

Company number 11388497

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

of **COLLABROTECH LIMITED** (the Company)

*6<sup>th</sup> June* 2019 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the resolutions below are passed as special resolutions (together the **Resolutions**).

**SPECIAL RESOLUTIONS**

1. THAT the draft articles of association attached to this resolution (the New Articles) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.
2. THAT, in accordance with section 569 of the Companies Act 2006 (**CA 2006**), the directors of the Company be generally empowered to allot equity securities (as defined by section 560 of the CA 2006) as if section 561 of the CA 2006 did not apply to any such allotment provided that the authority granted by this resolution shall:
  - 2.1 be limited to the allotment of 2,200 ordinary shares of 0.0001p each; and
  - 2.2 expire on the date falling 6 months from the Circulation Date (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

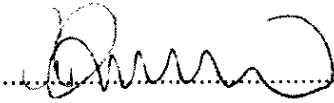
**AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the Resolutions.

The undersigned, the persons entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions:




Signed by **GREGORY DUFFIELD**



Date:

06/06/19

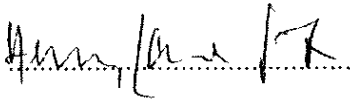
Signed by **JAMES RUSSELL**



Date:

6.6.19

Signed by a director for and  
on behalf of **FOUNDERS FACTORY  
LIMITED**



Date:

6 6.19

## NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods:

**By hand:** delivering the signed copy to the Company

**Post:** returning the signed copy by post to the Company

**E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [arwa-salman@birketts.co.uk](mailto:arwa-salman@birketts.co.uk).

You may agree to both Resolutions or neither Resolutions but not one only.

If you do not agree to the Resolutions, you do not need to do anything; you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
3. Unless, within 28 days from the Circulation Date, sufficient agreement has been received for the Resolutions to pass, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

**Company No. 11388497**

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**ARTICLES OF ASSOCIATION OF COLLABROTECH LIMITED**

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**A private company limited by shares**

**Incorporated on 30 May 2018**

**Adopted by special resolution passed on 6 June 2019**

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# THE COMPANIES ACT 2006

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## PRIVATE COMPANY LIMITED BY SHARES

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### ARTICLES OF ASSOCIATION OF COLLABROTECH LIMITED

Adopted by special resolution passed on 6 June 2019

#### INTRODUCTION

##### 1. PRELIMINARY

- 1.1 The model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 in force on the date of adoption of these Articles (**Model Articles**) apply to the Company except insofar as they are excluded or varied by these Articles.

##### 2. DEFINITIONS AND INTERPRETATION

- 2.1 The following definitions apply in these Articles:

<b>Acting in Concert</b>	the meaning set out in the City Code on Takeovers and Mergers for the time being;
<b>Accountants</b>	the accountants of the Company for the time being;
<b>appointor</b>	has the meaning given in Article 10.1;
<b>Articles</b>	these articles of association as amended, supplemented, varied or replaced from time to time;
<b>Bad Leaver</b>	(a) a person who is a Leaver as a result of  (i) where the Leaver is an employee, summary dismissal for gross misconduct (save where such dismissal is subsequently found to be unfair by an employment tribunal and

such finding is not overturned on appeal);

(ii) where the Leaver is a director, termination of his office as a director in circumstances equivalent to gross misconduct justifying summary dismissal under paragraph (i) above; or

(iii) resignation from his office as a director or from his employment (save where such resignation is (1) at the written request of the employer or (2) found by an employment tribunal to amount to constructive dismissal whose finding is not overturned on appeal), in each case at any time before the third anniversary of the date on which such person became a Shareholder; or

(b) any Shareholder who acts in breach of any restrictive covenants in favour of the Company including, without limitation, the restrictions set out at clause 8 of the Shareholders' Agreement;

**Bankruptcy Event**

a bankruptcy order made against a Shareholder or an arrangement or composition being made with his creditors;

**Board**

the board of directors from time to time of the Company;

**Business Day**

any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business;

**CA 2006**

the Companies Act 2006;

**Connected Person**

the meaning given to that expression in section 993 of the Income Taxes Act 2007 and "**connected with**" shall be construed accordingly;

<b>Controlling Interest</b>	those shareholders for the time being holding more than 50% by nominal value of all Shares held by Shareholders;
<b>Credit Institution</b>	any Financial Conduct Authority registered credit institution (or a credit institution registered with the equivalent body or authority in the country of the relevant credit institution's principal place of business);
<b>Deemed Sale Notice</b>	has the meaning given to it in Article 18.2;
<b>eligible director</b>	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);
<b>Fair Value</b>	the amount agreed between the Board (with Majority Consent) and the Seller or, in the absence of agreement within 12 Business Days of the date of receipt by the Company of the Deemed Sale Notice, as may be determined by the Accountants in accordance with Article 19;
<b>Fund Manager</b>	a person whose principal business is to make, manage or advise upon investments in securities;
<b>Good Leaver</b>	a Leaver who is not a Bad Leaver;
<b>Institutional Investor</b>	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;
<b>Issue Price</b>	in respect of a Share, the aggregate of the amount paid up in respect of the nominal value and any share premium;
<b>Leaver</b>	a Shareholder who: <ul style="list-style-type: none"> <li>(a) is or was previously a director or employee of the Company; and</li> </ul>



	(b) ceases to hold such office or employment without retaining any other position as director or employee of the Company;
<b>Majority Consent</b>	written consent of those Shareholders for the time being holding not less than 75 per cent by nominal value of all Shares held by Shareholders;
<b>Member of the Same Group</b>	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;
<b>Member of the Same Fund Group</b>	if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an <b>Investment Fund</b> ) or a nominee of that person;
<b>Offer Notice</b>	as the context requires, has the meaning given to it in Article 15.4 or Article 18.6;
<b>Offer Period</b>	as the context requires, has the meaning given to it in Article 15.5 or Article 18.7;
<b>Permitted Transfer</b>	a transfer of Shares made in accordance with Article <b>Error! Reference source not found.</b> ;
<b>Permitted Transferee</b>	in relation to: <ul style="list-style-type: none"> <li>(a) a Shareholder which is a company, a Member of the Same Group as that company; and</li> <li>(b) an Institutional Investor, to (i) a Member of the Same Fund Group as that Institutional Investor, or (ii) a Member of the Same Group as that Institutional Investor, or (iii) any nominee of that Investor (or of a Member of the Same Fund Group as that Institutional Investor), or (iv) to any other Institutional Investor or Credit Institution;</li> </ul>
<b>Sale Notice</b>	has the meaning given to it in Article 15.1;
<b>Sale Shares</b>	as the context requires, has the meaning given to it in Article 15.1.1 or 18.2;

<b>Seller</b>	any Shareholder who wishes, or is required, to transfer any Share to a person to whom Article 14 does not apply;
<b>Shareholder</b>	all those persons who are holders of Shares (excluding the Company);
<b>Shareholders' Agreement</b>	the shareholders' agreement made between the Company and the Shareholders as the same may be amended, supplemented or replaced from time to time;
<b>Shares</b>	the ordinary shares of 0.0001p each in the Company from time to time.

- 2.2 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 CA 2006 shall have the same meanings in these Articles.
- 2.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 2.4 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as modified, replaced, extended, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision.
- 2.5 The terms **including, include, in particular** or any similar expression will not limit the sense or application of any words preceding those terms.
- 2.6 A reference to a **subsidiary** means a subsidiary as defined in Section 1159 CA 2006.
- 2.7 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17, 22, 26(5), 44(2), 52 and 53 of the Model Articles shall not apply to the company.
- 2.8 Article 7 of the Model Articles shall be amended by:
- 2.8.1 the insertion of the words **for the time being** at the end of Article 7(2)(a); and
- 2.8.2 the insertion in Article 7(2) of the words **(for so long as he remains the sole director)** after the words **and the director may**.

- 2.9 Article 20 of the Model Articles shall be amended by the insertion of the words **(including alternate directors) and the secretary** before the words **properly incur**.
- 2.10 Article 29 of the Model Articles shall be amended by the insertion of the words, **or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 28(2) of the Model Articles**, after the words **the transmittee's name**.

## **DIRECTORS**

### **3. UNANIMOUS DECISIONS**

- 3.1 A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 3.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 3.3 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

### **4. CALLING A DIRECTORS' MEETING**

- 4.1 Any director may call a directors' meeting by giving not less than 5 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.

### **5. QUORUM FOR DIRECTORS' MEETINGS**

- 5.1 Subject to Article 5.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 5.2 For the purposes of any meeting (or part of a meeting) held pursuant to section 175(4)(b) CA 2006 to authorise a director's conflict, 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.
- 5.3 If within 15 minutes of the date and time set for a meeting of the directors a quorum is not present, those directors shall have the option to either:

- 5.3.1 dissolve the meeting; or

5.3.2 adjourn the meeting for a date and time not less than 7 days after the date of the inquorate meeting in which case, provided all directors have been given valid notice of the date and timing of the adjourned meeting, those directors present at the adjourned meeting shall constitute a quorum.

5.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

5.4.1 to appoint further directors; or

5.4.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## **6. CASTING VOTE**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting will not have a casting vote.

## **7. DIRECTORS' INTERESTS**

7.1 Subject to these Articles and CA 2006, and provided he has disclosed to the directors the nature and extent of any interest of his, a director:

7.1.1 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;

7.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

7.1.3 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;

7.1.4 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;

7.1.5 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

- 7.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 CA 2006) 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 CA 2006.

## **8. RECORDS OF DECISIONS TO BE KEPT**

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.

## **9. NUMBER OF DIRECTORS**

- 9.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.
- 9.2 Any Shareholder who (individually or together with any of their Connected Persons) holds not less than 15% of the Shares in issue shall be entitled to appoint and remove any one person to be a director of the Company (including himself).

## **10. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

- 10.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- 10.1.1 exercise that director's powers; and
  - 10.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 10.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
- 10.3 The notice must:
- 10.3.1 identify the proposed alternate; and

- 10.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

## **11. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

- 11.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

- 11.2 Except as the Articles specify otherwise, alternate directors:

- 11.2.1 are deemed for all purposes to be directors;
- 11.2.2 are liable for their own acts and omissions;
- 11.2.3 are subject to the same restrictions as their appointors; and
- 11.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

- 11.3 A person who is an alternate director but not a director:

- 11.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- 11.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- 11.3.3 shall not be counted as more than one director for the purposes of this Article 11.3.

- 11.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

- 11.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part

of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

## 12. **TERMINATION OF ALTERNATE DIRECTORSHIP**

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

12.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

12.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

12.1.3 on the death of the alternate's appointor; or

12.1.4 when the alternate's appointor's appointment as a director terminates.

## **TRANSFER OF SHARES**

### 13. **GENERAL**

The directors of the Company shall only refuse to register a transfer if it is made in contravention of the Articles, is a transfer which they suspect to be fraudulent or where the directors are otherwise authorised by these Articles to refuse to register the transfer. If the directors do refuse to register a transfer of Shares, they must, as soon as practicable and in any event within two months after the date on which the relevant transfer form was lodged with the Company, return the transfer form to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

### 14. **PERMITTED TRANSFERS**

14.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

14.2 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

14.2.1 the Original Shareholder; or

14.2.2 a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction.

14.3 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 10 Business Days of ceasing to be a Member of the Same Fund Group as the Original Shareholder, transfer the Shares held by it to:

14.3.1 the Original Shareholder; or

14.3.2 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.

14.4 Notwithstanding any other provision of this Article, 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.

14.5 **Permitted transfers by all Shareholders**

14.5.1 Any Shareholder may at any time transfer any Shares, in accordance with the provisions of CA 2006, to the Company.

14.5.2 Any Shareholder may at any time transfer all or any of his Shares to any other person with the prior written consent of all other Shareholders.

14.5.3 Any Shares may be transferred pursuant to Article 16 (Tag along) and/or Article 17 (Drag along).

15. **VOLUNTARY TRANSFERS**

15.1 Except as permitted under Article 14, any Seller who wishes to transfer Shares shall give notice in writing (the **Sale Notice**) to the Company of his wish specifying:

15.1.1 the number of Shares which he wishes to transfer (the **Sale Shares**);

15.1.2 the name of any third party to whom he proposes to sell or transfer the Sale Shares; and

15.1.3 the price at which he wishes to transfer the Sale Shares (the **Sale Price**).

15.2 The Seller may state in the Sale Notice that he is only willing to transfer all the Sale Shares in which case no Sale Shares can be sold unless offers are received for all of them.

15.3 The Sale Notice shall constitute the Company the agent of the Seller for the sale of the Sale Shares upon the following terms:

15.3.1 the price for the Sale Shares is the Sale Price; and



- 15.3.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 15.4 Within five Business Days of the receipt by the Company of a Sale Notice, the Company shall offer the Sale Shares comprised in the Sale Notice to persons in the following priority (the **Offer Notice**):
- 15.4.1 to the Company; and subject thereto;
- 15.4.2 to the Shareholders (other than the Seller) pro rata to their respective holdings of Shares;
- and any person to whom the Sale Shares are offered will be at liberty to accept some or all of the Shares so offered.
- 15.5 Every Offer Notice shall be made in writing and shall remain open for acceptance for the period (the **Offer Period**) expiring 15 Business Days after the date on which the offer is made.
- 15.6 In the event that a Shareholder declines to accept all of the Sale Shares offered to him such Sale Shares shall be re-offered in like manner and upon the same terms to those Shareholders who accepted all the Sale Shares previously offered to them and such re-offering shall be repeated until such time as all the Sale Shares have been accepted or until the Shareholders shall have declined to accept any more of them. In such event, any remaining Sale Shares may, if the Board elects, be purchased by the Company. For the avoidance of doubt, every further offer of Shares pursuant to this Article 15.6 shall be deemed to extend the Offer Period by a further 5 Business Days.
- 15.7 If the Company shall during the Offer Period find a Shareholder or Shareholders willing to purchase any of the Sale Shares comprised in a Sale Notice or if the Company itself wishes to purchase any of the Sale Shares (all such persons called the **Purchasers**), the Company shall give written notice to the Seller of the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by such Purchaser, whereupon the Seller shall be bound, upon payment of the Sale Price, to transfer to the Purchasers the Sale Shares agreed to be purchased by them respectively.
- 15.8 Except in the case of a purchase by the Company, the sale and purchase shall be completed at a place and time (being not less than 5 Business Days nor more than 10 Business Days after the expiry of the Offer Period) to be appointed by the Directors. In the case of a purchase by the Company, such purchase shall be completed not more than 10 Business Days after the requirements of Chapter VII of Part V of CA 2006 have been complied with and the Shareholders hereby undertake

that they will exercise their votes so that (as far as they can) the requirements of CA 2006 are complied with.

15.9 If the Seller makes default in transferring the Sale Shares the Board are irrevocably authorised to appoint any person they nominate as agent or attorney on behalf of the Seller to transfer the Sale Shares on the Seller's behalf and to do anything else that the other Shareholders may reasonably require to complete the sale and the Company may receive the purchase price on trust for the Seller (without any obligation to pay interest) giving a receipt that shall discharge the other Shareholders.

15.10 In the event of all the Sale Shares not being sold under the preceding paragraphs of this Article 15 the Seller may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer all the Sale Shares (if Article 15.2 does apply) or any Sale Shares which have not been sold (if Article 15.2 does not apply) to any person or persons at any price not less than the Sale Price provided that:

15.10.1 the Board shall refuse registration of the proposed transferee unless the Company has Majority Consent to transfer the Sale Shares; and

15.10.2 the Board shall refuse registration of the proposed transferee if such transfer obliges the Seller to procure the making of an offer in accordance with Article 16 (Tag Along), until such time as such offer has been made and, if accepted, completed.

## 16. **CHANGE OF CONTROL - TAG ALONG**

16.1 Subject to Article 16.2, if the effect of any transfer of Shares by a Seller would, if completed, result in the transferee (together with his Connected Persons and any persons Acting in Concert with the transferee) obtaining a Controlling Interest, the Seller shall procure the making by such transferee of a Tag Along Offer to all of the other Shareholders. Every Shareholder, on receipt of a Tag Along Offer, shall be bound within 20 Business Days of the date of such offer (or within such longer period as the offer may specify) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Tag Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers.

16.2 The provisions of Articles 16.1 shall not apply to any transfer of Shares pursuant to Article 14 (other than Article 14.5.3).

16.3 **Tag Along Offer** means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase Shares held by the recipients of a Tag Along

Offer, free from all liens, charges and encumbrances, in each case at a price per Share equal to the highest price per Share (including the cash equivalent of any non-cash consideration) paid or to be paid by any transferee referred to in Article 16.1 (or any person with whom such transferee is connected with or with whom such transferee is Acting in Concert) for Shares (inclusive of the Shares giving rise to the obligation to make the Tag Along Offer) within the period of one year ending on the proposed date of completion of such transfer of Shares.

16.4 In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to the Accountants and Article 19 (Valuation of Shares) shall apply.

16.5 For the avoidance of doubt, the pre-emption provisions set out in Article 15 shall not apply to a transfer of Shares pursuant to a Tag Along Offer.

## 17. **CHANGE OF CONTROL - DRAG ALONG**

17.1 If those Shareholders, for the time being, holding not less than 75% by nominal value of all Shares held by the Shareholders, (the **Shareholder Majority**) wish to transfer all of their interest in their Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Shareholder Majority may require all other Shareholders (**Called Shareholders**) to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) on the same terms and conditions as the Shareholder Majority agree to sell to the Proposed Buyer in accordance with the provisions of this Article 17 (**Drag Along Option**).

17.2 The Shareholder Majority may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:

17.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**);

17.2.2 the person to whom the Called Shares are to be transferred;

17.2.3 the consideration payable for the Called Shares which shall, for each Called Share, be an amount equal to the price per Seller Share (including the cash equivalent of any non-cash consideration). Any dispute over the price shall be referred to the Auditors and Article 19 shall apply; and

17.2.4 the proposed date of the transfer.

17.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Shareholder Majority have not sold the Sellers' Shares to the Proposed Buyer within 60 Business Days of serving the Drag

Along Notice. The Shareholder Majority may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 17.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 17.
- 17.5 Completion of the sale of the Called Shares shall take place on the Completion Date. **Completion Date** means the date proposed for completion of the sale of the Sellers' Shares as specified in the Drag Along Notice unless all of the Called Shareholders and the Shareholder Majority agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Shareholder Majority.
- 17.6 The rights of pre-emption set out in Article 15 shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 17.7 Within 10 Business Days of the Shareholder Majority serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 17.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 17 in respect of their Shares.
- 17.9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfers in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, 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 17.

## 18. **COMPULSORY TRANSFERS**

18.1 In this Article 18 a **Sale Event** means in relation to a Shareholder:

18.1.1 a Bankruptcy Event;

18.1.2 the death of a Shareholder;

18.1.3 a Shareholder attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles;

18.1.4 a Shareholder committing a material or persistent breach of any obligation under the Shareholders' Agreement and, where capable of remedy, fails to remedy within 15 Business Days of notice to remedy the breach being served by all the other Shareholders;

18.1.5 a Shareholder committing a breach of any restrictive covenant given in favour of the Company; or

18.1.6 a Shareholder who is an employee of the Company becoming a Leaver.

18.2 Upon the happening of any Sale Event, the Shareholder in question shall be deemed to have immediately given notice to the Company (a **Deemed Sale Notice**) in respect of all the Shares then held by him (the **Sale Shares**). A Deemed Sale Notice shall supersede and cancel any then current Sale Notice insofar as it relates to the same Shares except for Shares which have already been validly transferred pursuant to that Sale Notice. For the purposes of this Article 18.2 **Shareholder** will include, where relevant, any trustee in bankruptcy or personal representative(s) of a Shareholder.

18.3 A Deemed Sale Notice shall be deemed to have given on the date of the relevant Sale Event.

18.4 The price at which the Sale Shares shall be transferred pursuant to the Deemed Sale Notice (the **Compulsory Sale Price**) shall be:

18.4.1 in the case of a Good Leaver, their Fair Value;

18.4.2 in the case of a Bad Leaver, their Fair Value or, if less, their Issue Price; and

18.4.3 in all other cases, their Fair Value.

- 18.5 The Company shall be constituted as the agent of the Seller with effect from the date of the Deemed Sale Notice for the sale of the Sale Shares upon the following terms:
- 18.5.1 the price for each Sale Share is the Compulsory Sale Price; and
  - 18.5.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 18.6 Within 15 Business Days of the receipt by the Company of a Deemed Sale Notice (or such later date should a Fair Value of the Sale Shares requirement determination pursuant to Article 19) the Company shall offer the Sale Shares comprised in the Sale Notice to the persons in the following priority (the **Offer Notice**):
- 18.6.1 to the Company; and subject thereto
  - 18.6.2 to the Shareholders (other than the Seller) pro rata to their respective holdings of Shares;
- and any person to whom the Sale Shares are offered will be at liberty to accept some or all of the Shares so offered.
- 18.7 Every Offer Notice shall be made in writing and shall remain open for acceptance for the period (the **Offer Period**) expiring 15 Business Days after the date on which the offer is made.
- 18.8 In the event that a Shareholder declines to accept all of the Shares offered to him such Shares shall be re-offered in like manner and upon the same terms to those Shareholders who accepted all the Shares previously offered to them and such re-offering shall be repeated until such time as all the Shares have been accepted or until the Shareholders shall have declined to accept any more of them. In such event, any remaining Sale Shares may, if the Board elects, be purchased by the Company. For the avoidance of doubt, every further offer of Shares pursuant to this Article 18.8 shall be deemed to extend the Offer Period by a further 5 Business Days.
- 18.9 Within three Business Days of the expiry of the Offer Period the Board will give notice to the Seller and each Shareholder who has agreed to purchase some or all of the Sale Shares and those purchases are to be completed in the time frames set out at Article 18.10.
- 18.10 Except in the case of a purchase by the Company, the sale and purchase shall be completed at a place and time (being not less than 5 Business Days nor more than 10 Business Days after the expiry of the Offer Period or, in the case of death, within

the same period following grant of probate or letters of administration) to be appointed by the Directors. In the case of a purchase by the Company, such purchase shall be completed not more than 10 Business Days after the requirements of Chapter 4 of Part 18 CA 2006 (Purchase of own shares) have been complied with and the Shareholders hereby undertake that they will exercise their votes so that (as far as they can) the requirements of CA 2006 are complied with.

- 18.11 If the Seller makes default in transferring the Sale Shares the Board are irrevocably authorised to appoint any person they nominate as agent or attorney on behalf of the Seller to transfer the Sale Shares on the Seller's behalf and to do anything else that the other Shareholders may reasonably require to complete the sale and the Company may receive the purchase price on trust for the Seller (without any obligation to pay interest) giving a receipt that shall discharge the other Shareholders.
- 18.12 If purchasers cannot be found for all of the Sale Shares the Seller does not have the right to sell the Sale Shares to a third party but shall be entitled to retain those Sale Shares provided that at any time thereafter the Board shall be able to determine that the Deemed Sale Notice shall be deemed to have been served again.

## **19. VALUATION OF SHARES**

- 19.1 In the event that the Accountants are required to determine the price at which Shares are to be transferred pursuant to these Articles, the Company shall engage and instruct the Accountants (which instructions shall be made as soon as practicable following the time it becomes apparent that a valuation is required), to give their written opinion as to the price which represents a fair value for such Shares as between a willing seller and a willing buyer as at the date the Sale Notice is given or, in the case of a Deemed Sale Notice, on the date of the relevant Sale Event.
- 19.2 In making such determination, the Accountants shall not take any account of whether the relevant Shares comprise a majority or a minority interest in the Company nor the fact that transferability of such Shares is restricted by these Articles.
- 19.3 In the event that the Accountants decline to accept an instruction to provide a valuation pursuant to this Article 19, then the price will be determined by a person agreed upon by the Seller and the Board or, failing agreement, within 10 days of the service of the Sale Notice or Deemed Sale Notice then a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of the Board to be appointed to determine the valuation and confirm the same to the Company in writing. Any reference in these Articles to the Accountants shall include such person so agreed or nominated.

## **SHARES**

### **20. PURCHASE OF OWN SHARES**

20.1 Subject to CA 2006 and without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 CA 2006, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

20.1.1 £15,000; and

20.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

## **DECISION MAKING BY SHAREHOLDERS**

### **21. POLL VOTES**

21.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 CA 2006) present and entitled to vote at the meeting.

21.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Article.

### **22. PROXIES**

22.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

22.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Article.

## **ADMINISTRATIVE ARRANGEMENTS**

### **23. INDEMNITY**

23.1 Subject to Article 23.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:



- 23.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
- 23.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- 23.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) CA 2006),
- including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and
- 23.1.2 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 23.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 23.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of CA 2006 or by any other provision of law.
- 23.3 In this Article:
- 23.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 23.3.2 a **relevant officer** means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) CA 2006), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

## 24. **INSURANCE**

24.1 The Board 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.

24.2 In this Article:

24.2.1 a **relevant officer** means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) CA 2006), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

24.2.2 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, any associated company or any pension fund or employees' share scheme of the company or associated company; and

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