

MUSH LIMITED

Company No:
09717799

The Companies Act 2006

On the 15th of December 2016 the following Written Resolution (such resolution being passed as a special resolution) was approved by the eligible members pursuant to sections 288 to 300 of the Companies Act 2006:

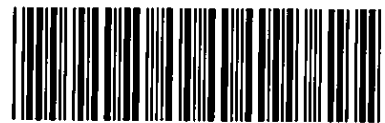
Special Resolution

"THAT the Articles of Association as circulated to the members and initialled by the directors of the Company for the purpose of identification be adopted as the new Articles of Association of the Company in substitution for and to the exclusion of, the existing Articles of Association.



.....
Director

WEDNESDAY



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29/03/2017

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COMPANIES HOUSE

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION**

MUSH LIMITED (the Company)

Adopted by a special resolution passed on 15/12 2016

1. INTRODUCTION

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

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).

Auditors means the auditors of the Company from time to time.

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 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).

Commencement Date means the date the relevant Founder commenced his employment with the Company pursuant to his respective Service Agreement.

Controlling Interest means an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

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

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

Effective Termination Date means the date on which the Founder's employment terminates.

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

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

Fair Value is as determined in accordance with Article 10.3.

Family Trust means as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto *are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons*).

Founders means Katherine Massie-Taylor and Sarah Hesz.

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

Investment Agreement means the investment agreement entered into between the Company, the Founders, the Investors and Mustard Seed on the Date of Adoption.

Investors means the persons named as investors in the Investment Agreement and their Permitted Transferees.

Investor Director has the meaning given in the Investment Agreement.

Investor Shares means the Shares held by the Investors and Mustard Seed from time to time.

Investor Majority means those persons holding together not less than 51% of Investor Shares.

Investor Majority Consent means the prior written consent of the Investor Director (or, if no Investor Director is appointed, prior written consent from the Investor Majority).

Investor Super Majority means those persons holding together not less than 75% of Investor Shares.

Investor Super Majority Consent means the prior written consent of the Investor Super Majority.

Member of the Same Group means as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.

Mustard Seed means Mustard Seed Impact Limited, an English company (no. 9418809) registered at Shropshire House 2-10 Capper Street, London WC1E 6JA.

New Securities means any shares or other securities convertible into, or carrying the right to subscribe for shares issued by the Company after the Date of Adoption (other than options to subscribe for Shares under any Share Option Plan).

NomineeCo means Crowdcube Nominees Limited (company number 09820478) or such replacement nominee to which it transfers its shares pursuant to Article 14.1;

Permitted Transfer means a transfer of shares made in accordance with Article 14.

Permitted Transferee means, in relation to:

- (a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust,
- (b) a Shareholder which is a company, a Member of the Same Group as that company,

- (c) an Investor, a Member of the Same Group as that Investor or any nominee of that Investor, and
- (d) in relation to NomineeCo, another third party trust company whose identity has been approved in writing by the Board (such approval not to be unreasonably withheld or delayed).

Privileged Relation in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual), means a spouse, civil partner, child or grandchild.

Service Agreements means the service agreements entered into between the Company and each Founder on the Date of Adoption.

Share Option Plan means any share option plan of the Company.

Shares means the ordinary shares of £0.01 each in the capital of the Company.

Shareholder means any holder of any Shares.

Transfer Notice shall have the meaning given to it in Article 9.1.

3. PROCEEDINGS OF DIRECTORS

- 3.1 The quorum for Directors' meetings shall be two Directors. Article 11(2) of the Model Articles shall not apply to the Company.
- 3.2 In the case of any equality of votes, the chairperson (as named in or appointed in accordance with the Investment Agreement) shall have a second or casting vote.

4. ALTERNATE DIRECTORS

Articles 15 and 25 to 27 of the model articles for public companies limited by shares contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company.

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. CONSENTS

6.1 The Company agrees that it shall not effect any of the following matters without first obtaining Investor Majority Consent:

- (a) alter or amend the Company's share capital
- (b) *pay any dividends or other distributions*
- (c) acquire any new business, shares or other securities
- (d) *permit a sale or initial public offering of the Company or any of its assets (including any part of the Business)*
- (e) wind up the Company or take any action leading to its winding up
- (f) sell or purchase any assets other than in the ordinary course of carrying on the Business
- (g) take on any debt other than in the ordinary course of carrying on the the Business
- (h) agree or establish any share option plan (but for the avoidance of doubt, once Investor Majority Consent is obtained to establish a share option plan, the grant of any options to employees pursuant to such plan shall not require further Investor Majority Consent)
- (i) implement or make any variation to the Company's share option arrangements or other employee incentivisation plans
- (j) take any action that results in or could lead to a change of control of the Company, or
- (k) take any action that might affect the applicability of the SEIS Provisions to the Company or any Investor.

6.2 The Company agrees that it shall not effect any of the following matters without first obtaining Investor Super Majority Consent:

- (a) amend the Company's Articles or memorandum of association
- (b) change the trade or nature of the Business

- (c) enter into any transaction or make any payment other than on an arm's length basis for the benefit of the Company, either of the Founders, any Director or Mustard Seed, or
 - (d) make changes to any class rights.
- 6.3 The rights in articles 6.1 and 6.2 and all other provisions of these Articles requiring Investor Majority Consent or Investor Super Majority Consent to any matter or conferring rights upon the Investors shall be class rights of the Investor Shares and any breach of, or non-compliance with, any of them shall be deemed to be a breach and variation of the class rights of the Investor Shares.
- 7. ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION**
- 7.1 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.
- 7.2 Unless otherwise determined by special resolution and with Investor Majority Consent, 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
 - (d) 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 (his **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.
- 7.3 On expiry of an offer made in accordance with Article 7.2 (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 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.

- 7.4 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.

8. TRANSFERS OF SHARES – GENERAL

- 8.1 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.
- 8.2 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.
- 8.3 The Directors shall (with Investor Majority Consent) 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 ITEPA election with the Company.

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

- 8.4 The Directors shall, 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, unless the Investors consent otherwise.
- 8.5 Articles 27 to 29 of the Model Articles regarding transmission of shares shall not apply to the Company.
- 8.6 Any transfer of a Share by way of sale which is required to be made under Articles 9, 11, 13 and 14 will be deemed to include a warranty that the transferor sells with full title guarantee.

9. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

- 9.1 Save where the provisions of Articles 9, 11, 13 and 14 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 and with Investor Majority Consent) (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 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, with Investor Majority Consent) (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, with Investor Majority Consent, 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 and any other Shareholder who has given or is deemed to have given a Transfer Notice (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 (his **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 number of Sale Shares, each Eligible Shareholder shall be allocated the number of Sale Shares applied for by him or
 - (b) if the total number of Sale Shares applied for is more than the available number of Sale Shares, each Eligible Shareholder shall be allocated his Proportionate Allocation or, if less, the number of Sale Shares for which he has applied
 - (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 in cash, payable immediately upon completion of the transfer of the Sale Shares.

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, deferral, conditionality, 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.

10. VALUATION OF SHARES

10.1 If no price is agreed between the Seller and the Board (with Investor Majority Consent) in respect of the Sale Shares pursuant to Article 9.1 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.

10.2 The Expert Valuer will be the Auditors unless this is not agreed by the Seller and the Board (with Investor Majority Consent) in which case it will be an independent firm of Chartered Accountants to be agreed between the Board (with Investor Majority Consent) 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 believes 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 the Expert Valuer was instructed in which case the Seller shall bear the cost.

11. COMPULSORY TRANSFERS – GENERAL

- 11.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors (with Investor Majority Consent).
- 11.2 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder save to the extent that, and at a time, the Directors may determine (with Investor Majority Consent).
- 11.3 If a Share remains registered in the name of a deceased Shareholder 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 (with Investor Majority Consent).
- 11.4 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 (with Investor Majority Consent) to do so, to give a Transfer Notice in respect of all the Shares registered in its name. This Article 11.4 shall not apply to a member that is an Investor.

12. DRAG-ALONG

- 12.1 If the holders of more than 90% of the Shares (the **Selling Shareholders**) wish to transfer all their interest in their Shares (the **Sellers' Shares**) to a bona fide proposed purchaser, independent of the Selling Shareholders, who has made an offer on arm's length terms (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 in accordance with the provisions of this Article 12 (a **Drag Along Sale**).
- 12.2 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 not later than 20 Business Days 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 12, 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 12), confirmation that the Proposed Purchaser is aware of and agrees to the limitations to any representations, warranties and indemnities to be given by the Called Shareholders (as described in Article 12.5) in connection with the Drag Along Sale and the proposed date of transfer, which shall be the same as the date of the completion of the transfer of the Sellers' Shares.
- 12.3 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 20 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.
- 12.4 The consideration (in cash) 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.
- 12.5 The Called Shareholders shall not be obliged to sell the Called Shares unless:
 - (a) the only representations and warranties to be made by the Called Shareholders in connection with the proposed Drag Along Sale are limited to representations and warranties relating to authority, ownership and the ability to legally convey title to the Called Shares

- (b) the Called Shareholders shall not be liable for the inaccuracy of any representation or warranty made by any other person in connection with the proposed Drag Along Sale, other than the Company
- (c) the liability and any indemnities given by the Called Shareholders in connection with the Drag-along Sale is several and not joint with any other person and is pro rated in proportion to the amount of consideration to be paid to the Called Shareholders under the terms of the proposed Drag Along Sale, and
- (d) the liability of each Called Shareholder shall be limited to a negotiated aggregate indemnification amount that applies equally to all Called Shareholders but that in no way exceeds the total amount of consideration payable to that Called Shareholder in connection with the Drag Along Sale.

Nothing in this Article 12.5 purports to limit the liability of the Called Shareholders for fraud or fraudulent misrepresentation.

- 12.6 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 12.
- 12.7 Within 10 Business Days of the Company serving a valid Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser, together with the relevant share certificate(s) (or an indemnity for lost certificate in a form acceptable to the Directors) to the Company, which the Company shall hold on behalf of the Called Shareholders and not release until the completion of the transfer of the Called Shares and after it has received on their behalf cleared funds for the total amounts due to them under Article 12.4. On the completion of the transfer of the Called Shares the Company shall simultaneously pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 12.4. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 12.4 in trust for the Called Shareholders without any obligation to pay interest.
- 12.8 To the extent that the Proposed Purchaser has not, on the expiration of such 10 Business Day period outlined in Article 12.7, put the Company in funds to pay the amounts due pursuant to Article 12.4, 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 12 in respect of their Shares.
- 12.9 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 10 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)) provided that the Proposed Purchaser has, at the expiration of that 10 Business Day period, put the Company in funds to pay the full amounts due pursuant to Article 12.4 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 12.4.
- 12.10 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.
- 12.11 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.

13. TAG ALONG

- 13.1 The provisions of Article 13.2 to Article 13.5 shall apply if the holder or holders of at least 50% of the Shares in issue for the time being (the **Tag Along Seller(s)**) proposes to transfer the Shares to a purchaser (the **Proposed Transfer**) and such transfer would, if carried out, result in such person (the **Tag Along Buyer**) acquiring a Controlling Interest in the Company.
- 13.2 Before making a *Proposed Transfer*, the Tag Along Seller shall procure that the Tag Along Buyer makes an offer (the **Tag Along Offer**), open for acceptance for at least 20 Business Days, to all other persons who hold Shares (the **Continuing Shareholders**) in respect of all of the Shares held by them for a consideration in cash per Share (payable in full on completion of the transfer of the Shares, without deferral, retention, conditionally or adjustment) that is at least equal to the price per Share offered by the Tag Along Buyer in the Proposed Transfer (Specified Price).
- 13.3 The Tag Along Offer shall be made by written notice (the **Offer Notice**), at least 20 Business Days before the proposed transfer date (the **Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Tag Along Buyer
 - (b) the Specified Price
 - (c) the *Transfer Date*, and
 - (d) the number of Shares proposed to be purchased by the Tag Along Buyer (the **Offer Shares**)
- but the Tag Along Offer shall not contain any other terms or conditions.
- 13.4 If the Tag Along Buyer fails to make the Offer in accordance with Article 13.2 to Article 13.5, the Tag Along Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 13.5 If the Tag Along Offer is accepted by any Continuing Shareholders in writing within 20 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such Continuing Shareholders.
- 13.6 Any transfer of Shares to a Tag Along Buyer pursuant to a sale in respect of which a Offer Notice has been duly served shall not be subject to the provisions of Article 9.

14. PERMITTED TRANSFERS OF SHARES

- 14.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its shares to a Permitted Transferee.
- 14.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
- (a) the Original Shareholder, or
 - (b) any Privileged Relation(s) of the Original Shareholder.
- 14.3 If the Original Shareholder is a company and a Permitted Transfer has been made, the Permitted Transferee shall, within 14 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to the Original Shareholder or to a Member of the Same Group as the Original Shareholder (which in either case is not in liquidation) without any price or other restriction. If the Permitted Transferee fails to make such a transfer, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the 14 day period.
- 14.4 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of such person)

shall within 14 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either 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 give a Transfer Notice to the Company in accordance with Article 9. If the Permitted Transferee fails to make such a transfer, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the 14 day period.

14.5 A Beneficial Owner shall be entitled at any time to transfer the beneficial interest in the Shares held on trust for him by NomineeCo without restriction to:

- (a) a Privileged Relation of that Beneficial Owner; or
- (b) any other Beneficial Owner,

provided in each case that the legal title in such Shares continues to be held by NomineeCo.