

**Company number 11278378**  
**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**WATKINS DRINKS LIMITED**  
**(Adopted by special resolution passed on 28 May 2021)**

**INTRODUCTION**

**1. INTERPRETATION**

1.1 The following definitions and rules of interpretation apply in these Articles:

**Act:** 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).

**Adoption Date:** the date of adoption of these Articles.

**Articles:** the Company's articles of association for the time being in force.

**Associated Government Entities:** means

- (a) Any UK Government departments , including their executive agencies, other subsidiary bodies and other parts of the 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

**Available Profits:** profits available for distribution within the meaning of part 23 of the Act.

**Bad Leaver:** a Founder who ceases to be a director and/or employee as a consequence of:

- (a) such Founder's resignation as a director or employee at any time during the period of three years after the Adoption Date ,except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect; or
- (b) that Founder 's dismissal as an employee for cause, where "cause" shall mean:
  - (i) the lawful termination of the Founder's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct; and/or
  - (ii) the Founder's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996.

**Beyond Impact:** Beyond Impact Vegan Partners LP.

**Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

**Chairman:** has the meaning given to it in article 5.4.

**CLA:** The Convertible Loan Agreement made 2 July 2020 between 1) the Company 2) the Future Fund and 3) several others

**Company:** means Watkins Drinks Limited (Company number 11278378).

**Company's Lien:** has the meaning given to it in article 23.1.

**connected:** has the meaning given in section 252 of the Act.

**Controlling Interest:** 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.

**Deemed Transfer Notice:** a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

**Departing Founder:** a Founder who ceases to be a director or employee.

**Directors:** the directors of the Company from time to time.

**Disposal:** the disposal by the Company of all, or a substantial part of, its business and assets.

**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).

**Equity Shares:** the Ordinary Shares and the Ordinary A Shares.

**Exit:** a Share Sale, a Disposal or a Listing.

**Fair Value:** has the meaning given in article 16.2.

**Family Trust:** 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).

**Financial Year:** an accounting reference period (as defined in section 391 of the Act) of the Company.

**First Offer Shareholders:** the holders of Ordinary Shares and Ordinary A Shares

**Founder:** Nicholas Watkins and Thomas Watkins.

**Future Fund:** UK FF Nominees Limited (company number 12591650) registered office Level 37 25 Canada Square London E14 5LQ

**Good Leaver:** a Founder who ceases to be a director and /or employee and who is not a Bad Leaver.

**Independent Expert:** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 5 Business Days of the expiry of the 10 Business Day period referred to in article 16.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

**Institutional Investor:** a 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.

**Investment Agreement:** means the agreement dated 24 December 2019 amongst Seedrs Limited, Seedrs Nominees Limited, the Investors (as defined therein), the Founders and the Company as amended by a deed of subscription, variation and adherence dated on or around the Adoption Date amongst the Shareholders (as defined therein), the Noteholders (as defined therein), the Investors (as defined therein) the Lenders (as defined therein) and others

**Investor:** has the meaning given in the Investment Agreement.

**Investor Consent:** means the prior written consent of the Senior Investors

**Investor Director:** has the meaning given in article 5.1.

**Issue Price:** in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.

**Lien Enforcement Notice:** means a notice in writing which complies with the requirements of article 24.2.

**Listing:** the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).

**Member of the Same Group:** 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.

**Member of the Same Fund Group:** if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **Investment Fund**) or a nominee of that person:

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any Investment Fund managed by that Fund Manager [or a Fund Manager which is a Member of the Same Group as that Fund Manager];
- (c) any trustee, nominee or custodian of such Investment Fund and vice versa;
- (d) the Fund Manager of that Investment Fund [or a Fund Manager of any other Investment Fund which is a Member of the Same Fund Group as that Investment Fund (or a nominee of any such Fund Manager)] and vice versa; or
- (e) any Member of the same Group as that Fund Manager.

**Model Articles:** the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date.

**Ordinary A Shares:** the ordinary A shares of £0.001p each in the capital of the Company.

**Ordinary Shares:** the ordinary shares of £0.001p each in the capital of the Company.

**Original Shareholder:** has the meaning given in Article 14.1.

**Permitted Transfer:** a transfer of Shares made in accordance with article 14.

**Permitted Transferee:** 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; and
- (c) an Investor, to
  - (i) a Member of the Same Fund Group as that Investor, or
  - (ii) a Member of the Same Group as that Investor, or
  - (iii) any nominee of that Investor (or of a Member of the Same Fund Group as that Investor) or
  - (iv) to any other Investor; or
  - (v) to any other Institutional Investor

**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 (as defined

in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).

**Sale Proceeds:** means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale).

**Sale Shares:** has the meaning given in article 15.2 (a)

**Second Offer Shareholders:** the holders of the Ordinary Shares and the Ordinary A Shares

**Seller:** has the meaning given in article 15.2.

**Senior Investors:** has the meaning given in the Investment Agreement

**Shareholder:** a holder for the time being of any Share or Shares.

**Shares:** shares (of any class) in the capital of the Company and 'Share' shall be construed accordingly.

**Share Sale:** the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.

**Termination Date:**

- (a) where employment ceases by virtue of notice given by the Company to the Founder, the date on which notice of termination was served;
- (b) where a contract of employment is terminated by the Company and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where a Founder dies, the date of his death;
- (d) where the Founder concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the Company is terminated; or

in any other case, the date on which the employment or holding of office is terminated.

**Transfer Notice:** has the meaning given in article 13.

**Transfer Price:** has the meaning given in article 16.1.

1.2 Headings in these Articles shall not affect the interpretation of these Articles.

1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.

- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 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 (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
- (a) an **Article** is a reference to the relevant numbered article of these Articles; and
  - (b) a **model article** is a reference to the relevant article,
- unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 2. ADOPTION OF THE MODEL ARTICLES**
- 2.1 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.

## DIRECTORS

### **3. NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two.

### **4. PROCEEDINGS OF DIRECTORS**

- 4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 4.1 (subject to article 4.3 and article 4.4).

- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with article 4.1 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.
- 4.4 A decision may not be taken in accordance with article 4.1 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 4.6 and article 4.7.
- 4.5 Meetings of the Directors shall take place at least four times in each year, with a period of not more than 12 weeks between any two meetings. Any Director may call a meeting of the Directors. At least five Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent of an Investor Director, when meetings of the Directors may take place less frequently or on shorter notice).
- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must include the Investor Director in office for the time being, unless:
- (a) there is no Investor Director in office for the time being; or
  - (b) such Investor Director has, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting; or
  - (c) such Investor Director is not, in respect of any particular meeting (or part of a meeting), an Eligible Director.

in which case, the quorum for such meeting (or part of the meeting, as the case may be) shall be any two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.

- 4.7 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a Conflict (as defined in article 7.1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 4.8 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:
- (a) appoint further Directors; or
  - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.

- 4.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall not have a second or casting vote
- 4.10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

## **5. INVESTOR DIRECTOR, CHAIRMAN**

- 5.1 For so long as Beyond Impact holds Ordinary A Shares it shall have the right from time to time to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a Director (**an Investor Director**) and to remove any such Investor Director and to appoint a replacement.
- 5.2 Any appointment or removal of an Investor Director made in accordance with article 5.1 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice.
- 5.3 An Investor Director shall be entitled to be appointed to any committee of the Directors established from time to time.
- 5.4 The Directors may, with the consent of the Investor Director, appoint any person as chairman of the board of Directors (Chairman) and may, with the consent of the Investor Director, remove and replace any such Chairman

## **6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;



- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 7. DIRECTORS' CONFLICTS

7.1 The Directors may, in accordance with the requirements set out in this article 7 authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this article 7 will be effective only if:

- (a) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (b) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

7.3 Any authorisation of a Conflict under this article 7 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 or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from

reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

- 7.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 7.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 7.1 shall be necessary in respect of any such interest.
- 7.7 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be voided on such grounds.

## **8. SECRETARY**

The Directors may 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.

## **SHARES AND DISTRIBUTIONS**

### **9. DIVIDENDS**

- 9.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay such dividends as the Directors shall decide subject to Investor Director consent.
- 9.2 Subject to the Act, the Directors may pay interim dividends provided that:
- (a) the Available Profits of the Company justify the payment; and
  - (b) the Investor Director consents to any such interim dividend.
- 9.3 Each dividend shall be distributed to the Shareholders *pro rata* according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.

**10. CLASS RIGHTS ON A LIQUIDATION OR EXIT**

- 10.1 Subject to Article 10.2 on a distribution of assets on liquidation, capital reduction or otherwise and on any Exit, the net proceeds shall be payable *pro rata* to the holders of the Ordinary Shares and the Ordinary A Shares as if they constituted one class of share.
- 10.2 Should the sum due to the holders of the Ordinary A Shares pursuant to Article 10.1 be less than the aggregate of 1) the amount paid for the Ordinary A Shares by such holders and 2) any declared but unpaid dividends, then the right to receive the proceeds of the distribution or Exit as set out in Article 10.1 shall be amended so that firstly the holders of the Ordinary A Shares together receive (pro rata to the number of Ordinary A Shares held by them) such net proceeds; and only where such net proceeds exceed the amount equal to the aggregate of 1) the amount paid for the Ordinary A Shares (including premium) and 2) any declared but unpaid dividends, shall secondly the balance be due to the holders of the Ordinary Shares.

**11. VARIATION OF CLASS RIGHTS**

- 11.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class.

**12. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

- 12.1 Save to the extent authorised by these Articles, the Directors shall not, save with Investor Consent, exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares.
- 12.2 Subject to the remaining provisions of this article 12 the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:
- (a) offer or allot;
  - (b) grant rights to subscribe for or to convert any security into; and
  - (c) otherwise deal in, or dispose of,
- any shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.
- 12.3 The authority referred to in article 12.2
- (a) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
  - (b) may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement

which would, or might, require any shares to be allotted after the expiry of such authority (and the Directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).

- 12.4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 12.5 If the Company proposes to allot any shares (**New Shares**) no New Shares shall be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of all the shares then in issue (each an **Offeree**) on a *pari passu* basis (as if they constituted shares of the same class) and in the respective proportions that the number of shares held by each such holder bears to the total number of shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those New Shares are being, or are to be, offered to any other person.
- 12.6 An offer made under article 12.5 shall:
- (a) be in writing and give details of the number, class and subscription price (including any share premium) of New Shares being offered;
  - (b) remain open for a period of 15 Business Days from the date of service of the offer; and
  - (c) stipulate that any Offeree who wishes to subscribe for a number of New Shares in excess of the number to which he is entitled under article 12.5 shall, in his acceptance, state the number of excess shares (**Excess Shares**) for which he wishes to subscribe.
- 12.7 If, on the expiry of an offer made in accordance with article 12.5 the total number of New Shares applied for is less than the total number of New Shares so offered, the Directors shall allot the New Shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 12.8 Any New Shares not accepted by Offerees pursuant to an offer made in accordance with article 12.5 shall be used to satisfy any requests for Excess Shares made pursuant to article 12.6(c). If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants in the respective proportions that the number of shares held by each such applicant bears to the total number of shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Shares shall, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 12.9 No Shares shall be allotted to any current or prospective employee or director of the Company unless such person shall first have entered into a joint election with the relevant Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

### **13. TRANSFERS OF SHARES: GENERAL**

13.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal 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.

13.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to article 13.5 the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

13.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.

13.4 The Directors may shall, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of the Investment Agreement in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 13.4 the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.

13.5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors shall require:

- (a) any holder (or the legal representatives of a deceased holder); or
- (b) any person named as a transferee in a transfer lodged for registration; or
- (c) such other person as the Directors may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.

13.6 If any such information or evidence referred to in article 13.5 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares of that fact in writing and , if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then,

- (a) the relevant shares shall cease to confer on the holder of them any rights:
  - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of shares;

- (ii) to receive dividends or other distributions or
- (iii) to participate in any future issue of shares; and
- (b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in article 13.6 (a) any Shares transferred pursuant to article 13.7 (b) on completion of a transfer made pursuant to article 13.7 (b)

13.7 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:

- (a) it does not contain a Minimum Transfer Condition; and
- (b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

13.8 Any Transfer Notice or a Drag Along Notice served in respect of the transfer of any share which has not completed before the date of service of a Deemed Transfer Notice shall be automatically be revoked by the service of a Deemed Transfer Notice.

#### **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;
- (b) any Privileged Relation(s) of the Original Shareholder;
- (c) subject to article 14.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
- (d) subject to article 14.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

14.3 A transfer of Shares may only be made to the trustees of a Family Trust if the Directors are satisfied with the identity of the proposed trustee(s);

14.4 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 5 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

- (a) the Original Shareholder; or
- (b) 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 a transfer in accordance with this article 14.4 a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 14.4.

- 14.5 If the Original Shareholder is an Investment Fund (or nominee of such person) and a Permitted Transfer has been made, the Permitted Transferee shall, within 5 of Business Days of ceasing to be a Member of the Same Fund Group as the Original Shareholder, transfer the Shares held by it to:

- (a) the Original Shareholder; or
- (b) a Member of the Same Fund 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 a transfer in accordance with this article 14.5, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 14.5.

- 14.6 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 any such person), shall within 5 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) 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 15

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 14.6.

- 14.7 In respect of any shares held by Seedrs Nominees Limited, the following transfers shall be permitted without any restriction as to price, requirement to offer on a pre-emptive basis or otherwise:

- (a) any transfer of the shares to any person who is the beneficial owner of such shares;
- (b) any transfer of the shares to any person who is to hold the shares as nominee for the beneficial owner in substitution for the then registered shareholder; and
- (c) any transfer of the beneficial ownership of such share, where the identity of the registered legal shareholder remains the same before and immediately after such transfer of beneficial ownership.

14.8 In respect of any shares held by the Future Fund the following transfers shall be permitted without any restriction as to price, requirement to offer on a pre-emptive basis or otherwise :-

- (a) Any transfer to an Institutional Investor that is acquiring the whole or part (being no fewer than 10 companies including the Company) of the 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 CLA provided always that such transaction is bona fide in all respects
- (b) Any transfer to any Associated Government Entity

14.9 In respect of any shares held by Beyond Impact or its nominee the following transfers shall be permitted without any restriction as to price, requirement to offer on a pre-emptive basis or otherwise:

- (a) any transfer of the shares to any person who is the beneficial owner of such shares;
- (b) any transfer of the shares to any person who is to hold the shares as nominee for the beneficial owner in substitution for the then registered shareholder; and
- (c) any transfer of the beneficial ownership of such share, where the identity of the registered legal shareholder remains the same before and immediately after such transfer of beneficial ownership

14.10 Notwithstanding any other provision of this article 14 a transfer of any shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## **15. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

15.1 Except where the provisions of article 14, article 18, article 19 or article 27 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 15.

15.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:

- (a) the number of Shares he wishes to transfer (**Sale Shares**);
- (b) the name of the proposed transferee, if any;
- (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).

15.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller



may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice.

15.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

15.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- (b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 15 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.

15.6 An offer of Sale Shares shall remain open for acceptance for a period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with article 15.8 and article 15.9

15.7 The Directors shall offer the Sale Shares to the First Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the First Offer Period) for the maximum number of Sale Shares they wish to buy.

15.8 If:

- (a) at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all First Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors (acting with Investor Consent)). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- (b) not all Sale Shares are allocated following allocations in accordance with article 15.8 (a) but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 15.8 (a). The procedure set out in this article 15.8 (b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications. The balance (the Initial Surplus Shares) shall be dealt with in accordance with article 15.9
- 15.9 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the Second Offer Period) for the maximum number of Initial Surplus Shares they wish to buy.
- 15.10 If:
  - (a) at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Second Offer Shareholders bears to the total number of Shares of the class held by all Second Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors (acting with Investor Consent)). No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;
  - (b) not all Initial Surplus Shares are allocated following allocations in accordance with article 15.10 (a) but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in article 15.10(a). The procedure set out in this article 15.10 (b) shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and
  - (c) at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall, subject to article 15.11 be offered to any other person in accordance with article 15.15
- 15.11 Where the Transfer Notice contains a Minimum Transfer Condition:
  - (a) any allocation made under article 15.6 to article 15.10 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and

- (b) if the total number of Sale Shares applied for under article 15.6 to article 15.10 (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

15.12 Where either:

- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
- (b) allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under article 15.6 to article 15.10 (inclusive), give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an Applicant). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).

15.13 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

15.14 If the Seller fails to comply with article 15.13 :

- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney 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 no Applicant shall be obliged to see to the distribution of the Transfer Price); and
  - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; 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 his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

15.15 Where a Transfer Notice lapses or an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the 10 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the

Second Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 15.15 shall continue to be subject to any Minimum Transfer Condition.

## **16. VALUATION**

- 16.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting), and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.
- 16.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
  - (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) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 16.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 16.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 16.5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 16.6 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.

16.7 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:

- (a) the Seller withdraws the relevant Transfer Notice; or
- (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

## **17. COMPULSORY TRANSFERS**

17.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.

17.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine.

17.3 Forthwith upon a Transfer Notice being deemed to be served under article 17 the shares subject to the relevant Deemed Transfer Notice (Restricted Shares) shall cease to confer on the holder of them any rights:

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- (b) to receive dividends or other distributions otherwise attaching to those Shares; or
- (c) to participate in any future issue of Shares.

17.4 Any Founder becoming a Departing Founder shall, unless the Directors (with Investor Consent) otherwise direct in writing prior to or within 10 Business Days after the relevant Termination Date, be deemed to have been served a Transfer Notice on the relevant Termination Date in respect of all shares held by him and any Transfer Notice served in respect of any of such shares before the date such Founder becomes a Departing Founder shall automatically lapse.

17.5 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of:-

- (a) a Bad Leaver, is restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares; and

(b) a Good Leaver, is the aggregate Fair Value of such Sale Shares.

17.6 All voting rights attached to any Shares held by a Departing Founder (or by any of his Permitted Transferees) (the **Restricted Member**), shall at the time they become a Departing Founder be suspended. Any Shares whose voting rights are suspended pursuant to this article (**Restricted Shares**) shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. Voting rights suspended pursuant to this article shall be automatically restored immediately prior to a Listing. If a Restricted Member transfers any Restricted Shares in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

17.7 This Article 17 shall not apply to shares held by Seedrs Nominees Limited or the Future Fund .

**18. MANDATORY OFFER ON CHANGE OF CONTROL (TAG ALONG)**

18.1 In the event that a proposed transfer of Shares whether made as one or as a series of transactions (a Proposed Transfer) would, if completed, result in any person (the Buyer), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 18 shall apply.

18.2 The Company shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the Offer) to each Shareholder (each an **Offeree**) on the date of the Offer to buy all of the Shares held by such Offerees on the date of the Offer for a consideration in cash per Share (the Offer Price) which is equal to the highest price per Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Equity Shares in connection with the Proposed Transfer or in any related transactions in the 6 months preceding the Proposed Transfer

18.3 The Offer shall be made by notice in writing (an Offer Notice) addressed to each Offeree on the date of the Offer at least 10 Business Days (the Offer Period) before the date fixed for completion of the Proposed Transfer (the Sale Date). The Offer Notice shall specify:

- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer);
- (b) the Offer Price and any other terms and conditions of the Offer;
- (c) the Sale Date; and
- (d) the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

18.4 The completion of the Proposed Transfer shall be conditional in all respects on:

- (a) the making of an Offer in accordance with this article 18 and

- (b) the completion of the transfer of any Equity Shares by any Offeree (each an Accepting Offeree) who accepts the Offer within the Offer Period,
  - and the Directors shall refuse to register any Proposed Transfer made in breach of this article 18.4.
- 18.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 18 shall not be, subject to the pre-emption provisions of article 15.
- 19. DRAG ALONG**
- 19.1 If shareholders holding not less than 85% of the Shares (the Selling Shareholders) wish to transfer all of their interest in shares (Sellers' Shares) to a bona fide purchaser on arm's-length terms (Proposed Buyer), the Selling Shareholders shall have the option (Drag Along Option) to require all the other holders of Equity Shares on the date of the request (Called Shareholders) to sell and transfer all their interest in Equity Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 19
- 19.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a Drag Along Notice), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
  - (a) that the Called Shareholders are required to transfer all their shares (Called Shares) pursuant to this article 19
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - (c) the consideration payable for the Called Shares calculated in accordance with article 19.4
  - (d) the proposed date of completion of transfer of the Called Shares.
- 19.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors, acting with the consent of the Investor Director. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of article 10.

- 19.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 19.
- 19.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders otherwise agree.
- 19.7 Within 5 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Equity Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Equity Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 5 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 19.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 19.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 19.4 in trust for the Called Shareholders without any obligation to pay interest.
- 19.8 To the extent that the Proposed Buyer has not, on the expiration of the 5 Business Day period, put the Company in funds to pay the amounts due pursuant to article 19.4 the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Equity Shares and the Called Shareholders shall have no further rights or obligations under this article 19 in respect of their Equity Shares.
- 19.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 19.
- 19.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into shares, whether or not pursuant to a Share Option Scheme (a New Shareholder), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Equity Shares acquired



by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article<sup>19</sup> shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.

- 19.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 15.
- 19.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

## DECISION-MAKING BY SHAREHOLDERS

### **20. GENERAL MEETINGS**

- 20.1 No business other than, subject to article 20.2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 20.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

### **21. VOTING**

- 21.1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

### **22. PURCHASE OF OWN SHARES**

- 22.1 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) out of capital up to any amount in a financial year not exceeding the lower of:
  - (a) £15,000; and
  - (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.

## **23. COMPANY'S LIEN OVER SHARES**

- 23.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a 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.
- 23.2 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.
- 23.3 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.

## **24. ENFORCEMENT OF THE COMPANY'S LIEN**

- 24.1 Subject to the provisions of this article 24 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.
- 24.2 A Lien Enforcement Notice:
- (a) may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment 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.
- 24.3 Where Shares are sold under this article 24
- (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.

- 24.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's 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.
- 24.5 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 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.

#### ADMINISTRATIVE ARRANGEMENTS

#### **25. MEANS OF COMMUNICATION TO BE USED**

- 25.1 Subject to article 25.3 any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - (b) if sent by fax, at the time of transmission; or
  - (c) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
  - (d) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - (e) if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
  - (f) 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; and
  - (g) if deemed receipt under the previous paragraphs of this article 25.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on

the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

25.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

25.3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

## **26. INDEMNITY AND INSURANCE**

26.1 Subject to article 26.1 but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (a) 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 in the actual or purported execution and/or discharge of his duties, or in relation thereto including 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 affairs; and
- (b) 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 26.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

26.2 This article 26 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.

26.3 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 Relevant Loss.

26.4 In this article 26

- (a) Relevant Loss means 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 or any pension fund of the Company ; and
- (b) Relevant Officer means any director or other officer or former director or other officer of the Company.

## 27. Co-SALE

27.1 No transfer (other than a Permitted Transfer) of any Shares may be made or validly registered unless the Seller shall have observed the following procedures of this article.

27.2 After the Seller has gone through the pre-emption process set out in article 15, the Seller shall give to each holder of Shares who has not taken up their pre-emptive rights under article 15 (an **Equity Holder**) not less than 15 Business Days' notice in advance of the proposed sale (a **Co-Sale Notice**). The Co-Sale Notice shall specify:

- (a) the identity of the proposed purchaser (the **Buyer**);
- (b) the price per share which the Buyer is proposing to pay;
- (c) the manner in which the consideration is to be paid;
- (d) the number of Shares which the Seller proposes to sell; and
- (e) the address where the counter-notice should be sent.

27.3 Each Equity Holder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Seller that they wish to sell a certain number of Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Equity Holder wishes to sell. The maximum number of shares which an Equity Holder can sell under this procedure shall be:

$$(X/Y) \times Z$$

where:

- X is the number of Shares held by the Equity Holder;
- Y is the total number of Shares held by the Equity Holders;
- Z is the number of Shares the Seller proposes to sell.

27.4 Any Equity Holder who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no shares.

27.5 Following the expiry of five Business Days from the date the Equity Holders receive the Co-Sale Notice, the Seller shall be entitled to sell to the Buyer on the terms notified to the Equity Holders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Equity Holders have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from

the Equity Holders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Seller from the Buyer.

- 27.6 No sale by the Seller shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice. Sales made in accordance with this article 27 shall not be subject to article 15.