

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CIRCULATE PLUS LTD

Company No SC692699

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(Adopted by special resolution passed on 10 December 2021
.....)

INTRODUCTION

1. Interpretation

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

Act:	the Companies Act 2006.
Appointor:	has the meaning given in article 11.1.
Articles:	the company's articles of association for the time being in force.
Available Profits:	means profits available for distribution within the meaning of Part 23 of the Act.
Business Day:	a day other than a Saturday, Sunday or public holiday in Scotland when banks are open for business.
Conflict:	has the meaning given in article 7.1.
Controlling Interest	means 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.
Eligible Director:	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).
Financial Year:	means a financial year of the company.
Model Articles:	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles)

Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

Option Agreement: means the option agreement to be entered into on or around the date of adoption of these articles.

Ordinary Shares: means the ordinary shares in the capital of the company having the rights attached as set out in these Articles.

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

Shares: means shares (of any class) in the capital of the company and Share shall be construed accordingly.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.7 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.
- 1.8 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and

- (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

DIRECTORS

- 2. Unanimous decisions
 - 2.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
 - 2.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
 - 2.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.
- 3. Calling a directors' meeting
 - 3.1 Any director may call a directors' meeting by giving reasonable notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
 - 3.2 Notice of a directors' meeting shall be given to each director in writing.
- 4. Quorum for directors' meetings
 - 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors or, where there is only one Eligible Director in office, the quorum shall be one Eligible Director.

- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.
5. Casting vote
- 5.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chair or other director chairing the meeting has a casting vote.
- 5.2 Article 5.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chair or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).
6. Transactions or other arrangements with the company
- Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he or she has declared the nature and extent of his or her interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:
- 6.1 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;
 - 6.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he or she is interested;
 - 6.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he or she is interested;
 - 6.4 may act by himself or herself, or his or her firm in a professional capacity for the company (otherwise than as auditor) and he or she, or his or her firm shall be entitled to remuneration for professional services as if he or she were not a director;
 - 6.5 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
 - 6.6 shall not, save as he or she may otherwise agree, be accountable to the company for any benefit which he or she (or a person connected with him or her (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from

any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his or her duty under section 176 of the Act.

7. Directors' conflicts of interest

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

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

- (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.

7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his or her involvement in the Conflict and otherwise than through his or her position as a director of the company) information that is confidential to a third party, he or she will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself or herself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself or herself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he or she derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

8. Records of decisions to be kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

9. Number of directors

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

10. Appointment of directors

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

11. Appointment and removal of alternate directors

11.1 Any director (appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, 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.

11.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

11.3 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.

12. Rights and responsibilities of alternate directors

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

12.2 Except as the 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 or her appointor is a member.

12.3 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 present (but only if that person's appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his or her appointor is an Eligible Director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of article 12.3(a) and article 12.3(b).

12.4 A director who is also an alternate director is entitled, in the absence of his or her appointor, to a separate vote on behalf of his or her appointor, in addition to his or her own vote on any decision of the directors (provided that his or her appointor is an Eligible Director in relation to that decision).

12.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

13. Termination of alternate directorship

An alternate director's appointment as an alternate terminates:

- (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.

14. Secretary

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

SHARES

15. Ranking and dividends

15.1 For the avoidance of doubt, the Ordinary Shares shall rank *pari passu* with each other constituting one class of Shares.

15.2 Subject to the Act, the directors may pay interim dividends provided that the Available Profits of the company justify the payment.

15.3 Any Available Profits which the company may determine to distribute in respect of any Financial Year will be distributed among the holders of the relevant Shares (in respect of which such dividend has been declared) *pro rata* to their respective holdings of such Shares.

16. Transfers of shares: general

16.1 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.

16.2 The directors shall have discretion to refuse to register a transfer of any Share.

16.3 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, in favour of the company and the Shareholders agreeing to be bound by the terms of the Option Agreement. If any condition is imposed in accordance with this Article 16.3, 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.

16.4 The directors may not decline to register any transfer of Shares made pursuant to the terms of the Option Agreement.

17. Drag Along

17.1 If the holders of not less than 80% of the Shares then in issue (Majority Sellers) wish to transfer all of their interest in the Shares held by them (Seller Shares) to a bona fide purchaser on arm's-length terms (Proposed Buyer) and the Proposed Buyer is prepared to buy all of the Shares then in issue, the Majority Sellers 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 in accordance with the provisions of this Article 17.

- 17.2 The Majority Sellers may exercise the Drag Along Option by giving notice in writing to that effect (Drag Along Notice), to each Called Shareholder and the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (Called Shares) pursuant to this Article 17;
 - (b) the identity of the Proposed Buyer;
 - (c) the consideration payable for the Called Shares calculated in accordance with Article 17.4; and
 - (d) the proposed date of completion of transfer of the Called Shares.
- 17.3 Once given, a Drag Along Notice may not be revoked save with the consent of the directors. However a Drag Along Notice shall lapse if, for any reason, the Majority Sellers have not completed the transfer of the Called Shares to the Proposed Buyer within 60 days of serving the Drag Along Notice. The Majority Sellers may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 17.4 The consideration in cash 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 was distributed to the holders of the Called Shares and the Seller Shares on a pari passu basis.
- 17.5 No Drag Along Notice shall require a Called Shareholder to agree any terms except those specifically set out in this Article 17.
- 17.6 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 Seller Shares.
- 17.7 Within ten Business Days of the Majority Sellers serving a Drag Along Notice, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the company in exchange for payment of the cash consideration for the Called Shares.
18. Purchase of own shares
- Subject to the Act and the terms of any separate written agreement entered into among the holders of the Shares from time to time, but without prejudice to any other provision of these Articles, the company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
- 18.1 £15,000; and
 - 18.2 the nominal value of 5% of the company's fully paid share capital at the beginning of each financial year of the company.

19. Mandatory offer on change of control

- 19.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to Article 16), whether made as one or as a series of transactions (a Proposed Transfer) would, if completed, result in any person other than an existing Shareholder (the Buyer), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this Article 19 shall apply.
- 19.2 The Shareholder proposing to transfer Shares 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.
- 19.3 The Offer shall be made by notice in writing (an Offer Notice) addressed to each Offeree on the date of the Offer at least ten Business Days (the Offer Period) before the date fixed for completion of the Proposed Transfer (the Sale Date). To the extent not described in any accompanying documents, the Offer Notice shall specify:
- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer);
 - (b) the Offer Price and any other terms and conditions of the Offer;
 - (c) the Sale Date; and
 - (d) the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 19.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- (a) the making of an Offer in accordance with this Article 19; and
 - (b) 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 19.4.

DECISION MAKING BY SHAREHOLDERS

20. Poll votes

- 20.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 20.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

21. Proxies

- 21.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 21.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

22. Means of communication to be used

- 22.1 Subject to Article 22.3, any notice, document or other information shall be deemed received by the intended recipient:
- (a) if delivered by hand at the time the notice, document or other information is left at the address;
 - (b) 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;
 - (c) if sent by pre-paid airmail providing proof of postage, at 9.00 am on the fifth Business Day after posting;
 - (d) if sent by email or fax, at the time of transmission; or
 - (e) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 22.2 If deemed receipt under article 22.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this Article 22.2, 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.
- 22.3 To prove service, it is sufficient to prove that:
- (a) if delivered by hand, the notice was delivered to the correct address; or
 - (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted;
 - (c) sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

23. Indemnity

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

- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a relevant officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and
- (b) the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in article 23.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

23.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

23.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act)).

24. Insurance

24.1 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.

24.2 In this article:

- (a) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act));
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the

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

- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.