

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**Better Tasting Drinks Co. Limited**

**INTRODUCTION**

**1. INTERPRETATION**

1.1 In these articles, unless the context otherwise requires:

- Act:** means the Companies Act 2006;
- Acting in Concert:** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);
- Appointor:** has the meaning given in Article 15.1;
- Articles:** means the Company's articles of association for the time being in force;
- Beneficial Owner:** means a person whose Shares are held on trust by NomineeCo;
- Board:** means the board of Directors;
- Business Day:** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
- Call:** has the meaning given in article 30;
- Call Notice:** has the meaning given in article 30;
- Company's lien:** has the meaning given in article 28;
- Conflict:** has the meaning given in article 11;
- Eligible director:** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);



- Family Trust:** means, in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder ("**Settlor**") and/or the Settlor's Privileged Relations;
- Future Fund:** UK FF NOMINEES LIMITED (company number 12591650) whose registered office is at 10th Floor, 5 Churchill Place, London E14 5HU;
- FF Investors:** James McCandless Hardigg, Andre Hoffmann, Annemie Boehmer and Mary Louise Avery;
- Institutional Investor:** means any fund, partnership, body corporate, trust or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing, other than an Institutional Investor who the board of directors of the Company from time to time determines in its reasonable discretion is a competitor with the business of the Company;
- Lien Enforcement Notice:** has the meaning given in article 29;
- 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;
- Model Articles:** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SJ 2008/3229) as amended prior to the date of adoption of these articles; and
- New Securities:** means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the date of the adoption of these articles (other than shares or securities issued as a result of the events set out in

Article 4.6);

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

**Permitted Transferee:** means:

(a) in relation to a Shareholder who is an individual, any

of his Privileged Relations, Trustees or Qualifying Companies; and

(b) in relation to a Shareholder which is an undertaking

(as defined in section 1161(1) of the Companies Act)

means any Member of the same Group; and

(c) in relation to NomineeCo, means another trust

Company;

**Privileged Relations:** means 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) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the Corporation Tax Act 2010);

**Shares:** means the shares in the Company or rights to subscribe for, or to convert securities into, shares in the Company;

**Shareholder:** means all or any of those persons whose names are entered in the register of members of the Company and **Shareholder** shall mean any one of them;

**Transaction Expenses:** any fees, costs and expenses, payable in respect of such Share sale pursuant to Article 8 as approved by the holders of a majority percentage of the Shares in issue from time to time;

**Trust:** means a Family Trust or any other trust whereby legal title of Shares of a Shareholder are held on trust by a third party Trustee subject to a declaration of trust

including without limitation a nominee;

**Trustee:** means in relation to a Shareholder means the trustee or the trustees of a Trust.

**Associated Government Entities:** means:

- (a) any UK Government departments, including their executive agencies, other subsidiary bodies and other parts of UK Government;
- (b) companies wholly or partly owned by UK Government departments and their subsidiaries;
- (c) non-departmental public bodies, other public bodies, public corporations and their subsidiary bodies sponsored by UK Government departments; and/or
- (d) any successors to any of the entities set out in (a), (b) and (c) above or any new bodies which fall within the same criteria;

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

**Controlling Interest:** means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

- 1.2 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an 'article' is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - (a) any subordinate legislation from time to time made under it; and

- (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms '**including**', '**include**', '**in particular**' or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.
- 1.8 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.9 Articles 8, 9 (1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 21, 24 (2) (c), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.10 Article 7 (2) of the Model Articles shall be amended by the insertion of the words '(for so long as he remains the sole director)' after the words 'and the director may'.
- 1.11 Article 20 of the Model Articles shall be amended by the insertion of the words '(including any alternate directors) and any secretary' before the words 'properly incur'.
- 1.12 Article 26 (1) of the Model Articles shall be amended by the insertion of the words "and, unless the share is fully paid, the transferee" after the word "transferor".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words 'subject to article 10' after the word 'But'.
- 1.14 Article 29 of the Model Articles shall be amended by the insertion of the words ', or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Model Article 28(2),' after the words 'the transmittee's name'.
- 1.15 Articles 31(1) (a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

- 1.16 Article 36(4) of the Model Articles shall be amended by the insertion of the words ", or towards paying up any amounts unpaid on existing shares held by the persons entitled" after the words "or as they may direct".

**2. OBJECTS OF THE COMPANY**

- 2.1 The Company's objects are:

- (a) to carry on business as a general commercial company and any other trade or business which may seem to the Company and its directors to be advantageous and to directly or indirectly enhance all or any of the business of the Company;
- (b) to promote the success of the Company for the benefit of its members as a whole; and
- (c) through its business and operations, to have a material positive impact on (a) society and (b) the environment, taken as a whole.

- 2.2 Notwithstanding article 2.1, the Company's objects are unrestricted.

- 2.3 A Director must act in the way he or she considers, in good faith, most likely to promote the success of the Company in achieving the objects set out in 2.1, and in doing so shall have regard (amongst other matters) to:

- (a) the likely consequences of any decision of the Directors in the long term and the impact any such decision may have on any affected stakeholders,
- (b) the interests of the Company's employees,
- (c) the need to foster the Company's business relationships with suppliers, customers and others,
- (d) the impact of the Company's operations on the community and the environment and on affected stakeholders,
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct and the impact this has on affected stakeholders, and
- (f) the need to act fairly as between members of the Company,

(together, the matters referred to above shall be defined for the purposes of this Article as the "Stakeholder Interests" and each a "Stakeholder Interest").

- 2.4 For the purposes of a Director's duty to act in the way he or she considers, in good faith, most likely to promote the success of the

Company, a Director shall not be required to regard the benefit of any particular Stakeholder Interest or group of Stakeholder Interests as more important than any other.

- 2.5 Nothing in this Article express or implied, is intended to or shall create or grant any right or any cause of action to, by or for any person (other than the Company).
- 2.6 The Directors of the Company shall, for each financial year of the Company, prepare and circulate to its members an impact report. The impact report shall contain a balanced and comprehensive analysis of the impact the Company's business has had, in a manner proportionate to the size and complexity of the business. The impact report shall contain such detail as is necessary to enable the members to have an understanding of the way in which the Company has promoted its success for the benefit of its members as a whole and, through its business and operations, sought to have a material positive impact on society and the environment, taken as a whole. If the Company is also required to prepare a strategic report under the Companies Act 2006, the Company may choose to publish the impact report as part of its strategic report and in accordance with the requirements applying to the strategic report.

## **SHARES**

### **3. FURTHER ISSUES OF SHARES: AUTHORITY**

- 3.1 The share capital of the Company is comprised of Ordinary Shares of £1.00 each.
- 3.2 Subject to the remaining provisions of this article 3 and to article 4, the directors are generally and unconditionally authorised, for the purposes of section 550 of the Act or, where the Company has more than one class of shares, section 551 (1) of the Act and generally, to exercise any power of the Company to:
- (a) offer or allot;
  - (b) grant rights to subscribe for or to convert any security into;
  - (c) otherwise deal in, or dispose of,

shares of the class (es) described in Article 3.1 above to any person, at any time and subject to any terms and conditions as the directors think proper. Shares may be issued as nil, partly paid or fully paid shares.

### **4. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

- 4.1 Sections 561(1) and 562(1) to (5) (inclusive) of the Companies Act do

not apply to an allotment of equity securities (as defined in section 506 of the Companies Act 2006) made by the Company.

- 4.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the Shareholders (the “**Subscribers**”) on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those Shareholders (as nearly as may be without involving fractions). The offer:
- (a) shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the “**Subscription Period**”) and give details of the number and subscription price of the New Securities; and
  - (b) may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 4.3 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the total number of New Securities that the Company had proposed to allot, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).
- 4.4 If, at the end of the Subscription Period, the number of New Securities applied for is less than the total number of New Securities that the Company has proposed to allot, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.
- 4.5 Subject to the requirements of Articles 4.2 to 4.4 (inclusive) and to the provisions of section 551 of the Companies Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 4.6 The provisions of Articles 4.2 to 4.5 (inclusive) shall not apply to:
- (a) options to subscribe for Shares under a share option plan of the Company, the terms of which have been approved by the Board and by the holders of more than 50% of the Shares in issue from time to time; or
  - (b) further issues of Shares where each Shareholder is notified by



the Board in advance and is entitled to participate via investing through the Crowdcube Ltd website.

- 4.7 No Shares shall be allotted to any individual who is employed by or provides consultancy services to the Company (**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 ITEPA election with the Company if so required by the Company.
5. **TRANSFER OF SHARES: PRE-EMPTION RIGHTS**
- 5.1 Subject to Articles 7 and 8, the Shareholders shall not transfer any Shares, except in the circumstances set out in Articles 5.2 to 5.9 and, for the avoidance of doubt and without prejudice to the generality of Article 26 of the Model Articles, the Board may refuse to register the transfer of any Share, if it has not been transferred in accordance with Articles 5.2 to 5.9.
- 5.2 Any Shareholder who wishes to transfer any Shares (the “**Transferring Shareholder**”) shall, before transferring or agreeing to transfer such shares (the “**Transferring Shares**”) or any interest in them, first offer those Transferring Shares to the existing Shareholders, by giving irrevocable written notice to the Company (a “**Transfer Notice**”).
- 5.3 The Transfer Notice shall specify:
- (a) the number of Transferring Shares the Transferring Shareholder wishes to transfer; and
  - (b) the price (in cash) and any other consideration at which the Transferring Shareholder wishes to transfer the Transferring Shares (which shall be the price offered to the Transferring Shareholder by a bona fide third party for the Transferring Shares, or in the absence of such an offer, the price calculated pursuant to Articles 5.7 and 5.8, in which case the Transfer Notice shall not specify a price) (the “**Price**”).
- 5.4 Upon receipt of the Transfer Notice, the Board shall, as soon as reasonably practicable, offer the Transferring Shares to the other Shareholders, inviting those Shareholders to state by notice in writing to the Company within 5 Business Days of the offer by the Board (the “**Transfer Offer Period**”), whether they are willing to purchase at the Price, such number of Transferring Shares as corresponds to the proportion of other Shares held by them respectively.
- 5.5 Each Shareholder who wishes to purchase the shares offered to him in accordance with Article 5.4 above (a “**Purchasing Shareholder**”) may within the Transfer Offer Period, serve notice (the “**Purchase Notice**”) on the Board specifying how many Transferring Shares he wishes to purchase.
- 5.6 Any Transferring Shares not accepted pursuant to Articles 5.5 may be transferred by the Transferring Shareholder to any person, provided the

transfer is at the Price and takes place within 90 Business Days of the end of the Transfer Offer Period.

- 5.7 If there is no bona fide third party offer for any of the Transferring Shares, the Price shall be such price per Transferring Share as may be determined by the accountants for the time being of the Company as the fair value thereof. The Board shall instruct such accountants to specify such fair value as soon as practicable upon receipt of the Transfer Notice not having the Price specified therein and such accountants shall, acting as experts and not arbitrators, calculate the fair value on such bases as they consider most applicable, but without discount for minority or uplift for majority shareholdings, and their costs and expenses shall be borne equally by the Company and the Transferring Shareholder.
- 5.8 In determining the fair value of the Transferring Shares, the accountants will rely on the following assumptions: the sale is between a willing seller and a willing buyer of the Transferring Shares, the Company is carrying on its business as a going concern and shall continue to do so, the Transferring Shares are sold free of all restrictions, liens, charges and other encumbrances and the sale is taking place on the date the accountants were instructed to calculate the fair value.
- 5.9 Following completion of the procedure in respect of the Transferring Shares set out in Articles 5.2 to 5.8, the Transferring Shareholder shall sell the Transferring Shares as required and shall execute and deliver to the Board stock transfer forms relating to the Transferring Shares as required by the Board against receipt of the Price which the Board may receive from and transfer on behalf of the purchasers.

## **6. PERMITTED TRANSFERS**

- 6.1 A Shareholder (who is not a Permitted Transferee) (the "Original Shareholder") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 6.2 Shares previously transferred as permitted by Article 7.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 6.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 6.4 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as 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 a

Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

- 6.5 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 6.6 No transfer of Shares may be made to Trustees unless the Board is satisfied:
- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
  - (b) with the identity of the proposed trustees;
  - (c) the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 6.7 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 6.8 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - (b) give a Transfer Notice to the Company in accordance with Article 5.2, failing which he shall be deemed to have given a Transfer Notice.
- 6.9 On the death (subject to Article 6.3), 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.

- 6.10 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.

7. **TAG ALONG RIGHTS ON A CHANGE OF CONTROL**

- 7.1 The provisions of Articles 7.2 and 7.6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any Shares ("**Proposed Transfer**") which would, if carried out, result in any person ("**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.

- 7.2 Before making a Proposed Transfer, each Shareholder proposing to transfer Shares shall procure that the Buyer makes an offer ("**Offer**") to:

- (a) the other Shareholders to purchase all of the Shares held by them;
- (b) the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer; and
- (c) the holders of any securities of the Company that are convertible into Shares ("**Convertible Securities**"), to purchase any Shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer, for a consideration in cash per Share that is equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer ("**Specified Price**").

- 7.3 The Offer shall be given by written notice ("**Offer Notice**"), at least 30 Business Days ("**Offer Period**") before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
  - (b) the amount, form and timing of consideration payable and any other terms and conditions applicable;
  - (c) the Sale Date; and
  - (d) the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**").
- 7.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 7.2 and 7.3, the Shareholders proposing to transfer Shares shall not be entitled to complete the Proposed Transfer and the Directors shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 7.5 If the Offer is accepted in writing by any Shareholder ("**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 7.6 If any Accepting Shareholder does not, at the time appointed for completion of the Proposed Transfer, deliver a duly executed stock transfer form, sale agreement or other documents required to be entered into to effect the acquisition of the Offer Shares by the Buyer ("**Sale Documents**"), the Company and each Director shall be constituted the agent of such defaulting Accepting Shareholder to take such actions and enter into any Sale Documents required to effect the transfer of such Accepting Shareholder's Shares pursuant to this Article 5 and the Directors shall, if requested by the Buyer, authorise any Director to transfer the defaulting Accepting Shareholder's Shares on the defaulting Accepting Shareholder's behalf against receipt by the Company (on trust for such Accepting Shareholder) of the consideration due in respect of the Offer Shares. After the Buyer has been registered as the holder of such Offer Shares the validity of such proceedings shall not be questioned by any such person. Failure to produce a Share certificate shall not impede the registration of Shares under this Article 5.
8. **DRAG ALONG OPTION**
- 8.1 If the holders of a majority percentage of the Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer (whether through a single transaction or a series of related transactions) all their interest in Shares (the "**Sellers' Shares**") to a bona fide arm's length buyer ("**Proposed Buyer**"), the Selling Shareholders shall have the option (the "**Drag Along Option**") to compel each other holder of

Shares (each a “**Called Shareholder**” and together the “**Called Shareholders**”) to sell and transfer their legal and beneficial title to all of their Shares free from all liens, charges and encumbrances and together with all rights attaching to them to the Proposed Buyer or as the Proposed Buyer shall direct (the “**Drag Buyer**”) in accordance with the provisions of this Article.

8.2 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 forthwith copy to the Called Shareholders at any time before the transfer of the Sellers’ Shares to the Drag Buyer. A Drag Along Notice shall specify:

- (a) that the Called Shareholders are required to transfer all their Shares (the “**Called Shares**”) under this Article 8;
- (b) the person to whom they are to be transferred;
- (c) the amount and form of consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);
- (d) the proposed date of the transfer, and
- (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the “**Sale Agreement**”), (and, in the case of paragraphs 8.2(a) to 8.2(d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice).

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 Drag Buyer within 30 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.

8.3 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be equal to the price per Share payable to the Selling Shareholders in respect of their Shares less the Called Shareholder’s proportion of any Transaction Expenses which shall be borne pro rata to the consideration due to the Shareholders in respect of their Shares (the “**Drag Consideration**”).

8.4 In respect of a transaction that is the subject of a Drag Along Notice and with respect to any Drag Document, a Called Shareholder shall be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the board of Directors if so necessary) in receipt of the Drag Consideration when due.

8.5 Within three Business Days of the Company copying the Drag Along

Notice to the Called Shareholders (or such later date as may be specified either in the Drag Along Notice or in any subsequent written notice from the Company to the Called Shareholders) (the “**Drag Completion Date**”), each Called Shareholder shall deliver:

- (a) duly executed stock transfer form(s) for its Shares in favour of the Drag Buyer;
- (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
- (c) a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company, (together the “**Drag Documents**”).

- 8.6 On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Buyer, the Drag Consideration that is due to the extent that the Drag Buyer has paid such consideration to the Company. The Company’s receipt of the Drag Consideration shall be a good discharge to the Drag Buyer. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 8.7 To the extent that the Drag Buyer has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares. The Selling Shareholders shall be entitled to serve further Drag Along Notices and the provisions of this Article 8 will continue to apply.
- 8.8 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent and duly appointed attorney of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder’s Shares pursuant to this Article 8 and the Directors shall, if requested by the Drag Buyer, authorise any Director to transfer the Called Shareholder’s Shares on the Called Shareholder’s behalf to the Drag Buyer to the extent the Drag Buyer has, by the Drag Completion Date, paid the Drag Consideration due to the Company 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 suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.
- 8.9 Any transfer of Shares to a Drag Buyer 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 8.
- 8.10 On any person, following the issue of a Drag Along Notice, becoming

a Shareholder pursuant to the exercise of a pre-existing option or warrant 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 Drag Buyer 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.

**9. FUTURE FUND AND FF INVESTORS**

9.1 In the event that it is determined by Future Fund (in its absolute discretion) that it would be prejudicial to the reputation of Future Fund and/or the UK Government to continue holding any Shares, Future Fund shall have the option to require the Company to purchase all of the shares in the capital of the Company held by Future Fund, in each case for an aggregate price of £1.00 at any time (the “**Put Option**”), provided that:

- (a) the Put Option shall be exercisable by irrevocable notice in writing from Future Fund to the Company (the “**Put Option Notice**”);
- (b) the terms of the completion of the Put Option have been authorised by a resolution of the Company; and
- (c) completion of the Put Option shall take place as soon as reasonably practicable and in any event no later than 20 Business Days following the Company’s receipt of the Put Option Notice; and
- (d) each of Future Fund and the Company shall execute, and the Company shall procure so far as it lies within its power to do so the execution of, all such documents and deeds and do all such acts and things as may be reasonably required from time to time to implement the Put Option and transfer the legal and beneficial ownership of the relevant shares being sold to the Company under this article 9.1, including waiving any pre-emption rights relating to such transfer.

9.2 If within six months of the date of the adoption of these articles of association, the Company proposes to complete an equity financing round (excluding any subscription for shares made on the exercise of any option granted to an employee, officer or consultant of the Company by way of incentive) in which Shares are issued to Shareholders that rank senior to the Shares held by Future Fund and the FF Investors, the Company shall provide at least 10 Business Days’ written notice of such event to Future Fund and the FF Investors (such notice to include all information concerning the



equity financing round that they might reasonably expect to receive to enable them to make an informed assessment as to whether to exercise its following rights in relation thereto) and each of Future Fund and each FF Investor shall then have the option to convert the shares that were issued to them, into an equal number of Shares of the most senior class of Shares that were issued on the equity financing round with identical rights and preferences and with the same obligations as the securities issued to the investor(s) under that equity financing round, provided that if Future Fund or an FF Investor fails to respond within the time period given in such notice, that Future Fund or that FF Investor (as applicable) shall be deemed to have elected to so convert such Shares. The Company shall not proceed with such an equity financing round unless the Company is capable and authorised to give effect to any such conversion.

- 9.3 Future Fund shall at any time be entitled to transfer any Shares, without restriction as to price or otherwise and free of pre-emption rights howsoever expressed, in connection with any sale to an Institutional Investor that is acquiring the whole or part (being not fewer than 10 companies, including the Company) of Future Fund's interest in a portfolio of investments which comprise or result from the conversion of unsecured convertible loans substantially on the same terms as the unsecured convertible loan previously entered into between the Company and Future Fund, provided always that such transaction(s) is bona fide in all respects.
- 9.4 For so long as Future Fund holds shares in the capital of the Company, Future Fund shall at any time be entitled to transfer any shares in the capital of the Company that are held by Future Fund, without restriction as to price or otherwise and free of pre-emption rights howsoever expressed, to any Associated Government Entities.

#### **10. DIRECTORS' MEETINGS**

- 10.1 Any decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter. Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing. Where there is only one director such a decision is taken when that director comes to a view on the matter. A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.
- 10.2 The quorum for the transaction of business at a meeting of directors is any two directors, however if there is only one director in office, the quorum for such meeting shall be one director. When the Company has only two directors, and the board is considering whether to authorise a conflict pursuant to article 11, the quorum for

those purposes shall be one (but the director having the conflict shall not vote or count towards the quorum).

- 10.3 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall have a casting vote.

**11. DIRECTORS' DEALINGS WITH THE COMPANY**

- 11.1 A director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 11.2 A director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act unless the interest has already been declared in accordance with article 11.1 above.
- 11.3 Subject to sections 177(5), 177(6), 182(5) and 182(6) of the Act, the disclosures required under articles 6.1 and 6.2 and any terms and conditions imposed by the directors, a director shall be entitled to vote in respect of any proposed or existing transaction or arrangement with the Company in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.
- 11.4 A director need not declare an interest under article 11.1 and article 11.2 as the case may be:

- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (b) of which the director is not aware, although for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware;
- (c) if, or to the extent that, the other directors are already aware of it, and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware; or
- (d) if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered at a board meeting.

## 12. **DIRECTORS' CONFLICTS OF INTEREST**

- 12.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest (Conflict) provided that the required quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director.
- 12.2 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
  - (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
  - (c) be terminated or varied by the directors at any time; and
- this will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.
- 12.3 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- (a) disclose such information to the directors or to any director or other officer or employee of the Company; or
  - (b) use or apply any such information in performing his duties as a director,
- where to do so would amount to a breach of that confidence.

- 12.4 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:
- (a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
  - (b) is not given any documents or other information relating to the Conflict; and
  - (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- 12.5 Where the directors authorise a Conflict:
- (a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and insofar as he does not do so their authorisation will no longer be valid; and
  - (b) the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation and provided that the conflicted director is not in breach of his duties set out in s171 to 177 of the Act otherwise than by reason of the mere existence of the conflict.
- 12.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
13. **RECORDS OF DECISIONS TO BE KEPT**
- Where decisions of the directors are taken by electronic means (including but not limited to telephone, text message or e-mail) such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.
14. **NUMBER OF DIRECTORS**
- Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any limitation. When the minimum number of directors shall be one, a sole director may exercise all powers and authorities vested in the directors by the Model Articles and by these articles.
15. **ALTERNATE DIRECTORS**
- 15.1 Any director (other than an alternate director) (in this article, the **appointor**) may appoint any person (whether or not a director) to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 15.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- 15.3 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 he is willing to act as the alternate of the director giving the notice.
- 15.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor.
- 15.5 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 subject to the same restrictions as their appointors; and
  - (d) are not deemed to be agents of or for their appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.
- 15.6 A person who is an alternate director but not a director:
  - (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating); and
  - (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, and does not himself participate).
- 15.7 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision).
- 15.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's appointor as the appointor may by notice in writing to the Company from time to time direct.

15.9 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; or
- (c) when the alternate director's appointor ceases to be a director for whatever reason.

**16. APPOINTMENT OF DIRECTORS**

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

**17. RIGHT TO DEMAND A POLL**

- 17.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 17.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words 'A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made' as a new paragraph at the end of that article.

**18. PROXIES**

- 18.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words 'is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate'.
- 18.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

**19. NO VOTING RIGHTS FOR SHARES ON WHICH MONEY IS OWED TO THE COMPANY**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that share have been paid

**20. NOTICE**

20.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

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

**21. INDEMNITY**

21.1 Subject to article 19.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (e) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
  - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
  - (ii) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the

proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

- (f) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 16(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

21.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act 2006 or by any other provision of law.

21.3 In this article:

companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

a 'relevant officer' means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

## **22. TRANSFER OF SHARES**

22.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

22.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

22.3 The Company may retain any instrument of transfer which is registered.

22.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

22.5 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

## **23. SECRETARY**

The Company is not required to have a secretary, but directors may choose to appoint any person who is willing to act as the secretary for such term, at such remuneration and upon



such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

#### **24. PURCHASE OF OWN SHARES**

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) 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.

#### **25. INSURANCE**

In accordance with section 233 of the Act, the directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any liability attaching to him which relates to the Company.

#### **26. DIVIDENDS**

26.1 In addition to the provisions as set out in the Model Articles, except as otherwise provided for by the Articles or the rights attached to shares, all dividends must be:

- (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
- (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

26.2 If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly.

26.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

#### **27. DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY**

27.1 If:

- (a) a share is subject to the Company's lien (as defined in article 28), and;

- (b) the directors are entitled to issue a Lien Enforcement Notice in respect of it, they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under a Lien Enforcement Notice.
- 27.2 Money so deducted under 27.1 above must be used to pay any of the sums payable in respect of that share.
- 27.3 The Company must notify the distribution recipient in writing of:
  - (a) the fact and amount of any such deduction;
  - (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
  - (c) how the money deducted has been applied.
- 28. COMPANY'S LIEN OVER SHARES**
- 28.1 The Company has a lien (the Company's lien) over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- 28.2 The Company's lien over a share:
  - (a) takes priority over any third party's interest in that share; and
  - (b) extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share.
- 28.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

**29. ENFORCEMENT OF THE COMPANY'S LIEN**

- 29.1 Subject to the provisions of this article, if:
  - (a) a Lien Enforcement Notice has been given in respect of a share; and
  - (b) the person to whom the notice was given has failed to comply with it,

the Company may sell that share in such manner as the directors decide.

29.2 A Lien Enforcement Notice:

- (a) may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (b) must specify the share concerned;
- (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must be addressed either to the holder of the share or to a transmittee of that holder; and
- (e) must state the Company's intention to sell the share if the notice is not complied with.

29.3 Where shares are sold under this article:

- (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser; and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

29.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
- (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

29.5 A statutory declaration by a director (or a Company secretary, if appointed) that the declarant is a director (or Company secretary) and that a share has been sold to satisfy the Company's lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.

### **30. CALL NOTICES**

- 30.1 Subject to the Articles and the terms on which shares are allotted, the directors may send a notice (a **call notice**) to a shareholder requiring the shareholder to pay the Company a specified sum of money (a **call**) which is payable to the Company at the date when the directors decide to send the call notice.
- 30.2 A call notice:
- (a) may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the Company;
  - (b) must state when and how any call to which it relates is to be paid; and
  - (c) may permit or require the call to be made in instalments.
- 30.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.
- 30.4 Before the Company has received any call due under a call notice the directors may:
- (a) revoke it wholly or in part; or
  - (b) specify a later time for payment than is specified in the notice,

by a further notice in writing to the shareholder in respect of whose shares the call is made.

### **31. LIABILITY TO PAY CALLS**

- 31.1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- 31.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 31.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:
- (a) to pay calls which are not the same; or
  - (b) to pay calls at different times.

### **32. WHEN CALL NOTICE NEED NOT BE ISSUED**

- 32.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share:
- (a) on allotment;

- (b) on the occurrence of a particular event; or
- (c) on a date fixed by or in accordance with the terms of issue.

32.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

### **33. FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES**

33.1 If a person is liable to pay a call and fails to do so by the call payment date:

- (a) the directors may issue a notice of intended forfeiture to that person; and
- (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

33.2 For the purposes of this article:

- (a) the "**call payment date**" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "**call payment date**" is that later date; and
- (b) the "relevant rate" is
  - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
  - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
  - (iii) if no rate is fixed in either of these ways, 5 per cent per annum.

33.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

33.4 The directors may waive any obligation to pay interest on a call wholly or in part.

### **34. NOTICE OF INTENDED FORFEITURE**

A notice of intended forfeiture:

- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder;

- (c) must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must state how the payment is to be made; and
- (e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

### **35. DIRECTORS' POWER TO FORFEIT SHARES**

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

### **36. EFFECT OF FORFEITURE**

36.1 Subject to the Articles, the forfeiture of a share extinguishes:

- (a) all interests in that share, and all claims and demands against the Company in respect of it; and
- (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.

36.2 Any share which is forfeited in accordance with the Articles:

- (a) is deemed to have been forfeited when the directors decide that it is forfeited;
- (b) is deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.

36.3 If a person's shares have been forfeited:

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of shareholders;
- (b) that person ceases to be a shareholder in respect of those shares;
- (c) that person must surrender the certificate for the shares forfeited to the Company for cancellation;
- (d) that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

- 36.4 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of it and on such other terms as they think fit.

### **37. PROCEDURE FOLLOWING FORFEITURE**

- 37.1 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 37.2 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been forfeited on a specified date:
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.
- 37.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- 37.4 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:
- (a) was, or would have become, payable; and
  - (b) had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

### **38. SURRENDER OF SHARES**

- 38.1 A shareholder may surrender any share:
- (c) in respect of which the directors may issue a notice of intended forfeiture;
  - (d) which the directors may forfeit; or
  - (e) which has been forfeited.
- 38.2 The directors may accept the surrender of any such share.
- 38.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

- 38.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

## **39. B CORPORATION**

- 39.1 The objects of the Company are to promote the success of the Company;
- (i) for the benefit of its members as a whole; and
  - (ii) through its business and operations, to have a material positive impact on (a) society and (b) the environment, taken as a whole.
- 39.2 A Director must act in the way he or she considers, in good faith, most likely to promote the success of the Company in achieving the objects set out in paragraph (1) above, and in doing so shall have regard (amongst other matters) to:
- a. the likely consequences of any decision of the Directors in the long term and the impact any such decision may have on any affected stakeholders,
  - b. the interests of the Company's employees,
  - c. the need to foster the Company's business relationships with suppliers, customers and others,
  - d. the impact of the Company's operations on the community and the environment and on affected stakeholders,
  - e. the desirability of the Company maintaining a reputation for high standards of business conduct and the impact this has on affected stakeholders, and
  - f. the need to act fairly as between members of the Company,
- (together, the matters referred to above shall be defined for the purposes of this Article as the "Stakeholder Interests" and each a "Stakeholder Interest").
- 39.3 For the purposes of a Director's duty to act in the way he or she considers, in good faith, most likely to promote the success of the Company, a Director shall not be required to regard the benefit of any particular Stakeholder Interest or group of Stakeholder Interests as more important than any other.
- 39.4 Nothing in this Article express or implied, is intended to or shall create or grant any right or any cause of action to, by or for any person (other than the Company).
- 39.5 The Directors of the Company shall, for each financial year of the Company, prepare and circulate to its members an impact report. The impact report shall contain a balanced and comprehensive analysis of the impact the Company's business has had, in a manner proportionate to the size and complexity of the business. The impact report shall contain such detail as is necessary to enable the members to have an understanding of the way in which the Company has promoted its success for the benefit of its members as a whole and, through its business and operations, sought to have a material positive impact on society and the environment, taken as a whole. If the Company is also required to prepare a strategic report under the Companies Act 2006, the Company may choose to publish the impact report as part of its strategic report and in accordance