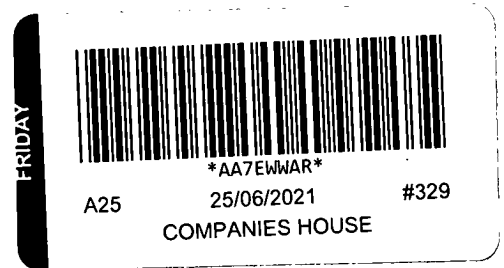


**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**NEW**  
**ARTICLES OF ASSOCIATION**  
**of**  
**H2GO POWER LIMITED**  
**(the "Company")**



(Adopted by a special resolution passed on 21 June 2021)

**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 in force from time to time.
- 1.3 In these Articles article headings are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 In these Articles, references to any gender or neuter includes the other genders and the neuter.

**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);

"**alternate**" or "**alternate director**" has the meaning given in Article 4;

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

"**Bad Leaver**" means a Leaver who is not a Good Leaver;

"**Beneficial Owner**" means a person whose Shares are held on trust by NomineeCo;

"**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**" means the profession, trade or business of developing a method for hydrogen production and storage for providing energy source for applications including but not limited to fuel cells, and any other business decided in line with 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);

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

**"Confidential Information"** means all information of a confidential nature concerning the Company, a Shareholder (or former Shareholder) or their respective businesses (including details of customers, clients, suppliers, plans, intentions, market opportunities, operations, processes, product information, know-how, designs, trade secrets or software);

**"Controlling Interest"** means an interest (as defined in section 820 to 825 of the Act) in Shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company;

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

**"Effective Termination Date"** means the earlier of the date on which the Leaver ceases to be an Employee or, where the relevant person will become a Leaver because they have given, or been given notice that they will cease to be an Employee, the date on which such notice is given;

**"Employee"** means an individual who is employed by or who provides consultancy services to, the Company or any member of the Group and/ or holds office as a non-executive director of 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);

**"Fair Value"** is as determined in accordance with Article 10.3;

**"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;

**"Founders"** means each of Enass Abo-Hamed, Luke Sperrin, Shinichi Nikkuni, Jonathon Blackburn and Pu Zhao;

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

**"Good Leaver"** means a Leaver who ceases to be an Employee by reason of:

- (a) death;
- (b) an illness or disability certified by a general medical practitioner (nominated or approved by the Board) as rendering the departing person permanently incapable of carrying out his role as an employee and/or director save where such incapacity has arisen as a result of the abuse of drugs or alcohol;
- (c) dismissal by the Company which is determined by an employment tribunal or by a court of competent jurisdiction from which there is no right to appeal, to

be wrongful or unfair (other than on procedural grounds);

- (d) any other reason where the person is determined by the Board to be a Good Leaver.

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

**"Intellectual Property"** means all patents, rights to inventions, copyright and neighbouring and related rights, moral rights, trademarks, service marks, business names and domain names, goodwill, rights in designs, rights in computer software, database rights, confidential information (including trade secrets and know-how) and all other intellectual and industrial property and similar rights, whether registered or unregistered, and including (a) all renewals or extensions of these rights and (b) all applications and rights to apply for and be granted these rights which subsist in any part of the world;

**"Investor Majority"** means the consent of those Investors holding at least one third of the Ordinary Shares held by the Investors from time to time;

**"Investors"** means any individuals or legal entities which hold Ordinary Shares in return of providing financial capital to the Company, and their Permitted Transferees;

**"Leaver"** means an Employee other than Shinichi Nikkuni, Jonathon Blackburn or Pu Zhao who ceases to be so for whatever reason and does not continue to be an Employee by reason of his status in relation to the Company or any member of the Group;

**"Leaver's Shares"** in relation to:

- (a) Enass Abo-Hamed and Luke Sperrin, 25% of the Shares held by them and/or their Permitted Transferees; or
- (b) in relation to any other Employees 100% of the Shares all held by them and/or their Permitted Transferees;

**"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;

**"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;

**"New Securities"** means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company (other than (a) options to subscribe for Ordinary Shares under any Share Option Plan or (b) Ordinary Shares or other securities which an Investor Majority have agreed should be issued without complying with Article 6);

**"NomineeCo"** means Crowdcube Nominees Limited (company number 09820478) or a Permitted Transferee of such Nominee;

**"Ordinary Shares"** means ordinary shares of £0.001 each in the capital of the Company, from time to time;

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 8;

**"Permitted Transferee"** means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or 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 NomineeCo, means another trust company, as trustee for the Beneficial Owners.

**"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);

**"Qualifying Company"** means a company in which a Shareholder or Trustee(s) hold the whole of the share capital and which they control;

**"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;

**"Shares"** means the Ordinary Shares (and all other classes of share (if any) comprised in the capital of the Company from time to time; and

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

### **3. Proceedings of Directors**

- 3.1 The quorum for Directors' meetings shall be two eligible Directors.
- 3.2 In the case of any equality of votes, the chairman shall not have a second or casting vote. Article 13 of the Model Articles shall not apply to the Company.
- 3.3 A Director who is also an alternate director has an additional vote on behalf of each appointor who is:
  - (a) not participating in a Directors' meeting, and
  - (b) would have been entitled to vote if they were participating in it.

#### 4. **Alternate Directors**

##### *Appointment and removal of alternates*

4.1 Any director (the “**appointor**”) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors 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.

4.2 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.

4.3 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.

##### *Rights and responsibilities of alternate directors*

4.4 An alternate director has the same rights, in relation to any Directors' meeting or directors' written resolution, as the alternate's appointor.

4.5 Except as the 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 not subject to the same restrictions as their appointors; and
- (d) are not deemed to be agents of or for their appointors.

4.6 An alternate director may act as alternate director to more than one Director.

4.7 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.

4.8 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 written resolution (but only if his appointor is an eligible director in relation to the resolution and it is not signed or to be signed by that person's appointor, and

no alternate may be counted as more than one Director for such purposes.

4.9 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.

*Termination of alternate directorship*

4.10 An alternate director's appointment as an alternate terminates:

- (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.

**5. Directors' interests**

5.1 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.

5.2 *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.

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

6.1 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.

6.2 Unless otherwise determined by special resolution, any New Securities shall, before they are allotted or granted on any terms, be first offered by the Company in writing to each Shareholder 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 14 days from the date of the notice in which to apply;
- (c) stating that, if there is competition among the Shareholders for the New Securities, the New Securities will be allocated to him in proportion (as nearly as may be) to his existing holdings of Shares ("**Proportionate Allocation**");
- (e) inviting him to indicate if he is willing to purchase New Securities in excess of his Proportionate Allocation ("**Extra Securities**") and, if so, the number of Extra Securities.

6.3 On expiry of an offer made in accordance with Article 6.2 (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; or
- (b) if the total number of New Securities applied for is more than the New Securities offered, each Shareholder shall be allocated his Proportionate Allocation or, if less, the number of New Securities for which he has applied; and
- (c) applications for Extra Securities shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Securities in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Securities than s/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 New Securities have been allocated;
- (d) 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 less favourable terms.

- 6.4 Any New Securities offered under this Article 6 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 6.
- 6.5 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.

## **7. Transfers of Shares – general**

- 7.1 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.
- 7.2 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.
- 7.3 The Directors may refuse to register a transfer of a Share if:
- (a) a Shareholder transfers a Share other than 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 Income Tax (Earnings and Pensions) Act 2003 election with the Company.

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

- 7.4 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.
- 7.5 Articles 27 to 29 of the Model Articles regarding transmission of shares shall not apply to the Company.
- 7.6 Any transfer of a Share by way of sale which is required to be made under Articles 9 to 12 (inclusive) and 15 to 16 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 7.7 Notwithstanding any provision in these Articles to the contrary, no Share shall be transferred without the prior written consent of the Board.

## **8. Permitted Transfers**

- 8.1 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.
- 8.2 Shares previously transferred as permitted by Article 8.1 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.



- 8.3 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.
- 8.4 A transfer of any Shares approved by the Shareholders and the Board may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors.
- 8.5 A Beneficial Owner shall be entitled at any time to transfer his entire beneficial interest in the Shares held on trust for him by NomineeCo without restriction to any person, provided that the legal title in such Shares continues to be held by NomineeCo and the transferee is (or becomes prior to the completion of the transfer) a member of the crowdfunding platform operated by Crowdcube Capital Limited.

## 9. Transfers of Shares subject to pre-emption rights

- 9.1 Save where the provisions of Articles 8, 15 and 16 apply, a Shareholder who wishes to transfer Shares (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 Shares which he wishes to transfer (the "**Sale Shares**");
- (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 s/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**").

If a Shareholder is deemed to have given a Transfer Notice, the price at which he is to transfer the Sale Shares (being in this case the Transfer Price) shall be agreed between such Shareholder and the Board and failing such agreement such price will be deemed to be the Fair Value of such Shares.

- 9.2 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 10), the Company shall give notice in writing to each Shareholder 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 14 days from the date of the notice in which to apply;
- (c) stating that, the Sale Shares shall be offered to the Eligible Shareholders and if there is competition among the Eligible Shareholders for the Sale Shares, the Sale Shares will be allocated to him in proportion (as nearly as may be) to his existing holding of Shares ("**Proportionate Allocation**");
- (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.

- 9.3 On expiry of an offer made in accordance with Article 9.2 (or sooner if applications or refusals have been received from all Eligible Shareholders), the Company shall

allocate the Sale Shares as follows:

- (a) if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares, each Eligible Shareholder 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;
  - (c) applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Eligible Shareholders 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; and
  - (d) fractional entitlements shall be rounded to the nearest whole number.
- 9.4 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.
- 9.5 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.
- 9.6 If the Seller fails to comply with the provisions of Article 9.5:
- (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).
- 9.7 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 9.8, 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.
- 9.8 The right of the Seller to transfer Shares under Article 9.7 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.

9.9 Any Sale Shares offered under this Article 9 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 9.

## **10. Valuation of Shares**

10.1 If no price is agreed between the Seller and the Board (including the Investor Director) then, upon service of the Transfer Notice the Board shall appoint an expert valuer in accordance with Article 10.2 (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.

10.2 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.

10.3 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.

10.4 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).

10.5 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.

## **11. Compulsory transfers – general**

- 11.1 Save for Article 11.4, this Article 11 shall not apply to NomineeCo or its Permitted Transferees.
- 11.2 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.
- 11.3 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.
- 11.4 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.
- 11.5 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.
- 11.6 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 11.6 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.
- 11.7 If there is a change in control (as control is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of any Permitted Transferee and/or nominee) a Transfer Notice in respect of all the Shares registered in its name, its Permitted

Transferee name and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of the Original Shareholder before being required to serve a Transfer Notice.

## **12. Compulsory transfers - Employees**

- 12.1 If an Employee becomes a Leaver, such Employee (and his Permitted Transferees (if any)) shall be deemed to have given a Transfer Notice in respect of their Leaver's Shares (rounded down to the nearest whole share) on the Effective Termination Date.
- 12.2 The Transfer Price for a Bad Leaver's Leaver's Shares shall be the lower of Fair Value and the nominal value of the Leaver's Shares.
- 12.3 The Transfer Price for a Good Leaver's Leaver's Shares shall be the Fair Value of the Leaver's Shares at the time the Leaver's Shares are sold.
- 12.4 The Leaver's Shares shall be offered to the Company (subject always to the provisions of the Act) before they are offered to the Shareholders under Article 9.
- 12.5 All voting rights attached to the Shares of a Founder who is a Leaver (and his Permitted Transferees (if any)) (the "**Restricted Member**"), if any, shall be suspended on the Effective Termination Date.
- 12.6 Any Shares whose voting rights are suspended pursuant to Article 12.5 ("**Restricted Shares**") shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company and receive a copy of any proposed written resolution of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. If a Restricted Member transfers any Restricted Shares in accordance with these Articles, all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

## **14. Purchase of own Shares**

Subject to the Act, the Company may purchase its own Shares out of capital otherwise than in accordance with Chapter 5 of Part 18 of the Act, to the extent permitted by section 692(1ZA) of the Act.

**15. Co-Sale right**

- 15.1 No transfer (other than a Permitted Transfer) of any of the Shares may be registered unless a Shareholder (a "**Selling Member**") shall have observed the following procedures of this Article.
- 15.2 After the Selling Member has gone through the pre-emption process set out in Article 9, the Selling Shareholder shall give to each Investor not less than 15 Business Day 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 Shares which the Selling Member proposes to sell; and
  - (e) the address where the counter-notice should be sent.
- 15.3 Each Investor shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Member 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 Investor wishes to sell. The maximum number of Shares which an Investor can sell under this procedure shall be:

$$\frac{X}{Y} \times Z$$

where:

X is the number of Shares held by the Investor;

Y is the total number of Shares;

Z is the number of Shares the Selling Member proposes to sell.

Any Investor 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.

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

- 15.5 No sale by the Selling Member shall be made pursuant to any Co-Sale Notice more

than three months after service of that Co-Sale Notice.

- 15.6 Sales made under a Co-Sale Notice in accordance with this Article 15 shall not be subject to Article 9.

**16. Drag-along**

- 16.1 If the holders of more than 50% of the Ordinary Shares (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a proposed purchaser who has made an offer on arm's length (the "**Proposed Purchaser**"), the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares (the "**Called Shares**") to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 16.

- 16.2 The Selling Shareholders 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 Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Called Shares under this Article 16, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 16) and 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 Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders 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 Called Shareholders shall be obliged to sell each of the Called Shares shall be on terms no less favourable than those obtained by the Selling Shareholders from the Proposed Purchaser.

- 16.5 No Drag Along Notice may require a Called 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 Called Shareholders, the Called 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 Called 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 Called Shareholders pursuant to Article 16.4 in trust for the Called 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 Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or an indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 16 in respect of their Shares.

- 16.8 If a Called 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 Called Shareholder's Shares as agent on the Called 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 Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called 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 9.
- 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 Subject to Article 16.1, if the effect of any transfer of Shares by a holder of Shares who wishes, or is required, to transfer Shares or any beneficial interest therein to a person to whom Article 8 does not apply (**Seller**) would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Seller shall procure the making, by the proposed transferee of the Seller's Shares, of a Tag Along Offer to all of the other holders of Shares of the Company. Every holder or recipient of such offer, on receipt of a Tag Along Offer, shall be bound within 20 Business Days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Tag Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers.
- 17.2 "**Tag Along Offer**" means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase Shares held by the recipients of a Tag Along Offer or Shares which recipients may subscribe free from all liens, charges and encumbrances at a price per Share equal to the highest price per Share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in Article 17.1 (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the shares giving rise to the obligation to make the Tag Along Offer) within the period of one year ending on the proposed date of completion of such transfer of shares.
- 17.3 In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to an Expert Valuer and Article 10 shall apply.

## **18. Intellectual Property**



- 18.1 The Company owns absolutely any Intellectual Property created or developed by any Employee which relates to the Business or can be used in the Business (other than Intellectual Property which the Directors, acting reasonably and in good faith, agree was not connected with and did not, in any way, affect or relate to the Business as at the date of its creation or discovery and was not intended to be connected with or otherwise so affect or relate to the Business).
- 18.2 Employees must promptly notify the Company of all Intellectual Property they have created (or partly created) and which relates to the Business or can be used in the Business. All this Intellectual Property will vest in the Company automatically on creation (and if it does not, the relevant Director(s) will hold it on trust for the Company). Employees must, at the Company's sole expense, promptly do everything and sign all documents necessary to transfer ownership of this Intellectual Property to the Company and enable the Company to enforce its Intellectual Property.

## **19. Confidentiality**

- 19.1 Except as set out below in this Section, the Directors and Employees must not at any time disclose any Confidential Information to any third party or use for any purpose other than in the performance of their obligations as Directors or Employees. This obligation of confidentiality shall continue to bind a Director or Employee after they cease to be so.
- 19.2 The obligation of confidentiality in the previous paragraph will not apply to information that is or becomes generally available to the public (other than as a result of its disclosure by a Director or Employee in breach of these Articles).
- 19.3 A Director or Employee can disclose Confidential Information to:
- (a) a governmental, regulatory or other authority if disclosure is required by law, court order or a duty imposed by a regulatory authority;
  - (b) his professional advisors, with prior agreement from the majority of Directors; or
  - (c) the professional advisers of the Company.

## **20. Obligations on leaving**

- 20.1 Unless agreed by the majority of Directors, no Director or Employee can do any of the following while being so or during the 24 months period after his Effective Termination Date:
- (a) engage in any business similar to the Business or with a similar name to the Company (whether on his own account or through a firm, company or other organisation a Shareholder is involved with) or which competes with the Business within a 1,000 mile radius of any place of business of the Company on his leaving date;
  - (b) interfere with, solicit or try to entice away from the Company a person who is a client or customer of the Company, or a person who regularly introduces clients or customers to the Company, during the 12 month period before his leaving date;
- 20.2 Each leaving Director or Employee must return to the Company all accounting records, letters, materials shared and other documents in his or her possession relating to the Company which are needed for the continuing conduct of the Business.

- 20.3 Each leaving Director or Employee must promptly do everything and sign all documents reasonably requested by the Company (and at the Company's sole expense) to transfer to it any material, property or assets owned the leaving Shareholder as nominee for or in trust for the Company.