

Company Number 11588847

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

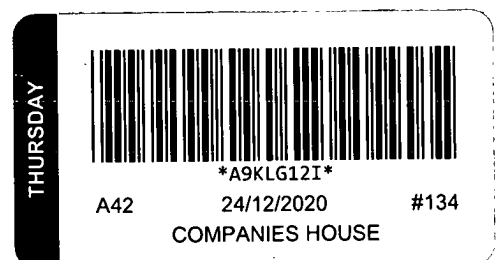
NEW

ARTICLES OF ASSOCIATION

of

ARCH FORM LIMITED

(Adopted by a special resolution passed on 11 December 2020)



THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

ARCH FORM LIMITED

(Adopted by a special resolution passed on 11 December 2020)

1. Introduction

1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.

1.2 In these Articles and the Model Articles:

- (a) any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof from time to time; and
- (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.

1.3 Article 11(2), 13, 14, 26(5), 27, 28, and 29 of the Model Articles shall not apply to the Company.

1.4 In these Articles article headings are used for convenience only and shall not affect the construction or interpretation of these Articles.

2. Defined terms

In these Articles the following words and expressions shall have the following meanings:

"**Act**" means the Companies Act 2006 (as amended from time to time);

"**Acting in Concert**" has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

"**Board**" means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

"Business Day" means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

"Company" means Arch Form Limited (CRN: 11588847);

"Control" has the meaning given to it in section 1124 of the Corporation Tax Act 2010;

"Controlling Interest" means an interest in shares giving to the holder or holders Control of the Company;

"Crowdcube Investors" means the owners of the beneficial title to the Crowdcube Shares from time to time;

"Crowdcube Nominee" means the owner of the legal title to the Crowdcube Shares from time to time, being Crowdcube Nominees Limited (CRN: 09820478) as at the Date of Adoption;

"Crowdcube Shares" means all Shares held by the Crowdcube Nominee on behalf of the Crowdcube Investors;

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

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

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

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

"Fair Value" is as determined in accordance with Article 12;

"Founders" means Nicholas Edwards and Joshua Jankowski;

"Group" means the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company;

"Investor Majority" means the consent of those Investors holding at least 50 per cent of the Ordinary Shares held by the Investors from time to time;

"Investors" means a person who becomes a Shareholder on or after 18 December 2019 on terms which result in them being an investor for the purpose of these Articles;

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or other securities which, by reason of the passing of a special resolution in accordance with Article 8.2, may be issued without complying with Article 8);

"Ordinary Shareholder" means any holder of Ordinary Shares;

"Ordinary Shares" means the ordinary shares of £0.00001 each in the capital of the Company, from time to time;

"Shareholder" means any holder of any Shares;

"Shares" means the Ordinary Shares;

3. Share Capital

3.1 Subject to the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.

3.2 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".

4. Proceedings of Directors

4.1 The quorum for Directors' meetings shall be two Directors.

4.2 In the case of any equality of votes, the chairman shall not have a second or casting vote.

5. Appointment of Directors

5.1 In addition to the powers of appointment under article 17(1) of the Model Article, for so long as a Founder holds not less than 10% of the issued shares in the Company from time to time he shall have the right to appoint and maintain in office such natural person as he may from time to time nominate as a director of the Company (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his removal whether by the relevant Founder or otherwise, to appoint another director in his place.

5.2 Subject to Article 5.3, appointment and removal of a director of the Company under Article 5.1 shall be by written notice to the Company by the relevant Founder. The notice shall take effect on delivery at its registered office or at any meeting of the Board or committee thereof. The Founder removing a director under Article 5.1 shall indemnify and compensate in full the Company and each member of the Company's Group against any expense, loss or liability they incur or suffer which arise as a result of the removed director pursuing a claim relating to their loss of office.

5.3 If a Founder is not appointing himself as a director pursuant to Article 5.1 then for so long as there is more than one Founder the identity of the person to be appointed requires the prior written approval of the other Founder, and the notice of appointment delivered to the Company pursuant to Article 5.2 shall only take effect once a copy of the required consent is also provided to the Company.

6. Alternate Directors

6.1 Notwithstanding any provision of these Articles to the contrary, but subject to Article 6.2, any person appointed as a Director (the **"Appointer"**) may appoint any director or any other person as he thinks fit to be his alternate Director to:

- (a) exercise that Director's powers; and
- (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

6.2 The appointment of an alternate Director shall require the prior approval of the Founders, or in the case of a Founder appointing an alternate Director, by the other Founder (if applicable).

- 6.3 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.
- 6.4 The notice must:
- (a) identify the proposed alternate; and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.
- 6.5 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.
- 6.6 Except as these Articles specify otherwise, alternate directors:
- (a) are deemed for all purposes to be Directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their Appointors; and
 - (d) are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.
- 6.7 A person who is an alternate Director but not a Director:
- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
 - (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).
- 6.8 No alternate may be counted as more than one Director for such purposes.
- 6.9 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each 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).
- 6.10 An alternate Director is not 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.
- 6.11 An alternate Director's appointment as an alternate shall terminate:
- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
 - (c) on the death of the alternate's Appointor; or

- (d) when the alternate's Appointor's appointment as a Director terminates.

7. Directors' interests

7.1 Subject to the provisions of the Act, and provided that he has declared to the Directors the nature and extent of his interest, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in deciding whether a quorum is present at such a meeting.

7.2 Subject to the provisions of the Act, and provided that he has declared to the Directors the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) where a Director (or a person connected with him) is a Shareholder or a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company;
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested; or
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this; or
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest.

7.3 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 7.

8. Allotment of new shares or other securities: pre-emption

8.1 Sections 561 and 562 of the Act do not apply to an allotment of equity securities made by the Company.

8.2 Unless otherwise agreed by special resolution, no New Securities shall be issued without complying with Article 8 and any New Securities shall, before they are allotted or granted on any terms, be first offered by the Company in writing to each Ordinary Shareholder on the same terms and at same price as those New Securities are being offered to other persons. The offer by the Company shall:

- (a) give details of the number and subscription price of the New Securities;
- (b) set out the relevant Ordinary Shareholder's proportionate entitlement to the New Securities, calculated on a pro rata basis to his existing holding of Ordinary Shares (or as nearly as may be without involving fractions) ("**Proportionate Entitlement**");
- (c) invite each Ordinary Shareholder to apply at the subscription price for the number of New Securities that the Ordinary Shareholder would like to apply for, allowing each Ordinary Shareholder to apply for more or less than their Proportionate Entitlement (any excess number over the Proportionate Entitlement being the "**Excess Securities**"); and
- (d) state the period which the Ordinary Shareholders shall have to apply, which shall be at least 14 days from the date of the notice.

8.3 On expiry of an offer made in accordance with Article 8.2 (or sooner if applications or refusals have been received from all Ordinary Shareholders and all requisite approvals have been given), the Company shall allot or grant (as the case may be) the New Securities as follows:

- (a) if the total number of New Securities applied for is equal to or less than the New Securities offered, each Ordinary Shareholder shall be allocated the number applied for by him; or
- (b) if the total number of New Securities applied for is more than the New Securities offered, each Ordinary Shareholder shall be allocated:
 - (i) firstly, his Proportionate Entitlement or, if less, the number of New Securities for which he has applied; and
 - (ii) secondly, if having made those allocations, there are any New Securities remaining to be issued, applications for Excess Securities shall be allocated in accordance with such applications or, in the event of competition, among those Ordinary Shareholders applying for Excess Securities in proportion to their Proportionate Entitlements but so that no applicant shall be allocated more Excess Securities than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all New Securities have been allocated,

following which the Directors may, subject to these Articles and the Act, allot or grant (as the case may be) such New Securities as have not been taken up in such manner as they think fit, but on no less favourable terms.

8.4 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 Income Tax (Earnings and Pensions) Act 2003 election with the Company if so required by the Company.

9. Transfers of Shares – general

9.1 Reference to the transfer of a Share in these Articles includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.

9.2 No Share may be transferred unless the transfer is:

- (a) consented to in writing beforehand by the Founders (or, in the case of a transfer by a Founder, by the other Founder or if there is only one Founder at any point, the transfer by the Founder shall require the approval of an Investor Majority);
- (b) a transfer which is permitted under Article 10;
- (c) a transfer which these Articles compel is made; or
- (d) a transfer pursuant to and in accordance with Article 14 or Article 15,

and is otherwise made in accordance with these Articles.

9.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

9.4 The Directors may refuse to register a transfer of a Share if:

- (a) a Shareholder transfers a Share other than in accordance with these Articles;
- (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company and such person has not entered into a joint section 431 Income Tax (Earnings and Pensions) Act 2003 election with the Company; or
- (c) the transferee is a person (or a nominee for a person) who is a competitor with (or an associate (as determined in accordance with section 435 of the Insolvency Act 1986) of a competitor with) the business of the Company or with a subsidiary undertaking of the Company,

and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

9.5 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement in force between some or all of the Shareholders and the Company. Crowdcube Investors shall not be subject to this condition if the only Shares they hold are Crowdcube Shares.

9.6 Any transfer of a Share by way of sale which is required to be made under Articles 11 to 15 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

10. Permitted Transfers

10.1 The Crowdcube Nominee may transfer all of its Shares to any replacement nominee in respect of the Crowdcube Shares without restriction as to price or otherwise.

10.2 The Crowdcube Investors may transfer all or part the beneficial interest in the Crowdcube Shares which they hold without restriction as to price or otherwise provided that the

transferee is (or becomes prior to completion of the transfer) a member of the crowdfunding platform operated by Crowdcube Capital.

11. Transfers of Shares subject to pre-emption rights

11.1 Excluding any transfer that is permitted by Article 10, and except for where the provisions of Article 14 apply and also except as provided by Article 15.6, a Shareholder who wishes to transfer Shares (a "**Seller**") shall, once they have an approval required by Article 9.2(a) (as applicable), give notice in writing (which cannot be withdrawn save with the consent of the Board) (a "**Transfer Notice**") to the Company (constituting the Company the agent of the Seller) specifying:

- (a) the number of Shares which he wishes to transfer (the "**Sale Shares**");
- (b) the name of the proposed transferee; and
- (c) the price at which he wishes to transfer the Sale Shares (the "**Transfer Price**").

11.2 If no cash price is specified by the Seller, the Transfer Price must be agreed by the Board (or, in the case of a transfer by a Founder, by the other Founder or if there is only one Founder at the relevant point, an Investor Majority). In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board (or, in the case of a transfer by a Founder, by the other Founder or if there is only one Founder at the relevant point, an Investor Majority). In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within 7 days of the Company receiving the Transfer Notice.

11.3 If a Shareholder is deemed to have given a Transfer Notice, the price at which he is to transfer the Sale Shares (being in this case the Transfer Price) shall be agreed between such Shareholder and the Board (with any Director who is a Seller or with whom the Seller is connected (within section 252 of the Act) not being entitled to vote and provided that if there is only one Director and they or their connection persons are the Seller the price shall be agreed by an Investor Majority) within seven days after the date when the Board received the Transfer Notice and failing such agreement such price will be deemed to be the Fair Value of such Shares.

11.4 As soon as practicable following the receipt of a Transfer Notice (or, in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 12), the Company shall give notice in writing to each Ordinary Shareholder other than the Seller (each an "**Eligible Shareholder**");

- (a) giving details of the number and Transfer Price of the Sale Shares
- (b) setting out the relevant Ordinary Shareholder's Proportionate Entitlement;
- (c) inviting him to apply for the number of Sale Shares at the Transfer Price that he would like to apply for, allowing each Ordinary Shareholder to apply for more or less than their Proportionate Entitlement (any excess number of Sale Shares over the Proportionate Entitlement being the "**Excess Shares**"); and
- (d) stating the period in which he has to apply, which will be at least 14 days from the date of the notice.

- 11.5 On expiry of an offer made in accordance with Article 11.4 (or sooner if applications or refusals have been received from all Eligible Shareholders), the Company shall allocate the Sale Shares as follows:
- (a) if the total number of Sale Shares applied for is equal to or less than the number of Sale Shares, each Eligible Shareholder shall be allocated the number applied for by him; or
 - (b) if the total number of Sale Shares applied for is more than the available number of Sale Shares, each Eligible Shareholder shall be allocated:
 - (i) firstly, his Proportionate Entitlement or, if less, the number of Sale Shares for which he has applied; and
 - (ii) secondly, if having made those allocations, there are any Sale Shares remaining to be sold, applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, among those Eligible Shareholders applying for Excess Shares in proportion to their Proportionate Entitlements but so that no applicant shall be allocated more Excess Shares than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all Sale Shares have been allocated.
- 11.6 The Company shall give written notice of allocation (an "**Allocation Notice**") to the Seller which shall specify the number of Sale Shares to be allocated to each applicant and the place and time (being not less than 7 nor more than 14 days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- 11.7 On service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- 11.8 If the Seller fails to comply with the provisions of Article 11.7:
- (a) the chairman of the Directors or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the applicants;
 - (ii) receive the Transfer Price and give a good discharge for it; and
 - (iii) (subject to the transfer being duly stamped) enter each applicant in the register of members as the holders of the Sale Shares purchased by him; and
 - (b) the Company shall pay the transfer price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).
- 11.9 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 11.10, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unsold Sale Shares not included in the Allocation Notice to any person at a price at least equal to the Transfer Price.

11.10 The right of the Seller to transfer Shares under Article 11.7 does not apply if the Board is of the opinion on reasonable grounds that:

- (a) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (b) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

12. Valuation of Shares

12.1 If no price is agreed in accordance with Article 11.2 or Article 11.3 (as the case may be) then, upon service of the Transfer Notice the Board shall appoint an expert valuer in accordance with Article 12.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares or if the Fair Value of any Ordinary Shares has been certified by an Expert Valuer within the preceding 12 weeks, such certified Fair Value shall apply by working out the Fair Value of one Ordinary Share and multiplying it by the number of Sale Shares.

12.2 The Expert Valuer will be an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement within 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and appointed by the Company.

12.3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- (e) reflect any other factors which the Expert Valuer reasonably believe should be taken into account.

12.4 If any difficulty arises in applying any of the assumptions or bases set out above then the Expert Valuer shall be instructed to resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

12.5 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of its appointment and to notify the Board and the Seller of its determination.

12.6 The Expert Valuer shall act as experts and not as arbitrators and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).

12.7 The cost of obtaining the certificate shall be paid by the Company unless the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the Directors to the Seller for the Sale Share before Expert Valuer was instructed in which case the Seller shall bear the cost.

13. Compulsory transfers

- 13.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 13.2 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder save to the extent that, and at a time, the Directors may determine.
- 13.3 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder to serve a Transfer Notice in respect of each such Share save to the extent that the Directors may otherwise determine.
- 13.4 If there is a change in Control of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give a Transfer Notice in respect of all the Shares registered in its name.

14. Drag-along

- 14.1 If the holders of more than 70% of the Ordinary Shares (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a proposed purchaser who has made an offer on arm's length terms (the "**Proposed Purchaser**"), the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares (the "**Called Shares**") to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 14.
- 14.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company (which the Company shall promptly send to the Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Called Shares under this Article 14, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 14) and the proposed date of transfer.
- 14.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 14.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be on terms no less favourable than those obtained by the Selling Shareholders from the Proposed Purchaser.
- 14.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 14. A Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a document which gives effect to the transfer of the Called Shares to the Proposed Purchaser (or their nominee).

- 14.6 Within five Business Days of the Company serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or an indemnity for lost certificate in a form acceptable to the Directors) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 14.4 to the extent that the Company has received these amounts in cleared funds from the Proposed Purchaser. The Company's receipt for the amounts due pursuant to Article 14.4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 14.4 in trust for the Called Shareholders without any obligation to pay interest.
- 14.7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 14.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or an indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 14 in respect of their Shares.
- 14.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or an indemnity) for its Shares to the Company upon the expiration of that five Business Day period, any Director is authorised to transfer the Called Shareholder's Shares as agent on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 14.4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty (if any is required) has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 14.4.
- 14.9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 11.
- 14.10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.
- 14.11 The Crowdcube Nominee shall procure, so far as it lies within its power to do so, that if the Crowdcube Nominee is a Selling Shareholder or a Called Shareholder, that every Crowdcube Investor transfers all the beneficial interest which they hold in the Crowdcube Shares at the same time as the Crowdcube Nominee transfers its interest in the Crowdcube Shares.

15. Tag Along

- 15.1 Except in the case of transfers pursuant to Article 10, Article 13, and after going through the pre-emption procedure set out in Article 11, the provisions of article 15.2 to article 15.6 shall apply if, in one or a series of related transactions, one or more Shareholders ("**Tag Seller**") propose to transfer any of the Shares ("**Proposed Transfer**") which would, if

carried out, result in any person ("**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.

15.2 Before making a Proposed Transfer, a Tag Seller shall procure that the Buyer makes an offer ("**Offer**") to the:

- (a) other non-Tag Seller Shareholders to purchase all of the Shares held by them;
- (b) holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer;
- (c) holders of any warrants to subscribe for Shares that are capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of the subscription rights under such warrants at any time before the Proposed Transfer; and
- (d) holders of any securities of the Company that are convertible into Shares ("**Convertible Securities**"), to purchase any Shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer,

for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the six months preceding the date of the Proposed Transfer ("**Specified Price**").

15.3 The Offer shall be made by written notice ("**Offer Notice**"), at least 14 days before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the Specified Price and other terms and conditions of payment;
- (c) the Sale Date; and
- (d) the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**").

15.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Article 15.2 and Article 15.3, the Tag Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

15.5 If the Offer is accepted by any relevant Shareholder ("**Accepting Shareholder**") in writing within 14 days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

15.6 The Proposed Transfer is subject to the pre-emption provisions of Article 11, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

15.7 Each Shareholder who is not a Tag Seller but is an Accepting Shareholder shall:

- (a) pay its pro-rata share (calculated by reference to the total proceeds such Shareholder will receive), as a deduction from the gross pre-tax proceeds to be received pursuant to Article 15.2, without prejudice to any other deductions lawfully required to be made, of the professional advisory costs and the costs of any warranty and indemnity insurance incurred by the Tag Sellers in connection with the Proposed Transfer and the transfer of Shares pursuant thereto; and
- (b) be required to give customary warranties at that time.

16. Quorum for General Meetings

Section 318 of the Act applies to the Company, provided that for so long as a Founder holds not less than 10% of the issued shares in the Company from time to time, that Founder (or their proxy) must be present at any meeting of the Company's shareholders for the meeting to be quorate. If this Article only requires one Founder to be present then, if the Company has more than one member, there must be at least one other qualifying person present such that section 318 of the Act is satisfied.