

THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY SHARE

ARTICLES OF ASSOCIATION
OF

HELLO SOLO LIMITED (the "Company")

(Company Number: 10562037)

(Adopted by special resolution passed on 21st June 2019)

1. Interpretation

1.1. In these Articles, unless the context otherwise requires:

A Ordinary Shares	means the A Ordinary Shares in the capital of the Company and A Ordinary Shareholder means a holder of any of those shares;
Accepting Shareholder	has the meaning given in Article 15.5;
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);
Articles	means the Company's Articles of Association;
B Investment Shares	means the B Investment Shares in the capital of the Company and B Investment Shareholder means a holder of any of these shares;
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;
Buyer	has the meaning given in Article 15.1;
Called Shares	has the meaning given in Article 16.2.1;
Called Shareholder	has the meaning given in Article 16.1;
Civil Partner	means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;
Common Law Partner	a person (whether of a different sex or the same sex) with whom a Shareholder lives as partner in an enduring family relationship;

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Companies Act	the Companies Act 2006;
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;
Convertible Securities	has the meaning given in Article 15.2.3;
Date of Adoption	means the date on which these Articles were adopted;
Directors	means the directors of the Company from time to time, and Director means any one of them;
Drag Along Notice	has the meaning given in Article 16.2;
Drag Along Option	has the meaning given in Article 16.1;
Drag Buyer	has the meaning given in Article 16.1;
Drag Completion Date	has the meaning given in Article 16.5;
Drag Consideration	has the meaning given in Article 16.3;
Drag Documents	has the meaning given in Article 16.5;
Employee	means an individual who is employed by or who provides consultancy services to, the Company;
Equity Securities	has the meaning given in sections 560(1) to (3) inclusive of the Companies Act;
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;
Financial Year	an accounting reference period (as defined in section 391 of the Companies Act) of the Company;
Founder Shareholder	Charlotte Spokes;
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 (SI 2008/3229);
New Securities	means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 12.6);
New Shareholder	has the meaning given in Article 16.10;

Offer	has the meaning given in Article 15.2;
Offer Notice	has the meaning given in Article 15.3;
Offer Period	has the meaning given in Article 15.3;
Offer Shares	has the meaning given in Article 15.3.4;
Original Shareholder	has the meaning given in Article 14.1;
Permitted Transferee	means, in relation to: (a) a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies; and (b) a Shareholder which is an undertaking (as defined in section 1161(1) of the Companies Act), any Member of the same Group;
Price	has the meaning given in Article 13.1.2.2;
Privileged Relations	means in relation to a Shareholder who is an individual member or deceased or former member means: (a) a spouse; (b) a Civil Partner; (c) <i>Common Law Partner</i> ; and (d) child or grandchild (including step or adopted or illegitimate child and their issue);
Proposed Buyer	means a bona fide arm's length buyer;
Proposed Transfer	has the meaning given in Article 15.1;
Purchase Notice	has the meaning given in Article 13.1.4;
Purchasing Shareholder	has the meaning given in Article 13.1.4;
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 CTA 2010);
Sale Agreement	has the meaning given in Article 16.2.5;
Sale Date	has the meaning given in Article 15.3;
Sale Documents	has the meaning given in Article 15.6;
Sellers' Shares	has the meaning given in Article 16.1;
Selling Shareholder	has the meaning given in Article 16.1;
Shareholders	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;
Shares	all or any Shares in the Company;

Specified Price	has the meaning given in Article 15.2.3;
Subscribers	has the meaning given in Article 12.2;
Subscription Period	has the meaning given in Article 12.2.1;
Transaction Expenses	any fees, costs and expenses, payable in respect of such Share sale pursuant to Article 16 as approved by the holders of a majority percentage of the A Ordinary Shares in issue from time to time;
Transfer Notice	has the meaning given in Article 13.1.1;
Transfer Offer Period	has the meaning given in Article 13.1.3;
Transferring Shares	has the meaning given in Article 13.1.1;
Transferring Shareholder	has the meaning given in Article 13.1.1;
Trust	A Family Trust or any other trust whereby legal title of shares of the Original Shareholder are held on trust by a third party trustee subject to a declaration of trust including without limitation, a nominee;
Trustees	means in relation to a Shareholder means the trustee or the trustees of a Trust.

- 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 Companies 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:
 - 1.5.1. any subordinate legislation from time to time made under it; and
 - 1.5.2. 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 following those terms.
- 1.7. The singular includes the plural, the masculine includes the feminine and, in each case, vice versa.
- 1.8. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 1.9. Articles 6(2), 9(1), 12, 13, 14, 16, 17(2), 24, 39, 43, 52 and 53 of the Model Articles shall

not apply to the Company.

2. Quorum for general meetings

The quorum for a general meeting shall be at least 1 Shareholder holding a majority of the A Ordinary Shares.

3. Calling a directors' meeting

Any director may call a directors' meeting by giving not less than 5 (five) Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

4. Directors' conflicts of interest

If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director shall be counted as participating in the decision-making process for quorum or voting purposes, provided that he has declared the nature and extent of such interest as required by the Companies Act.

5. Quorum for directors' meetings

5.1. In the absence of the directors fixing the quorum necessary for the transaction of the business of the directors generally, the quorum shall be 1 (one) and article 11(2) of the Model Articles shall be modified accordingly.

5.2. For the purposes of any directors' meeting (or part of a meeting) held to authorise a director's conflict, if there is only one director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one.

5.3. Whenever the minimum number of the directors shall be one pursuant to the provisions of Article 7, a sole director shall have authority to exercise all the powers and discretions which are expressed by the Model Articles and by these Articles to be vested in the directors generally and article 11(3) of the Model Articles shall be modified accordingly.

6. Chairing of directors' and general meetings

The chairperson of the Company, who shall be a director of the Company, shall be elected to and removed from office by way of an ordinary resolution of the Company in general meeting. The chairperson shall act as a chairperson of both board meetings and general meetings of the Company, provided that if the chairperson of the Company is not present within five minutes after the time appointed for the relevant meeting and willing to act, the directors present may appoint one of their number to be chairperson of the meeting.

7. Number of directors

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall not be less than one.

8. Casting vote

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

9. Methods of appointing directors

9.1. A shareholder or shareholders holding a majority of the voting rights in the Company shall have power at any time, and from time to time, to appoint any person to be a director, either as an additional director or to fill a vacancy and to remove from office any director howsoever appointed. Any such appointment or removal shall be made by notice in writing to the Company signed by the shareholder or shareholders making the same or, in the case of a shareholder being a corporate body, signed by one of its directors or duly authorised officers or by its duly authorised attorney and shall take effect upon lodgement of such notice at the Company's registered office.

9.2. In any case where, as a result of death, the Company has no shareholders and no directors,

the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a natural person (including but not limited to any of the personal representatives) to be a director.

- 9.3. In any case where the Company has no director able to fulfil their role as director as a result of incapacity, the authorised representatives (including but not limited to an attorney or a deputy) of any such director have the right, by notice in writing, to appoint a natural person (including but not limited to the attorney or deputy) to be a director.

10. Termination of a director's appointment

The Model Articles shall be amended by the insertion of the following additional sub-article (g) at the end of article 18:-

"(g) he is removed from office as a director pursuant to Article 9.1."

11. Directors' expenses

- 11.1. Article 20 of the Model Articles shall be amended by the insertion of the words "and the secretary (if any)" before the words "properly incur".
- 11.2. The directors may provide pensions, annuities, gratuities or any other benefits whatsoever to or for directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in the Act) of the Company and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers. Article 19(3) of the Model Articles shall be modified accordingly.

12. Further issues of Shares: pre-emption rights

- 12.1. Sections 561(1) and 562(1) to (5) (inclusive) of the Companies Act do not apply to an allotment of Equity Securities made by the Company.
- 12.2. 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 A Ordinary 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 A Ordinary Shareholders (as nearly as may be without involving fractions). The offer:
- 12.2.1. 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
- 12.2.2. 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.
- 12.3. 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 has 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).
- 12.4. 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.

- 12.5. Subject to the requirements of Articles 12.2 to 12.4 (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.
- 12.6. The provisions of Articles 12.2 to 12.5 (inclusive) shall not apply to:
- 12.6.1. 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 A Ordinary Shares in issue from time to time; or
- 12.6.2. further issues of New Securities where each A Ordinary Shareholder is notified by the Board in advance and is entitled to participate via investing through the Crowdcube Ltd website (or any other crowdfunding platform).
- 12.7. 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 ITEPA election with the Company if so required by the Company.

13. Transfer of Shares: pre-emption rights

- 13.1. Subject to Article 13.3 and Articles 14 to 16 (inclusive), A Ordinary Shareholders shall not transfer any A Ordinary Shares, except in the circumstances set out in Articles 13.1.1 to 13.1.8 (inclusive) 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 A Ordinary Share, if it has not been transferred in accordance with Articles 13.1.1 to 13.1.8 (inclusive).
- 13.1.1. Any A Ordinary Shareholder who wishes to transfer any A Ordinary 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 in the following order of priority:-
- 13.1.1.1. firstly for so long as the Founder Shareholder holds A Ordinary Shares to the Founder Shareholder; and
- 13.1.1.2. then, any Transferring Shares in respect of which the Founder Shareholder has not served a Purchase Notice in accordance with Article 13.1.4, to the existing A Ordinary Shareholders,
- by giving irrevocable written notice to the Company (a **"Transfer Notice"**).
- 13.1.2. The Transfer Notice shall specify:
- 13.1.2.1. the number of Transferring Shares the Transferring Shareholder wishes to transfer; and
- 13.1.2.2. 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 13.1.6 and 13.1.7, in which case the Transfer Notice shall not specify a price) (the **"Price"**).
- 13.1.3. Upon receipt of the Transfer Notice, the Board shall, as soon as reasonably practicable, offer the Transferring Shares in the order set out in Article 13.1.1, inviting the relevant A Ordinary Shareholders to state by notice in writing to the Company within 10 Business Days of the said offer (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 A Ordinary Shares

held by them respectively.

- 13.1.4. Each A Ordinary Shareholder who wishes to purchase the shares offered to him in accordance with Article 13.1.3 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.
- 13.1.5. Any Transferring Shares not accepted pursuant to Articles 13.1.4 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.
- 13.1.6. 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.
- 13.1.7. 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.
- 13.1.8. Following completion of the procedure in respect of the Transferring Shares set out in Articles 13.1.1 to 13.1.7, 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.
- 13.2. The provisions of Article 13.1 above shall not apply with regard to B Investment Shares. Any B Investment Shareholder shall be entitled to transfer or transmit B Investment Shares to such persons and at such prices as they see fit, provided that such transfer is in respect of the B Investment Shareholder's entire holding of B Investment Shares to a single transferee (except with the prior sanction of a resolution of the Board).
- 13.3. The Founder Shareholder shall be entitled to transfer one or more of her Shares to any Employee(s) on such terms as she may in her sole discretion determine, free from any pre-emption rights set out in these Articles or otherwise.
- 14. Permitted Transfers**
- 14.1. An A Ordinary 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.
- 14.2. Shares previously transferred as permitted by Article 14.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 14.3. 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.

- 14.4. 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.
- 14.5. 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.
- 14.6. No transfer of Shares may be made to Trustees unless the Board is satisfied:
- 14.6.1. with the terms of the trust instrument and in particular with the powers of the trustees;
 - 14.6.2. with the identity of the proposed trustees;
 - 14.6.3. 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
 - 14.6.4. 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.
- 14.7. 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.
- 14.8. If a Permitted Transferee who is either a spouse, Civil Partner or *Common Law Partner* of the Original Shareholder, ceases to be a spouse, Civil Partner or *Common Law Partner* of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
- 14.8.1. 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
 - 14.8.2. give a Transfer Notice to the Company in accordance with Article 13.1.1, failing which he shall be deemed to have given a Transfer Notice.
- 14.9. On the death (subject to Article 14.3), 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.
- 15. Tag along rights on a change of control**

- 15.1. The provisions of Articles 15.2 to 15.6 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.
- 15.2. Before making a Proposed Transfer, each Shareholder proposing to transfer Shares shall procure that the Buyer makes an offer ("**Offer**") to:
- 15.2.1. the other Shareholders to purchase all of the Shares held by them;
 - 15.2.2. 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
 - 15.2.3. 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**").
- 15.3. 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:
- 15.3.1. the identity of the Buyer;
 - 15.3.2. the amount, form and timing of consideration payable and any other terms and conditions applicable;
 - 15.3.3. the Sale Date; and
 - 15.3.4. the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**").
- 15.4. If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 15.2 and 15.3, 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.
- 15.5. 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.
- 15.6. 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 15 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 15.
- 16. Drag Along Option**
- 16.1. If the holders of a majority percentage of the A Ordinary 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 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.

16.2. The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall 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:

- 16.2.1. that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article;
- 16.2.2. the person to whom they are to be transferred;
- 16.2.3. the amount and form of consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);
- 16.2.4. the proposed date of the transfer, and
- 16.2.5. 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 16.2.2 to 16.2.4 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.

16.3. 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**").

16.4. 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 if so necessary) in receipt of the Drag Consideration when due.

16.5. 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:

- 16.5.1. duly executed stock transfer form(s) for its Shares in favour of the Drag Buyer;
- 16.5.2. the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
- 16.5.3. 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**").

16.6. 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.

- 16.7. 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 16 will continue to apply.
- 16.8. 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 16 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.
- 16.9. 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 13.
- 16.10. On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option 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.

17. Rights attaching to Shares

- 17.1. The share capital of the Company shall comprise A Ordinary Shares and B Investment Shares. The A Ordinary Shares and B Investment Shares shall rank pari passu in all respects, save as provided in these Articles.
- 17.2. The A Ordinary Shares shall each carry one vote. The holders of A Ordinary Shares shall have the right to receive notices of any general meetings and to attend, speak and vote at such general meetings. The B Investment Shares shall have no voting rights attached to them, and holders of B investment Shares shall not have the right to receive notices of any general meetings, or the right to attend at such general meetings.
- 17.3. Save as resolved by the Board, no declared dividend shall be payable in respect of any Shares unless and until the amount of such dividend when aggregated with all dividends then payable to the holder of such Shares exceeds the sum of £10.
- 17.4. All the dividends declared but not paid to a Shareholder pursuant to Article 17.3 as a result of the cumulative value not exceeding £10 ("**Withheld Dividends**") shall be held by the Company as dedicated retained dividends on trust for those holders of Shares so entitled to the Withheld Dividends. Withheld Dividends shall be payable to the holders of Shares so entitled on the earlier of a transfer of the Shares to which the Withheld Dividends relate, a winding up of the Company or the cumulative value of such Withheld Dividends exceeding £10.
- 17.5. Further to Article 11.4 the Company shall notify each Shareholder whose accumulated

entitlement to Withheld Dividends is less than £10 with a running total of their accumulated dividends on request by each holder of Shares so entitled to Withheld Dividends and each time a dividend is declared.

18. Variation of class rights

- 18.1. Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated, either whilst the Company is a going concern or in contemplation of a winding up, with the consent of the holders of the issued shares of that class given in accordance with Article 18.2
- 18.2. The consent of the holders of a class of shares may be given by:
- 18.2.1. a special resolution passed at a separate general meeting of the holders of the issued shares of that class; or
 - 18.2.2. a written resolution in any form signed by or on behalf of the holders of three-quarters in nominal value of the issued shares of that class,

but not otherwise. To every such meeting, all the provisions of these article and the Companies Act relating to general meetings of the Company shall apply (with such amendments as may be necessary to give such provisions efficacy) but so that the necessary quorum shall be two holders of shares of the relevant class present in person or by proxy and holding or representing not less than one third in nominal value of the issued shares of the relevant class; that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and that any holder of shares of the class, present in person or by proxy or (being a corporation) by a duly authorised representative, may demand a poll. If at any adjourned meeting of such holders such a quorum as aforesaid is not present, not less than one holder who is present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum.

19. Electronic communication

- 19.1. Without prejudice to Article 48 of the Model Articles, notices and any other communications sent or supplied, by or to Shareholders or Directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Companies Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such Shareholder or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such Shareholders or Directors).
- 19.2. For the purposes of Article 19.1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by Shareholders or Directors are up to date and current, and it is the sole responsibility of each Shareholder and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all Shareholders and Directors agree that the Company has no responsibility to any Shareholder or Director who fails to receive any notice or other communication as a result of the Shareholder or Director failing to comply with this Article 19.2.
- 19.3. When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Companies Act.
- 19.4. Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and any notice or communication

sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission.

- 19.5. The Company's obligation to send or supply any notice or communication to Shareholders or Directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control.
- 19.6. Each Shareholder and Director shall, for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Companies Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website.

20. Share certificates

- 20.1. The conditions of issue of any Shares shall not require the Company to issue any Share certificate although the Board may resolve to do so.
- 20.2. The Company shall not be bound to issue more than one certificate in respect of Shares held jointly by two or more persons. Delivery of a certificate to the person first named in the register shall be sufficient delivery to all joint holders.
- 20.3. If the Board resolves to issue a Share certificate it may be issued in electronic format, under seal (by affixing the seal to or printing the seal or a representation of it on the certificate) or signed by at least one Director in the presence of a witness. Such certificate shall specify the number and class of the Shares in respect of which it is issued and the amount or respective amounts paid up on it. *The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any Share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be issued under seal or signed by any person.*
- 20.4. Every Share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any Share certificate lost or delayed in the course of delivery.

21. Directors' indemnity

- 21.1. Subject to Article 20.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - 21.1.1. each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a relevant officer in the actual or purported execution and/or discharge of their duties, or in relation to them including any liability incurred by him or her in defending any civil or criminal proceedings in which judgment is given in their favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part or in connection with any application in which the court grants them, in their 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
 - 21.1.2. the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in Article 20.1.1 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 Act or by any other provision of law.

- 21.3. In this Article 20 and in Article 21, companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

22. Insurance

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 loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.