

Company number: 12959355

THE COMPANIES ACT 2006

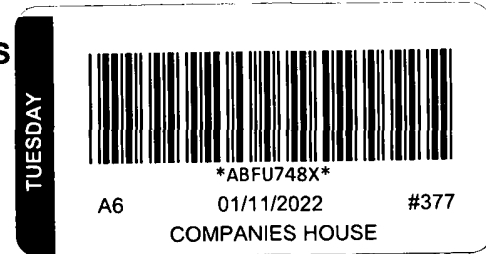
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

FIKA CATERING CO LIMITED ("Company")

(Adopted by special resolution passed on 8 September 2022)



INTRODUCTION

1 INTERPRETATION

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

"A Ordinary Shares" the A ordinary shares of £1.00 each in the capital of the Company.

"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.

"B Ordinary Shares" the B ordinary shares of £1.00 each in the capital of the Company.

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

"C Ordinary Shares" the C ordinary shares of £1.00 each in the capital of the Company.

“Chair” means the chairman of any Board meeting appointed from time to time;

“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 Employee” an Employee who ceases to be a director or employee of the Company.

“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).

“Employee” an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to the Company.

“Fair Value” has the meaning given in article 13.4.

“First Offer Shareholders” shall mean those Shareholders holding Shares of the same class as the Sale Shares.

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

“holding company” has the meaning given in article 1.10.

“Independent Expert” the accountants for the time being of the Company or, if they decline the instruction, an independent firm of chartered accountants of repute appointed by the Company and the Seller in accordance with article 13.

“Investor” a holder for the time being of C Ordinary Shares and their Permitted Transferees.

“Investor Consent” the prior consent in writing of an Investor Majority.

“Investor Majority” the holder(s) for the time being of not less than 75% by nominal value of all C Ordinary Shares held by Investors from time to time.

“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.

“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.

“Permitted Transfer” a transfer of Shares made in accordance with article 11.

“Permitted Transferees” means any person or entity to whom an Investor has transferred any of their Shares pursuant to article 11.

“Relevant Shares” in relation to an Employee who becomes a Departing Employee:

- (a) within 5 years of the Adoption Date, all of the Shares held by the Employee in question; and
- (b) after the fifth anniversary of the Adoption Date but prior to the tenth anniversary of the Adoption Date, 70% of the Shares held by the Employee in question.

“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.

“Sale Shares” has the meaning given in article 12.2.1.

“Second Offer Shareholders” the holders of Shares other than the First Offer Shareholders.

“Seller” has the meaning given in article 12.2.

“Shareholder” a holder for the time being of any Share(s).

“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 the buyer of those Shares 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 employer to the employee, the date on which notice of termination was served;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where an Employee dies, the date of his death;
- (d) where the Employee 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
- (e) in any other case, the date on which the employment or holding of office is terminated.

“Transfer Notice” has the meaning given in article 12.2.

“Transfer Price” has the meaning given in article 13.

“Writing or written” the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

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:
- 1.6.1 an **Article** is a reference to the relevant numbered article of these Articles; and
- 1.6.2 a **model article** is a reference to the relevant article,
- unless expressly provided otherwise.
- 1.7 A reference to legislation or a legislative provision is a reference to it as it is in force on the Adoption Date. A reference to legislation or a legislative provision shall include all subordinate legislation made as at the Adoption Date under that legislation or legislative provision.
- 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.
- 1.10 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act

2 OBJECTS AND ADOPTION OF THE MODEL ARTICLES

OBJECTS

- 2.1 The objects of the Company are to promote the success of the Company:
- 2.1.1 for the benefit of its members as a whole; and

- 2.1.2 through its business and operations, to have a material positive impact on (a) society and (b) the environment

taken as a whole.

- 2.2 A Director must act in the way he or she considers, in good faith, most likely to promote the success of the Company in achieving the objects set out in article 2.1 above, and in doing so shall have regard (amongst other matters) to:

- 2.2.1 the likely consequences of any decision of the Directors in the long term and the impact any such decision may have on any affected stakeholders;

- 2.2.2 the interests of the Company's employees;

- 2.2.3 the need to foster the Company's business relationships with suppliers, customers and others;

- 2.2.4 the impact of the Company's operations on the community and the environment and on affected stakeholders;

- 2.2.5 the desirability of the Company maintaining a reputation for high standards of business conduct and the impact this has on affected stakeholders; and

- 2.2.6 the need to act fairly as between members of the Company

(together, the matters referred to above shall be defined for the purposes of this article 2.2 as the "**Stakeholder Interests**" and each a "**Stakeholder Interest**").

- 2.3 For the purposes of a Director's duty to act in the way he or she considers, in good faith, most likely to promote the success of the Company, a Director shall not be required to regard the benefit of any particular Stakeholder Interest or group of Stakeholder Interests as more important than any other.

- 2.4 Nothing in articles 2.1 to 2.5 express or implied, is intended to or shall create or grant any right or any cause of action to, by or for any person (other than the Company).

- 2.5 The Directors of the Company shall, for each financial year of the Company prepare and circulate to its members an impact report. The impact report shall contain a balanced and comprehensive analysis of the impact the Company's business has had, in a manner proportionate to the size and complexity of the business. The

impact report shall contain such detail as is necessary to enable the members to have an understanding of the way in which the Company has promoted its success for the benefit of its members as a whole and through its business and operations, sought to have a material positive impact on society and the environment, taken as a whole. If the Company is also required to prepare a strategic report under the Companies Act 2006, the Company may choose to publish the impact report as part of its strategic report and in accordance with the requirements applying to the strategic report.

ADOPTION OF MODEL ARTICLES

- 2.6 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.
- 2.7 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 18(e), 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.8 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.9 Model article 29 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)," after the words "the transmittee's name".

DIRECTORS

3 PROCEEDINGS OF DIRECTORS

- 3.1 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 3.2 (subject to article 3.3 and article 3.4).

- 3.2 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.
- 3.3 A decision taken in accordance with article 3.2 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.
- 3.4 A decision may not be taken in accordance with article 3.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 3.7 and article 3.8.
- 3.5 Model articles 5(1) to (3) (inclusive) and 6(2) shall be modified by the insertion of the words "(acting with Investor Consent)" following each reference to "the directors" in such model articles.
- 3.6 Meetings of the Directors shall take place at least ten times in each year, with a period of not more than eight weeks between any two meetings. Any Director may call a meeting of the Directors. At least five Business Days' advance notice of each such meeting shall be given to each Director (except with the prior consent in writing of an Investor Director, when meetings of the Directors may take place less frequently or on shorter notice).
- 3.7 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:
- 3.7.1 there is no Investor Director in office for the time being; or
- 3.7.2 such Investor Director has, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting; or
- 3.7.3 such Investor Director is not, in respect of any particular meeting (or part of a meeting), an Eligible Director.

in which case, subject to article 3.8, 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.

- 3.8 For the purposes of any meeting (or part of a meeting) held pursuant to article 5 to authorise a Conflict (as defined in article 5.1), 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.
- 3.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chair (or other chair of the meeting) shall not have a second or casting vote.
- 3.10 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.

4 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 they have declared the nature and extent of their 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:

- 4.1.1 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;
- 4.1.2 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 they are interested;
- 4.1.3 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 they are interested;
- 4.1.4 may act by themselves, or their firm in a professional capacity for the Company (otherwise than as auditor) and they, or their firm shall be entitled to remuneration for professional services as if they were not a Director;

- 4.1.5 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
- 4.1.6 shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them) 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 their duty under section 176 of the Act.

5 DIRECTORS' CONFLICTS

- 5.1 The Directors may, in accordance with the requirements set out in this article 5, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching their duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 5.2 Any authorisation of a Conflict under this article 5 may (whether at the time of giving the authorisation or subsequently):
- 5.2.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- 5.2.2 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;
- 5.2.3 subject to Investor Consent, 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;
- 5.2.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- 5.2.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through the Interested Director's position as a Director of the Company) information that is confidential to a third

party, they 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

- 5.2.6 permit the Interested Director to absent themselves 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.
- 5.3 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct themselves in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 5.4 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.
- 5.5 A Director, notwithstanding their office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in their appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 5.1 shall be necessary in respect of any such interest.
- 5.6 An Investor Director shall be entitled from time to time to disclose to any Investor (and to any Permitted Transferee of an Investor) such information concerning the business and affairs of the Company as they shall at their discretion see fit.
- 5.7 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 they derive 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 avoided on such grounds.

SHARES AND DISTRIBUTIONS

6 DIVIDENDS

- 6.1 Subject to the remainder of this Article 6, any Available Profits which the Company has available for lawful distribution and which the Company may determine to distribute (in any event not exceeding the amount recommended by the Directors) in any Accounting Period shall be applied in paying to the Shareholders a non-cumulative dividend on the amounts from time to time credited as paid up on the Shares.
- 6.2 Any amount of dividend payable under these Articles on and in respect of any class of Shares shall belong to and be paid to the holders of such Shares pro rata according to their holdings of such Shares.
- 6.3 The Company may by ordinary resolution, and upon the recommendation of the Directors, declare a dividend which may be declared and paid in respect of one class of Shares or more to the exclusion of the other classes or class of Shares and/or which may be declared and paid at a different rate in respect of one or more class or classes of Share as to the amount or percentage of dividend payable.

7 LIQUIDATION PREFERENCE

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:

- 7.1.1 first, in paying to the holders of the Shares in respect of each Share held the Issue Price of that Ordinary Share, together with a sum equal to any arrears and accruals of dividend in respect of that Share and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Shares pro rata to the aggregate amounts due under this article 7.1.1 to each such Share held; and
- 7.1.2 thereafter, in distributing the balance among the holders of the Shares pro rata to the number of Shares held, as if they all constituted shares of the same class.

8 EXIT PROVISIONS

- 8.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in article 7. The Directors shall not register any transfer of Shares if the Sale

Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

8.1.1 the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in article 7; and

8.1.2 each Shareholder shall take any reasonable action (to the extent lawful and within its control) required by an Investor Majority to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 7.

8.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in article 7, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any reasonable action required by an Investor Majority (including, but without prejudice to the generality of this article 8.2, such action as may be necessary to put the Company into voluntary liquidation so that article 7 applies).

9 VARIATION OF CLASS RIGHTS

9.1 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.

10 TRANSFERS OF SHARES: GENERAL

10.1 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.

- 10.2 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 10.3, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 10.3 The Directors may (and shall, if requested by an Investor Majority), 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 any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company in such form as the Directors (acting with Investor Consent) 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 10.3, 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.
- 10.4 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by an Investor Director, require:
- 10.4.1 any holder (or the legal representatives of a deceased holder); or
- 10.4.2 any person named as a transferee in a transfer lodged for registration; or
- 10.4.3 such other person as the Directors or an Investor Director 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.
- 10.5 If any such information or evidence referred to in article 10.4 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 then, unless otherwise directed in writing by an Investor Majority:
- 10.5.1 the relevant Shares shall cease to confer on the holder of them any rights:

- 10.5.1.1 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;
 - 10.5.1.2 to receive dividends otherwise attaching to those Shares; and
- 10.5.2 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).
- 10.6 The Directors may (with Investor Consent) reinstate the rights referred to in article 10.5.1 at any time and, in any event, such rights shall be reinstated on completion of such transfer.
- 10.7 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:
 - 10.7.1 it does not contain a Minimum Transfer Condition; and
 - 10.7.2 the Seller wishes to transfer all the Shares held by them (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).
- 10.8 Any Transfer Notice (but not an Offer Notice (as defined in article 15) or a Drag Along Notice (as defined in article 16)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall (save with Investor Consent to the contrary) automatically be revoked by the service of a Deemed Transfer Notice.

11 PERMITTED TRANSFERS OF SHARES

- 11.1 An Investor may transfer all or any of its Shares to any person or entity without any price or other restriction.

12 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 12.1 Except where the provisions of article 11, article 15 or article 16 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 12.
- 12.2 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:
- 12.2.1 subject to article 10.7.2, the number of Shares they wish to transfer (**Sale Shares**);
- 12.2.2 the name of the proposed transferee, if any;
- 12.2.3 subject to article 14.2, the price per Sale Share (in cash), if any, at which they wish to transfer the Sale Shares (the **Proposed Sale Price**); and
- 12.2.4 subject to article 10.7.1, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).
- 12.3 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 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. Otherwise, a Transfer Notice may only be withdrawn with Investor Consent.
- 12.4 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.
- 12.5 As soon as practicable following the later of:
- 12.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- 12.5.2 the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 12.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 12 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.

- 12.6 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 5 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 12.7 If:
- 12.7.1 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 that Shareholder has stated they are willing to buy;
- 12.7.2 not all Sale Shares are allocated following allocations in accordance with article 12.7.1, 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 12.7.1. The procedure set out in this article 12.7.2 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
- 12.7.3 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 12.8.
- 12.8 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 15 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.
- 12.9 If:

- 12.9.1 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 that Shareholder has stated they are willing to buy;
- 12.9.2 not all Initial Surplus Shares are allocated following allocations in accordance with article 12.9.1, 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 12.9.1. The procedure set out in this article 12.9.2 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
- 12.9.3 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 12.10, be offered to any other person in accordance with article 12.14.
- 12.10 Where the Transfer Notice contains a Minimum Transfer Condition:
- 12.10.1 any allocation made under article 12.6 to article 12.9 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- 12.10.2 if the total number of Sale Shares applied for under article 12.6 to article 12.9 (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.
- 12.11 Where either:

12.11.1 the Transfer Notice does not contain a Minimum Transfer Condition; or

12.11.2 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 12.6 to article 12.9 (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.

12.12 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.

12.13 If the Seller fails to comply with article 12.12:

12.13.1 the Chair (or, failing the Chair, any other Director or some other person nominated by a resolution of the Directors) may, as agent on behalf of the Seller:

12.13.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

12.13.1.2 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

12.13.1.3 (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

12.13.2 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 the Seller has delivered the 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.

12.14 Where a Transfer Notice lapses pursuant to article 12.10.2 or an Allocation Notice does not relate to all the Sale Shares, then the Seller may only transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price with Investor Consent. The sale of the Sale Shares (following the lapse of a Transfer

Notice) in accordance with this article 12.14 shall continue to be subject to any Minimum Transfer Condition.

13 VALUATION

- 13.1 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), acting with Investor Consent, 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.
- 13.2 If the accountants for the time being of the Company decline an instruction to make a certification or a determination in accordance with these Articles, the Company and the Seller (or the Investor Majority as the case may be) shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Independent Expert and to agree terms of appointment with the Independent Expert.
- 13.3 If the parties fail to agree on an Independent Expert and the terms of their appointment within 20 Business Days of either party serving details of a proposed Independent Expert on the other then either party shall be entitled to request the Institute of Chartered Accountants of England and Wales to appoint the Independent Expert.
- 13.4 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- 13.4.1 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);
- 13.4.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 13.4.3 that the Sale Shares are capable of being transferred without restriction;

- 13.4.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares with any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- 13.4.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 13.5 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.
- 13.6 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.
- 13.7 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).
- 13.8 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.

14 COMPULSORY TRANSFERS

- 14.1 If an Employee becomes a Departing Employee prior to the tenth anniversary of the Adoption Date, a Transfer Notice shall, unless the Directors (with Investor Consent) otherwise direct in writing in respect of the particular Relevant Shares prior to or within 3 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.
- 14.2 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall be the sum of £1.00.
- 14.3 Forthwith upon a Transfer Notice being deemed to be served under article 14.1 the Relevant Shares shall cease to confer on the holder of them any rights:

- 14.3.1 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;
 - 14.3.2 to receive dividends or other distributions otherwise attaching to those Shares.
- 14.4 The Directors may (with Investor Consent) reinstate the rights referred to in article 14.3 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 14.1 on completion of such transfer.

15 MANDATORY OFFER ON CHANGE OF CONTROL

- 15.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 11 or article 14 but after the operation of the pre-emption procedure set out in article 12), 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 15 shall apply.
- 15.2 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 Shares in connection with the Proposed Transfer.
- 15.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 20 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). The Offer Notice shall specify:
- 15.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);
 - 15.3.2 the Offer Price and any other terms and conditions of the Offer;
 - 15.3.3 the Sale Date; and

- 15.3.4 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.
- 15.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- 15.4.1 the making of an Offer in accordance with this article 15; and
- 15.4.2 the completion of the transfer of any 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 15.4.
- 15.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 15 shall not be, subject to the pre-emption provisions of article 12.

16 **DRAG ALONG**

- 16.1 If the holders of at least 50% of the Shares in issue for the time being (the **Selling Shareholders**) wish to transfer their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**) and Investor Consent has also been obtained, the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 16.
- 16.2 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:
- 16.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 16;
- 16.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

- 16.2.3 the consideration payable for the Called Shares calculated in accordance with article 16.4;
- 16.2.4 the proposed date of completion of transfer of the Called Shares.
- 16.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors, acting with Investor Consent.
- 16.4 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 6.1.
- 16.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 16.
- 16.6 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.
- 16.7 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 them (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 their agent to execute and deliver all necessary transfers on their 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 16.
- 16.8 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 12.

- 16.9 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

17 GENERAL MEETINGS

- 17.1 No business other than, subject to article 17.2, the appointment of the chair 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.
- 17.2 The Chair shall chair general meetings. If there is no Chair in office for the time being, or the Chair 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 chair of the meeting must be the first business of the meeting.

18 VOTING

- 18.1 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.
- 18.2 Model article 45(1) shall be amended by:
- 18.2.1 the deletion of model article 45(1)(d) and its replacement 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”; and
- 18.2.2 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 model article.

ADMINISTRATIVE ARRANGEMENTS

19 MEANS OF COMMUNICATION TO BE USED

- 19.1 Subject to article 19.3, any notice, document or other information shall be deemed received by the intended recipient:
- 19.1.1 if delivered by hand, at the time the notice, document or other information is left at the address;
 - 19.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of postage at 9.00 am on the second Business Day after posting;
- 19.2 If deemed receipt under article 19.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 19.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.
- 19.3 To prove service, it is sufficient to prove that:
- 19.3.1 if delivered by hand, the notice was delivered to the correct address; or
 - 19.3.2 if sent by post, the envelope containing the notice was properly addressed, paid for and posted;
- 19.4 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.

20 INDEMNITY AND INSURANCE

- 20.1 Subject to article 20.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a Relevant Officer
- 20.1.1 in the actual or purported execution and/or discharge of their duties, or in relation thereto including (in each case) any liability incurred by them in

defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part, or in connection with any application in which the court grants them, in their capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

- 20.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred to in article 20.1.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.
- 20.2 This article 20 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.
- 20.3 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.
- 20.4 In this article 20:
 - 20.4.1 **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 of the Company; and
 - 20.4.2 **Relevant Officer** means any director or other officer of the Company.