares of £0 000001 each in the capital of the Company and **B Investment Shareholder** means a holder of any of those shares

**Board** means the board of directors of the Company (or any duly authorised committee thereof) from time to time

**Business Day** means any day other than a Saturday, Sunday or bank or public holiday in England

**Company's website** means the website operated or controlled by the Company which contains information about the Company

**Consideration Period** has the meaning given in Article 21 1(b)

**Conversion Date** has the meaning given in Article 6 2

**Conversion Event** has the meaning given in Article 6 2

**Defaulting Shareholders** has the meaning given in Article 11 3

**Deferred Shares** has the meaning given in Article 6 6

**Director** means a director of the Company from time to time

**Estimated Conversion Date** has the meaning given in Article 6 3

**Exit Amount** has the meaning given in Article 6 2

**Family Member** means, in relation to any individual Shareholder, his spouse or civil partner and/or any one or more of his children (including step-children)

**Family Trust** means, in relation to any individual Shareholder, a trust or settlement set up wholly for the benefit of that person and/or his Family Members including a self-invested personal pension scheme which is a registered scheme within the meaning of the UK Finance Act 2004

**Group** means the Company and any company which is a subsidiary undertaking of the Company from time to time and references to "**Group Company**" and "**members of the Group**" shall be construed accordingly

**in electronic form** means in a form specified by section 1168(3) of the 2006 Act and otherwise complying with the requirements of section 1168 of that Act

**Investor** means John Ayton and "**Investor Shares**" shall mean the shares held by the Investor as at the Original Adoption Date

**Investors** means together the Investor and the New Investors (acting by a majority)

**Investor Consent** has the meaning given in Article 2 3(f)

**Investor Director** means the Investor or any other person appointed in his place in accordance with these Articles

**Investor Directors** means together the Investor Director and the New Investor Director

**Listing** means the admission of the whole of any class of the issued share capital of the Company to any exchange approved by the Investors

**"Model Articles"** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 as at the Adoption Date

**Multiple** has the meaning given in Article 6 2



**"New Investors"** means together Joanne Cleverly, Philip Blackwell and Annoushka Lucas,

**"New Investor Director"** means the New Investor appointed as a Director from time to time in accordance with Article 15 3

**Offeror** shall be as defined in Article 11 1

**Ordinary Shares** means the Ordinary Shares of £0 000001 each in the capital of the Company and **Ordinary Shareholder** means a holder of any of those shares

**Original Adoption Date** means 18 April 2013

**Other Shareholders** shall be as defined in Article 11 2

**Pre-emptive Offer** has the meaning given in Article 10 2

**Proposed Buyer** shall be as defined in Article 12 1

**Proposed Sale** shall be as defined in Article 12 1

**Proposed Sellers** shall be as defined in Article 12 1

**Qualifying Offer** shall be as defined in Article 11 1

**Qualifying Shareholder** means a Shareholder holding 50% or more of the issued A Ordinary Shares for the time being

**Relevant Company** has the meaning given in Article 18 3

**Sale** means any transfer of Shares to which the terms of Article 12 apply or would apply

**Share** means any share in the capital of the Company from time to time and **Shareholder** means the holder of any one of those Shares

**Shareholder** means any holder of any Share from time to time

**Shareholder Communication** means any notice, resolution, document or information which the Company wishes or is required to communicate with Shareholders or other persons

**Third Party** has the meaning given in Article 9 1(f)

**Statutes** means the Act and the UK Electronic Communications Act 2000 (including any subordinate legislation made under them)

**website communication** means the publication of a Shareholder Communication on the Company's website in accordance with Part 4 of Schedule 5 of the 2006 Act

**Winding-up** has the meaning given in Article 6.2

2.2 Unless the context otherwise requires, words and expressions defined in or having a meaning provided by the Act shall have the same meaning in these Articles. The term "**connected**" is as defined in section 1122 of the UK Corporation Taxes Act 2012 and section 993 of the UK Income Taxes Act 2007, and "**acting in concert**" shall have the meaning attributed to it at the Adoption Date by the City Code on Takeovers and Mergers

2.3 Unless the context otherwise requires, references in these Articles to

- (a) any of the masculine, feminine and neuter genders shall include other genders,
- (b) the singular shall include the plural and vice versa,
- (c) a person shall include a reference to any natural person, body corporate, unincorporated association, partnership, firm or trust,
- (d) employees shall be deemed to include consultants, and references to contracts of employment and to commencement or cessation of employment shall be deemed to include contracts for consultancy and commencement or cessation of consultancy,
- (e) any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, consolidated, re-enacted or replaced,
- (f) an "**Investor Consent**" means the giving of a written consent or direction by the Investors, and
- (g) any class of Shareholder giving a written direction, written consent or written notice shall, unless these Articles expressly provide otherwise, mean the giving of such a direction, consent or notice by the holders of not less than 75% in nominal value of such class of Shares in issue from time to time

2.4 The headings in these Articles are for convenience only and shall not affect their meaning

2.5 In construing these Articles, the Statutes shall be applied to and shall apply to the Company as referred to herein as if, where appropriate, the Company was, for the purposes of these Articles, incorporated in England

- 2.6 In construing these Articles, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words

3. **SHARE CAPITAL**

- 3.1 The share capital of the Company shall comprise Ordinary Shares, A Ordinary Shares and B Investment Shares. The Ordinary Shares, A Ordinary Shares and B Investment Shares shall rank pari passu in all respects, save as provided in these Articles

**SHARE RIGHTS**

4. **DIVIDEND RIGHTS**

- 4.1 Subject to (i) the remaining provisions of this Article 4, (ii) the Board recommending payment of the same and (iii) Investor Consent, any Available Profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the holders of Shares pro-rata

5. **RETURN OF CAPITAL RIGHTS**

- 5.1 On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any Shares), the surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of Shares pro-rata

6. **CONVERSION RIGHTS**

- 6.1 For the avoidance of doubt the provisions of this Article 6 shall only apply to the Ordinary Shareholders and the A Ordinary Shareholders and B Investment Shareholders shall not be affected in any way by the provisions of this Article 6
- 6.2 In this Article 6 (Conversion Rights), save where the context otherwise requires, the following expressions shall have the following meanings

**Conversion Date** means the date on which a Conversion Event occurs

**Conversion Event** means the first to occur of

- (a) a Listing,
- (b) a Sale, or

- (c) a Winding-Up

**Exit Amount** means (i) the cash consideration expressed in pounds sterling to be received by the Investor in connection with the relevant Sale for the Investor Shares or the value of the Investor Shares immediately upon the relevant Listing by reference to the Listing Price of the Investor Shares or to be distributed to the Investor in relation to the Investor Shares in connection with a Winding-Up, net of (ii) the proportion of the aggregate costs payable by the Shareholders of the Sale or Listing or Winding-Up (as the case may be) which the Investor Shares represent to all Shares in issue immediately prior to such event plus (iii) any dividends or other distributions received by the Investor on or in respect of the Investor Shares from the Company at any time from the Original Adoption Date

**Multiple** means the number calculated by dividing the Exit Amount by £50,000

**Winding-Up** means a liquidation of the Company

**6.3** The Board shall as early as practicable prior to the Conversion Date

- (a) estimate the timing of the Conversion Date ("**Estimated Conversion Date**"),
- (b) procure that the Board performs the calculations provided for in Article 6 4 by reference to the Estimated Conversion Date and the proposed terms of the relevant Conversion Event and that the Board certifies the values for each of those items, and
- (c) notifies all the Shareholders in writing of the results of such calculations

Any certificates of value prepared by the Board shall, in the absence of manifest error, be final and binding on all Shareholders. In the event of disagreement within the Board as to such matters the Board may refer the matter to the Auditors (whose costs shall be borne by the Company) for resolution and the Auditors will act as experts and not as arbitrators and their decision shall be final and binding on all parties)

**6.4** Each of the following items shall be calculated by the Board

- (a) the Exit Amount, and
- (b) the Multiple

**6.5** If, before the Conversion Date, but after any certificate of value has been issued in accordance with Article 6 3, there shall be (i) any change in the consideration due in respect of the Sale or other change that affects the relevant value on the relevant Exit Event or (ii) any delay in the occurrence of the Conversion Date such that it is expected to occur more than one month later than the month after that in which the Estimated Conversion Date falls,

the procedures set out in the preceding paragraphs of this Article 6 shall be repeated (as often as required) and the calculations recomputed accordingly

- 6.6** On the Conversion Date, conditional upon the occurrence of the relevant Conversion Event and the Multiple calculated being realised, such number of Ordinary Shares shall be converted automatically into Deferred Shares so that the aggregate total of Ordinary Shares held by the Investor represented by the Investor Shares as a proportion of the total number of Ordinary Shares then in issue shall (save to the Extent the Investor agrees otherwise) be adjusted as set out in the table below

<b>Multiple ("M")</b>	<b>Investor Shares %</b>
M is greater than or equal to 6 but less than 8	up 5%
M is less than 10 but greater than or equal to 8	up 7.5%
M is greater than 10	up 10%
M is less than 6	No change

- 6.7** Prior to a Conversion Event, if there is any increase in the Ordinary Shares of the Company from that as at the Original Adoption Date or if any options or rights to subscribe or to convert into Ordinary Shares are granted by the Company to any person, the percentage figures contained in the table in Article 6.6 will be adjusted on a pro rata basis so that the Investor is left in the same position as he would have been regarding the number of Ordinary Shares in the issued share capital of the Company had no such further Ordinary Shares or rights to acquire such further Ordinary Shares been granted. Such adjustment will be determined by the Board and approved by the Investor. If the Board and or the Investor cannot agree on the nature of any adjustment to be made pursuant to this Article 6.7, the matter will be referred to an independent accountant, acting as an expert and whose costs will be borne by the Company (unless he rules otherwise), for determination and whose decision will be final (other than in the case of manifest error)

- 6.8** Any conversion of Ordinary Shares pursuant to this Article 6 shall be made on the following terms

- (a) the conversion shall take effect immediately prior to a Conversion Event at no cost to the Ordinary Shareholders to be converted, and such Ordinary Shares shall be apportioned rateably (or as near thereto as may be practicable to avoid the apportionment of a fraction of a Share) among the Ordinary Shares,

- (b) the Ordinary Shareholders to be converted shall deliver the certificates therefore to the Company for cancellation, and
- (c) the Company shall issue to the persons entitled thereto new certificates for the Deferred Shares resulting from the conversion

**6.9** Following any conversion of Ordinary Shares pursuant to this Article 6, the Company shall procure that all necessary steps be taken to ensure that such conversion is documented accurately and all filings and any other relevant formalities are complied with

**6.9** The Deferred Shares shall have no rights to dividends or to receive notice of, attend or vote at general meetings and on a winding up or other return of capital, the Deferred Shares shall have the right, pari passu with the Ordinary Shares, to receive back their par value and no more. The Company shall, subject to the Act, be entitled to buy back the Deferred Shares at any time for £0.000001 each per Deferred Share.

## **7. VOTING RIGHTS**

**7.1** On a show of hands, every Shareholder holding A Ordinary Shares and/or Ordinary 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, every Shareholder holding one or more A Ordinary Share and/or Ordinary Share each of which are fully paid up, 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 for each A Ordinary Share and/or Ordinary Share of which he is the holder.

**7.2** The B Investment Shares shall have no voting rights attached to them, and holders of B investment Shares shall not have the right to receive notices of any general meetings, or the right to attend at such general meetings.

## **SHARE TRANSFERS**

### **8. PROHIBITED TRANSFERS**

**8.1** Any person who holds, or becomes entitled to, any A Ordinary Shares and/or Ordinary Share shall not, without Investor Consent, effect a transfer of such A Ordinary Shares and/or Ordinary Shares, except in accordance with Article 9 (Permitted Transfers), Article 11 (Come Along) or Article 12 (Tag Along).

**8.2** The reference in Article 8.1 to the transfer of a A Ordinary Shares and/or Ordinary Share shall mean the transfer of either or both of the legal and beneficial ownership in such A Ordinary Shares and/or Ordinary Share and/or the grant of an option to acquire either or

both of the legal and beneficial ownership in such A Ordinary Shares and/or Ordinary Shares and the following shall be deemed (but without limitation) to be a transfer of a A Ordinary Shares and/or Ordinary Shares

- (a) any direction (by way of renunciation or otherwise) by a Shareholder entitled to an allotment or issue of any A Ordinary Shares and/or Ordinary Shares that such A Ordinary Shares and/or Ordinary Shares be allotted or issued to some person other than himself (save only his bare nominee),
- (b) any sale or other disposition of any legal or equitable interest in any A Ordinary Shares and/or Ordinary Shares (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing, and
- (c) any grant of a legal or equitable mortgage or charge over any A Ordinary Shares and/or Ordinary Shares

**8.3** Each A Ordinary Shareholder and Ordinary Shareholder hereby irrevocably appoints the Company as his attorney (with the power to appoint any member of the Board as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this Power of Attorney) to give effect to the provisions of these Articles

**8.4** The provisions of this Article 8 shall not apply with regard to B Investment Shares Any B Investment Shareholder shall be entitled to transfer or transmit B Investment Shares to such persons and at such prices as they see fit, provided that such transfer is in respect of the B Investment Shareholder's entire holding of B Investment Shares to a single transferee (except with the prior sanction of a resolution of the Board)

## **9. PERMITTED TRANSFERS**

**9.1** Notwithstanding the provisions of Article 8 (Prohibited Transfers) but subject to the provisions of Article 10 3

- (a) any individual Shareholder may, subject to approval by the Board, including the Investor Directors), transfer up to 49% of his Shares to any of his Family Members over the age of 18 or to the trustees of his Family Trust provided that such transferee executes a deed of adherence to any shareholders' agreement if and to the extent required thereby or otherwise so required by the Board or the Investor Directors and, if the Board so directs (which it will if so required by the Investor Directors) that such transferee shall, prior to an Exit Event, have no voting rights whatsoever in respect of such Shares,

(b) any Shareholder who is a trustee of a Family Trust may at any time transfer any Share which he holds in that capacity to

(a) the new or remaining trustees of the Family Trust upon any change of trustees of the relevant Trust, and

(b) the settlor of the relevant trust or any of his Family Members on their becoming entitled to the same under the terms of the Family Trust,

provided in each case that such transferee executes a deed of adherence to any shareholders' agreement (as envisaged above) and such transferee shall, as envisaged above, prior to an Exit Event, have no voting rights whatsoever in respect of such Shares,

(c) the Investor and any New Investor (or any person who holds Shares as a nominee, custodian or trustee or otherwise on behalf of any such person) may at any time transfer any Share to

(a) another Investor, or

(b) the relevant beneficial owner of the Shares,

(d) any Shareholder holding Shares as a result of a transfer made after the Adoption Date by a person in relation to whom such Shareholder was a permitted transferee under the provisions of this Article 9 may at any time transfer any such Share to the person who originally transferred such Shares to him (or to any other permitted transferee of such original transferor subject to his executing a deed of adherence to any shareholders agreement as envisaged above and or inheriting any restriction on voting as applied to the transferring Shareholder also as envisaged above),

(e) any Shareholder may transfer any Shares to any person with the unanimous approval of the Directors, and

(f) any A Ordinary Shareholder and Ordinary Shareholder may transfer their shares to any bona fide third party purchaser ("**Third Party**") on terms and whose identity shall be approved by the Board (including the Investor Directors) provided that prior to such a transfer taking place the shares shall first be offered to all (other) holders of A Ordinary Shares and Ordinary Shares in proportion as nearly as possible to the number of A Ordinary Shares and Ordinary Shares held by them at the same price (which shall be subject to prior approval by the Board as envisaged above) as the intended sale to the Third Party. An offer under this Article 9 1(f) shall be open for acceptance for at least 21 days after notice of it is given to the members (unless the holders of 90% of



the A Ordinary Shares and Ordinary Shares agree otherwise) Members may apply for more than their proportionate entitlement under any such offer and any shares not taken up under the initial offer shall be offered to those members wanting to acquire more than their initial pro-rata entitlement (with any such excess being allocated pro-rata between such members in the event of competition between them in proportion to their respective existing holdings of A Ordinary Shares and Ordinary Shares) before being transferred to the Third Party

- 9.2 The Company shall be obliged to register any transfer made pursuant to the above provisions

## 10. ISSUE OF SHARES

- 10.1 At the time of any new issue of Shares, the Board (including the Investor Directors) will determine the basis on which the Company should be valued for the purpose of making such issue
- 10.2 Unless otherwise approved by (a) Investor Consent; and (b) a special resolution, no shares of any class may be allotted by the Company unless they are first offered ("**Pre-emptive Offer**") to all holders of A Ordinary Shares and Ordinary Shares in proportion as nearly as possible to the number of A Ordinary Shares and Ordinary Shares held by them A Pre-emptive Offer under this Article 10 2 shall be open for acceptance for at least 21 days after notice of it is given to the members (unless the holders of 90% of the A Ordinary Shares and Ordinary Shares agree otherwise) Members may apply for more than their proportionate entitlement under any such offer and any shares not taken up under the offer shall be offered to those members before being issued to any third party with allocations of any such excess shares between such members being allocated pro-rata between them in proportion to their existing respective holdings of A Ordinary Shares and/or Ordinary Shares Any shares which are not accepted in the required period by existing members shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of those shares to any person approved by the Board (including the Investor Directors) and on any terms, but the price per share and other terms offered to such a person cannot be more favourable than the price and terms offered to the A Ordinary Shareholders and Ordinary Shareholders under the Pre-emptive Offer
- 10.3 The foregoing provisions of Article 10 2 shall not apply in relation to further issues of A Ordinary Shares and Ordinary Shares where each A Ordinary Shareholder and Ordinary Shareholder is notified by the Board 5 Business Days in advance and is entitled to participate so as to preserve or increase their then proportionate shareholdings
- 10.4 The provisions of this Article 10 shall not apply to the issue of Shares pursuant to the exercise of options granted by the Board under any employee share option plan of the Company, the terms of which have been approved by the Board (acting with Investor

Consent) but which shall not in any event be capable of granting options over shares in excess of 5% of the issued share capital from time to time without Investor Consent

## **11. COME ALONG**

- 11.1** If the holders of not less than 50% in nominal value of the A Ordinary Shares and Ordinary Shares then in issue (the "**Accepting Shareholders**") have indicated in writing that they wish to accept an offer from a bona fide third party buyer ("**Offeror**") for their Shares ("**Qualifying Offer**"), then the provisions of this Article shall apply
- 11.2** The Accepting Shareholders may give written notice to the remaining holders of the equity share capital (the "**Other Shareholders**") of their wish to accept the Qualifying Offer and the Other Shareholders shall (subject to receiving the same terms and conditions as the Accepting Shareholders) thereupon become bound to accept the Qualifying Offer and to transfer their Shares to the Offeror (or his nominee) with full title guarantee on the date specified by the Accepting Shareholders (being the same date as that for completion of the Offeror's acquisition of the Accepting Shareholders' Shares) conditional on the Qualifying Offer duly completing and subject to Article 6
- 11.3** If any Other Shareholder ("**Defaulting Shareholder**") shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the Shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof) for the purposes of completing the Qualifying Offer in accordance with Article 11 2, then any Accepting Shareholder shall be entitled to execute and or shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the Defaulting Shareholder's behalf and, against receipt by the Company (on trust for the Defaulting Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person The Defaulting Shareholder shall be entitled to receive his consideration monies (without interest) upon his delivery to the Company of his share certificate in respect of the Shares sold on his behalf as envisaged above (or an indemnity for any lost or destroyed certificate as aforesaid) together with such other agreement or acknowledgement of the provisions of this Article 11 3 as the Company shall reasonably require of him (at the Company's own cost) at the same time

## **12. TAG ALONG**

- 12.1** If the Board of Directors approving the transfer of any Shares pursuant to Articles 9 1(e) or 9 1(f) at any time one or more Shareholders (the "**Proposed Sellers**") propose to sell to any bona fide third party purchaser, in one or a series of related transactions, such number of Shares which would, if registered, result in that person (together with persons connected or acting in concert with him) holding or increasing his holding to 50% or more of the issued equity share capital of the Company (a "**Proposed Sale**"), the Proposed Sellers shall or

shall cause the Company to give written notice to the other holders of Shares of any Proposed Sale at least 21 Business Days prior to the proposed date of completion thereof. Such notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer (the "**Proposed Buyer**"), the sale price and other terms and conditions of payment, the proposed date of sale and the number of Shares to be acquired by the Proposed Buyer.

**12.2** The Proposed Sale may not be completed unless the Proposed Buyer has unconditionally offered to buy all the other issued Shares (other than any Shares already owned by the Proposed Buyer or persons connected or acting in concert with him) on the same terms and conditions as apply to the Proposed Sale on the assumption that such Proposed Sale will constitute a Conversion Event. Such offer shall remain open for acceptance for not less than 21 days and if not accepted by a Shareholder prior to the expiry of that period, shall be deemed (without prejudice to the provisions of Article 11) to have been declined.

**12.3** The provisions of Articles 12.1 and 12.2 shall not apply to any Proposed Sale which is a Permitted Transfer under Article 9 (save as provided in Article 12.1 above) or which is to take place pursuant to a Qualifying Offer under Article 11.

### **13. PURCHASE OF OWN SHARES**

**13.1** Subject to the Companies Act but without prejudice to any other provision of these Articles, save for as per Article 13.2 below, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of

(a) £15,000, and

(b) the value of 5% of the Company's share capital.

**13.2** The provisions of Article 9.1(f) shall not apply to this Article 13.

## **SHAREHOLDER MEETINGS**

### **14. PROCEEDINGS OF SHAREHOLDERS**

**14.1** The Board shall procure that an Annual General Meeting in respect of each financial year of the Company shall be convened to take place not later than 30 Business Days after the date of the Auditors' report relating to the annual accounts for the relevant financial year.

**14.2** No business shall be transacted at any general meeting unless a quorum of A Ordinary Shareholders and Ordinary Shareholders is present at the time when the meeting proceeds to business and for its duration. Two persons entitled to vote upon the business to be transacted, one being an A Ordinary Shareholder and one an Ordinary Shareholder or a

proxy for an A Ordinary Shareholder and an Ordinary Shareholder or a duly authorised representative of a corporation, shall be a quorum

- 14.3** If, within half an hour from the time appointed for the meeting, a quorum is not present or if, during a meeting a quorum ceases to be present for a period exceeding 10 minutes, the meeting shall stand adjourned to the same day in the next week, at the same time and place (or to such other time and place as the Shareholders present may decide) and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the A Ordinary Shareholders and/or Ordinary Shareholders present shall constitute a quorum
- 14.4** A resolution put to the vote at a meeting of A Ordinary Shareholders and Ordinary Shareholders shall be decided on a show of hands unless before or on the declaration of the result of the show of hands, a poll is duly demanded Subject to the provisions of the Act, a poll may be demanded at any general meeting by the chairman of the meeting or by any Shareholder present in person or by proxy and entitled to vote or by a duly authorised representative of a corporate Shareholder entitled to vote
- 14.5** An instrument appointing a proxy and any authority under which it is executed or a copy of such authority acceptable to the Board must be delivered to the registered office of the Company
- (a) in the case of a general meeting or adjourned meeting, not less than one hour before the time appointed for the holding of the meeting to the place of the meeting at any time before the time appointed for the holding of the meeting, and
- (b) in the case of a proxy notice given in relation to a poll, before the end of the meeting at which the poll is demanded
- 14.6** When a poll has been demanded, it shall be taken immediately following that demand
- 14.7** The Chairman of the meeting shall not, in the case of an equality of votes, whether on a show of hands or on a poll, be entitled to exercise any second or casting vote
- 14.8** The provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, with the necessary changes being made, apply to every separate meeting of the holders of any class of Share, except that the necessary quorum shall be two persons holding or representing by proxy at least one third in nominal amount of the issued shares of that class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present then the provisions of Article 14 3 shall apply)

## **DIRECTORS**

### **15. NUMBER OF DIRECTORS AND INVESTOR DIRECTORS**

- 15.1** The number of Directors (including the Investor Director and the New Investor Director) shall at the date of adoption of these Articles, be four
- 15.2** For so long as the Investor own Shares in the Company comprising not less than 5% of the issued share capital and subject always to the provisions of the Act, John Ayton may, for so long as he is willing so to act, act as a non- executive Director (**Investor Director**) and chairman of the Board and in the event he shall decline at any time so to act, he shall be entitled by written notice to nominate some other person to act as the Investor Director whose identity shall be approved by the Board, such approval not to be unreasonably withheld or delayed
- 15.3** For so long as the New Investors or any of them own Shares in the Company comprising not less than 5% of the issued share capital in aggregate and subject always to the provisions of the Act, they may, for so long as s/he is willing so to act, nominate one of their number to act as a non- executive Director (**New Investor Director**) of the Board
- 15.4** Any Qualifying Shareholder shall be entitled to be a Director of the Board, or to appoint one nominee Director to the Board, and to remove and replace such nominee Director upon written notice to the Board, provided that such nominee Director shall have been previously approved by the Board such approval not to be unreasonably withheld or delayed
- 15.5** Any Director appointed to the Board in accordance with Article 15 4 above shall immediately resign as a Director should his appointing Qualifying Shareholder, cease to be a Qualifying Shareholder

### **16. PROCEEDINGS OF DIRECTORS**

- 16.1** The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit Any three Directors (including the Investor Director and the New Investor Director) shall constitute a quorum and a quorum of Directors must be present throughout all meetings of the Board The Chairman of the meeting shall not have a second or casting vote, in the case of an equality of votes
- 16.2** If within half an hour of the time fixed for a Board Meeting a quorum of Directors is not present or, if during a meeting a meeting ceases to be quorate, the meeting will be adjourned for a period of 48 hours and at the adjourned meeting, any two Directors present shall constitute a quorum Provided proper notice for the original meeting was duly given, no notice of any such adjourned meeting is required to be given to the Directors by the Company

**16.3** Any Director may validly participate in a meeting of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that a quorum of Directors is not physically present in the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

**17. DIRECTORS' AUTHORITY TO ALLOT**

**17.1** The Directors are generally and unconditionally authorised, in accordance with section 551 of the Companies Act, to exercise all the powers of the Company to allot Shares or to grant rights or to subscribe for or convert any security into Shares up to a maximum nominal value of £10 00.

**17.2** The authority contained in Article 17.1 shall expire on the day five years after the date of the adoption of these Articles.

**18. DIRECTOR INTERESTS AND CONFLICTS OF INTEREST**

**18.1** The board of Directors may from time to time authorise any matter which would, if not so authorised, result in a Director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company.

**18.2** Subject to his declaring the nature and extent of the interest in accordance with the Act (save in the case of an interest falling within paragraph (a) below which shall not require to be so declared), a Director is permitted to have an interest in the following kind:

- (a) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest,
- (b) where the Director (or person connected with him) is a Director or other officer of or employed by or otherwise interested (including by the holding of shares) in any Relevant Company,
- (c) where the Director (or person connected with him) is a party to, or otherwise interested in any contract, transaction or arrangement with a Relevant Company or in which the Company is otherwise interested, and
- (d) any other interest authorised by ordinary resolution,

and no authorisation pursuant to Article 18 shall be required in relation to such interest

**18.3** For the purposes of this Article 18

- (a) a "**Relevant Company**" shall mean
  - (i) the Company,
  - (ii) any subsidiary or subsidiary undertaking of the Company,
  - (iii) any holding company of the Company or any subsidiary or subsidiary undertaking of any such holding company,
  - (iv) any body corporate promoted by the Company, or
  - (v) any body corporate in which the Company is otherwise interested, and
- (b) a person is connected with a Director if he is connected to him in terms of section 252 of the Act

**18.4** A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or any person connected with him) derives from any contract, transaction or arrangement or from any office, employment or position which has been approved by the board of Directors pursuant to this Article 18

## **MISCELLANEOUS**

### **19. INDEMNITY AND INSURANCE**

**19.1** Subject to and on such terms as may be permitted by the Act, the Company may

- (a) indemnify, out of the assets of the Company, any Director or any director of any associated company against all losses and liabilities which he may sustain or incur in the performance of the duties of his office or otherwise in relation thereto,
- (b) provide a Director with funds to meet expenditure incurred or to be incurred by him in defending any civil or criminal proceedings brought or threatened against him in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under the Act to enable a Director to avoid incurring such expenditure, and
- (c) purchase and maintain insurance for any Director or any director of any associated

company against any liability attaching to any such person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any such associated company

**19.2** Subject to and on such terms as may be permitted by the Act (and without prejudice to the provisions of Article 19 1) the Company may provide a Director with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under the Act to enable a Director to avoid incurring such expenditure, and

**19.3** For the purpose of Articles 19 1 and 19 2 above, the expression "**associated company**" shall mean a company which is either a subsidiary or a holding company of the Company or a subsidiary of such holding company as such terms are defined in the Act

## **20. NOTICES**

**20.1** Subject to the specific terms of these Articles, any notice or other communication ("**notice**") to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Board or a committee thereof) shall be in writing

**20.2** Any such notice may be served by the Company on, or supplied by the Company to, a Shareholder or other person personally or by sending it by first-class post in a pre-paid envelope addressed to such Shareholder or other person at his postal address (as appearing in the Company's register of members in the case of Shareholders)

**20.3** Proof that an envelope containing the communication was properly addressed, pre-paid and posted shall be conclusive evidence that a notice was sent and it shall be deemed to be given or received on the second Business Day after the day of posting

**20.4** In the case of joint holders of a Share, all notices shall be sent or supplied to the joint holder who is named first in the register and a notice so sent or supplied shall be deemed sent or supplied to all joint holders Any provision of this Article 20 which refers to anything agreed, notified or specified by a member shall be deemed to have been validly agreed, notified or specified, notwithstanding any provisions of the Statutes, if agreed, notified or specified by only one and not all of the joint holders of any Shares held in joint names

## **21. INVESTOR CONSENT**

**21.1** Subject always to the requirements for delivery of notice in accordance with Article 20, any action requiring the approval of the Investors or Investor Directors pursuant to these Articles shall



- (a) be recorded and delivered in writing (in sufficient detail so as to reasonably set out the nature of the decision and/or action required),
- (b) be (save to the extent otherwise approved by the Investor Directors) delivered not less than 20 Business Days prior to the date upon which such decision and/or action is required (the “**Consideration Period**”), and
- (c) be deemed to have been irrevocably approved (in accordance with the specific terms set out in the notice delivered pursuant to Article 21 1(a)) in the event of the Investors and or Investor Directors (as appropriate) not having communicated an indication to the contrary to the Company prior to the expiry of 10 Business Days after the end of the Consideration Period provided that, in the absence of other communication with or acknowledgement from the Investors/Investor Directors during the Consideration Period, the Company shall send at least one reminder to the Investors/Investor Directors of the required consent making reference to this Article 21 1(c) and the consequences of the deemed granting of the consent on the absence of further communication from him in accordance with its terms

## **22. ELECTRONIC COMMUNICATION**

- 22.1** Without prejudice to Article 48 of the Model Articles, notices and any other communications sent or supplied, by or to Shareholders or Directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Companies Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such Shareholder or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such Shareholders or Directors)
- 22.2** For the purposes of Article 22 1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by Shareholders or Directors are up to date and current, and it is the sole responsibility of each Shareholder and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all Shareholders and Directors agree that the Company has no responsibility to any Shareholder or Director who fails to receive any notice or other communication as a result of the Shareholder or Director failing to comply with this Article 22 2
- 22.3** When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Companies Act

**22.4** Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient 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, and any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission

**22.5** The Company's obligation to send or supply any notice or communication to Shareholders or Directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control

**22.6** Each Shareholder and Director shall for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Companies Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website

## **23. SHARE CERTIFICATES**

**23.1** The conditions of issue of any Shares shall not require the Company to issue any Share certificate although the Board may resolve to do so

**23.2** The company shall not be bound to issue more than one certificate in respect of shares held jointly by two or more persons. Delivery of a certificate to the person first named in the register shall be sufficient delivery to all joint holders

**23.3** If the board resolves to issue a share certificate it may be issued under seal (by affixing the seal to or printing the seal or a representation of it on the certificate) or signed by at least two directors or by at least one director and the secretary. Such certificate shall specify the number and class of the shares in respect of which it is issued and the amount or respective amounts paid up on it. The board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be issued under seal or signed by any person

**23.4** Every Share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any Share certificate lost or delayed in the course of delivery