

THE COMPANIES ACT 2006

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A PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

PLAYRCART LIMITED (the "Company") (Company Number: 07773640)

(Adopted by special resolution passed on 9 November 2022)

1. Interpretation

1.1. In these Articles, unless the context otherwise requires:

A Ordinary Shares	means the A Ordinary Shares of £0.001 each in the capital of the Company and A Ordinary Shareholder means a holder of any of those shares;
Asset Sale	means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);
Acceptance Period	has the meaning given in Article 8.7.1;
Accepting Shareholder	has the meaning given in Article 9.5;
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);
Articles	means the Company's Articles of Association;
B Investment Shares	means the B Investment Shares of £0.001 each in the capital of the Company and B Investment Shareholder means a holder of any of these shares;
Board	means the board of Directors;
Business Day	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
Buyer	has the meaning given in Article 9.1;

Called Shareholder	has the meaning given in Article 10.1;
Called Shares	has the meaning given in Article 10.2.1;
Companies Act	the Companies Act 2006;
Compulsory Transfer Event	has the meaning given to it in Article 8.1;
Compulsory Transfer Notice	has the meaning given in Article 8.3;
Continuing Shareholders	means the shareholders other than the Transferring shareholder;
Controlling Interest	means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
Convertible Securities	has the meaning given in 9.2.3;
C Preference Shares	means the C Preference Shares of £0.001 each in the capital of the Company and C Preference Shareholder means a holder of any of those shares;
Date of Adoption	the date of adoption of these Articles;
Default Transfer Notice	has the meaning given to it in Article 8.3;
Defaulting Shareholder	has the meaning given to it in Article 8.2;
Directors	means the directors of the Company from time to time, and Director means any one of them;
Drag Along Notice	has the meaning given in Article 10.2;
Drag Along Option	has the meaning given in Article 10.1;
Drag Completion Date	Has the meaning given in 10.5;
Drag Consideration	has the meaning given in Article 10.3;
Drag Documents	has the meaning given in Article 10.5;
Employee	means 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;
Equity Securities	has the meaning given in sections 560(1) to (3) inclusive of the Companies Act;
Excess Securities	has the meaning given in Article 8.7.2;
Independent Expert	means a partner of at least 10 years' standing at a leading UK firm of accountants (acting as an expert and

	not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President from time to time of the Institute of Chartered Accountants in England and Wales;
Issue Price	means in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;
Listing	the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any Share to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any Share to trading on AIM, a market of the London Stock Exchange plc or the admission by any recognised investment exchange or the New York Stock Exchange or NASDAQ of any Share, and, in each case, such admission becoming effective on the day on which trading in the securities began
Model Articles	means 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;
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 securities issued as a result of the events set out in Article 6.6);
New Shareholder	has the meaning given in Article 10.10;
Nominee Purchasers	has the meaning given in Article 8.9;
Non-Defaulting Shareholder	means a Shareholder who is not a Defaulting Shareholder;
Offer	has the meaning given in Article 9.2;
Offer Notice	has the meaning given in Article 9.3;
Offer Period	has the meaning given in Article 9.3;
Offer Shares	has the meaning given in Article 9.3.4;
Preferred Amount	means the aggregate of: <ul style="list-style-type: none"> <li>a) £4,126,697.27; and</li> <li>b) the aggregate Issue Price of the Preference C Shares;</li> </ul>
Price	has the meaning given in Article 7.1.2.2;

Proceeds of Sale	means the consideration payable (including any deferred consideration) whether in cash or otherwise to those shareholders selling shares under a Share Sale;
Proposed Buyer	means a bona fide arm's length buyer;
Proposed Transfer	has the meaning given in Article 9.1;
Purchase Notice	has the meaning given in Article 7.1.4;
Purchase Price	has the meaning given in Article 8.5;
Purchasers	has the meaning given in Article 8.10;
Purchasing Shareholder	has the meaning given in Article 7.1.4;
Qualifying Shareholder	means a Shareholder holding 25% or more of the issued Voting Shares for the time being;
Remaining Assets	has the meaning given in Article 12.1;
Sale Agreement	has the meaning given in Article 10.2.5;
Sale Date	has the meaning given in Article 9.3;
Sale Documents	has the meaning given in Article 9.6;
Sale Shares	has the meaning given to it in Article 8.3;
Sellers' Shares	has the meaning given in Article 10.1;
Selling Shareholder	has the meaning given in Article 10.1;
Shareholders	means all or any of those persons whose names are entered in the register of members of the Company, and Shareholder shall mean any one of them;
Shares	means the A Ordinary Shares, the B Investment Shares and the C Preference Shares any other shares in the Company from time to time;
Share Sale	means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale
Specified Price	has the meaning given in Article 9.2.3;

Subscribers	has the meaning given in Article 6.2;
Subscription Period	has the meaning given in Article 6.2.1;
Transfer Notice	has the meaning given in Article 7.1.1;
Transfer Offer Period	has the meaning given in Article 7.1.3;
Transferring Shareholder	has the meaning given in Article 7.1.1;
Transferring Shares	has the meaning given in Article 7.1.1.
Voting Shares	means the A Ordinary Shares, the C Preference Shares and any other class of Share which carries the right to vote.

- 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 Companies 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 a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.5.1. any subordinate legislation from time to time made under it; and
  - 1.5.2. any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words following those terms.
- 1.7. The singular includes the plural, the masculine includes the feminine and, in each case, vice versa.
- 1.8. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.9. Articles 13 and 14 of the Model Articles shall not apply to the Company.
2. Quorum for general meetings

The quorum for a general meeting shall be at least 2 Shareholders holding a majority of the Voting Shares.

3. Directors' conflicts of interest

If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director shall be counted as participating in the decision-making process for quorum or voting purposes, provided that he has declared the nature and extent of such interest as required by the Companies Act.

4. Casting vote

If the numbers of votes for and against a proposal at a meeting of the Directors are equal, the chairman or other Director chairing the meeting shall have a casting vote.

5. Directors' authority to allot

5.1. The Directors are generally and unconditionally authorised, in accordance with section 551 of the Companies Act, to exercise all the powers of the Company to allot Shares or to grant rights or to subscribe for or convert any security into Shares up to a maximum nominal value of £10.00.

5.2. The authority contained in Article 5.1 shall expire on the day five years after the date of the adoption of these Articles.

6. Further issues of Shares: pre-emption rights

6.1. Sections 561(1) and 562(1) to (5) (inclusive) of the Companies Act do not apply to an allotment of Equity Securities made by the Company.

6.2. Unless otherwise agreed by special resolution, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the Voting Shareholders (the "Subscribers") on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those Voting Shareholders (as nearly as may be without involving fractions). The offer:

6.2.1. shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the "Subscription Period") and give details of the number and subscription price of the New Securities; and

6.2.2. may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.

6.3. If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the total number of New Securities that the Company has proposed to allot, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).

- 6.4. If, at the end of the Subscription Period, the number of New Securities applied for is less than the total number of New Securities that the Company has proposed to allot, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.
- 6.5. Subject to the requirements of Articles 6.2 to 6.4 (inclusive) and to the provisions of section 551 of the Companies Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 6.6. The provisions of Articles 6.2 to 6.5 (inclusive) shall not apply to options to subscribe for Shares under a share option plan of the Company, the terms of which have been approved by the Board and by the holders of more than 50% of the Voting Shares in issue from time to time.
- 6.7. 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 ITEPA election with the Company if so required by the Company.
7. Transfer of Shares: pre-emption rights
- 7.1. Subject to Articles 8, 9, and 10, neither the A Ordinary Shareholders nor the C Preference Shareholders shall transfer any A Ordinary Shares or C Preference Shares, except in the circumstances set out in Articles 7.1.1 to 7.1.8 and, for the avoidance of doubt and without prejudice to the generality of Article 26 of the Model Articles, the Board may refuse to register the transfer of any A Ordinary Share or C Preference Share, if it has not been transferred in accordance with Articles 7.1.1 to 7.1.8.
- 7.1.1. Any A Ordinary Shareholder who wishes to transfer any A Ordinary Shares or any C Preference Shareholder who wishes to transfer any C Preference Shares (the "Transferring Shareholder") shall, before transferring or agreeing to transfer such shares (the "Transferring Shares") or any interest in them, first offer those Transferring Shares to the Continuing Shareholders, by giving irrevocable written notice to the Company (a "Transfer Notice").
- 7.1.2. The Transfer Notice shall specify:
- 7.1.2.1. the number of Transferring Shares the Transferring Shareholder wishes to transfer; and
- 7.1.2.2. the price (in cash) and any other consideration at which the Transferring Shareholder wishes to transfer the Transferring Shares (which shall be the price offered to the Transferring Shareholder by a bona fide third party for the Transferring Shares, or in the absence of such an offer, the price calculated pursuant to Articles 7.1.6 and 7.1.7, in which case the Transfer Notice shall not specify a price) (the "Price").
- 7.1.3. Upon receipt of the Transfer Notice, the Board shall, as soon as reasonably practicable, offer the Transferring Shares to the Continuing Shareholders,

inviting those Continuing Shareholders to state by notice in writing to the Company within 10 Business Days of the offer by the Board (the "Transfer Offer Period"), whether they are willing to purchase at the Price, such number of Transferring Shares as corresponds to the proportion of other Shares held by them respectively.

- 7.1.4. Each Continuing Shareholder who wishes to purchase the shares offered to him in accordance with Article 7.1.3 above (a "Purchasing Shareholder") may within the Transfer Offer Period, serve notice (the "Purchase Notice") on the Board specifying how many Transferring Shares he wishes to purchase.
- 7.1.5. Any Transferring Shares not accepted pursuant to Articles 7.1.4 may be transferred by the Transferring Shareholder to any person, provided the transfer is at the Price and takes place within 90 Business Days of the end of the Transfer Offer Period.
- 7.1.6. If there is no bona fide third party offer for any of the Transferring Shares, the Price shall be such price per Transferring Share as may be determined by the accountants for the time being of the Company as the fair value thereof. The Board shall instruct such accountants to specify such fair value as soon as practicable upon receipt of the Transfer Notice not having the Price specified therein and such accountants shall, acting as experts and not arbitrators, calculate the fair value on such bases as they consider most applicable, but without discount for minority or uplift for majority shareholdings, and their costs and expenses shall be borne equally by the Company and the Transferring Shareholder.
- 7.1.7. In determining the fair value of the Transferring Shares, the accountants will rely on the following assumptions: the sale is between a willing seller and a willing buyer of the Transferring Shares, the Company is carrying on its business as a going concern and shall continue to do so, the Transferring Shares are sold free of all restrictions, liens, charges and other encumbrances and the sale is taking place on the date the accountants were instructed to calculate the fair value.
- 7.1.8. Following completion of the procedure in respect of the Transferring Shares set out in Articles 7.1.1 to 7.1.7, the Transferring Shareholder shall sell the Transferring Shares as required and shall execute and deliver to the Board stock transfer forms relating to the Transferring Shares as required by the Board against receipt of the Price which the Board may receive from and transfer on behalf of the purchasers.
- 7.2. The provisions of Article 7.1 above shall not apply with regard to B Investment Shares. Any B Investment Shareholder shall be entitled to transfer or transmit B Investment Shares to such persons and at such prices as they see fit, provided that such transfer is in respect of the B Investment Shareholder's entire holding of B Investment Shares to a single transferee (except with the prior sanction of a resolution of the Board).
- 8. Compulsory Transfers
  - 8.1. A Compulsory Transfer Event shall be deemed to have occurred in relation to a Shareholder if that Shareholder:
    - 8.1.1. in the case of a Shareholder that is an individual:



- 8.1.1.1. is adjudged bankrupt; or
  - 8.1.1.2. enters into any voluntary composition or arrangement with its creditors;
- 8.1.2. in the case of a Shareholder that is a body corporate:
  - 8.1.2.1. goes into liquidation whether compulsory or voluntary, has an administrator appointed or if a receiver, administrative receiver or manager is appointed over all or a material part of its assets or undertaking;
  - 8.1.2.2. ceases to carry on business, or is or becomes insolvent, or is or is deemed to be unable to pay its debts as they fall due within the meaning of section 123 of the Insolvency Act 1986;
  - 8.1.2.3. enters into any composition or arrangement with its creditors generally or a moratorium is declared in respect of its indebtedness or any creditor action;
  - 8.1.2.4. is affected in any way in any jurisdiction other than England and Wales by anything equivalent to any of the things referred to in Articles 8.1.2 to 8.1.2.3; or
  - 8.1.2.5. undergoes a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010).
- 8.1.3. is in persistent material breach of these Articles or any shareholders' agreement or similar document relating to the Company to which it is a party, in place and fails to remedy such breach (if capable of remedy) within 14 Business Days of being given notice by the other Shareholders or the Company to do so.
- 8.2. If a Compulsory Transfer Event occurs in relation to a Shareholder, then that Shareholder shall be deemed to be a Defaulting Shareholder.
- 8.3. The Board may, at any time, serve written notice (Compulsory Transfer Notice) on the Defaulting Shareholder identifying the Compulsory Transfer Event. Upon service of such Compulsory Transfer Notice, the Defaulting Shareholder shall be deemed to have given the Non-Defaulting Shareholders irrevocable notice offering to transfer all of the Shares held by them/it (Sale Shares) to the Non-Defaulting Shareholders and/or to the Company in accordance with the remaining provisions of this Article 8 (a Default Transfer Notice).
- 8.4. The Default Transfer Notice shall constitute the appointment of the Company as the Defaulting Shareholder's agent for the sale of the Sale Shares in accordance with this Article 8. A Default Transfer Notice shall not be withdrawn without the consent of the Directors.
- 8.5. The purchase price (Purchase Price) for the Sale Shares shall be agreed between the Defaulting Shareholder (or his personal representatives, as appropriate) and the Directors or, failing agreement, shall be the price certified:
  - 8.5.1. (upon request by both the Defaulting Shareholder and the Directors) by the auditors/accountants for the time being of the Company; or

- 8.5.2. failing such request by such independent accountants as the Defaulting Shareholder and the Directors shall agree, or (in the absence of such agreement) as may be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales.
- 8.6. The Purchase Price so certified shall be the fair value of the Sale Shares at the date of the Default Transfer Notice:
- 8.6.1. on a going concern basis;
- 8.6.2. assuming a willing seller and a willing buyer and disregarding any restrictions on transfer; and
- in so certifying, the auditors/accountants or independent accountants (as applicable) shall be deemed to be acting as experts and not as arbitrators and their certificate shall be conclusive and binding on the Defaulting Shareholder and the relevant transferees and their fees shall be paid by the Defaulting Shareholder or as the auditors/accountants or independent accountants (as applicable) may otherwise determine. If the Defaulting Shareholder fails to pay the fees of the auditors/accountants or independent accountants within 5 Business Days of receipt of an invoice from the auditors/accountants or independent accountant, the Company shall retain an amount equivalent to the fee from the Purchase Price and use the same to pay the fees of the auditors/accountants or independent accountant on behalf of the Defaulting Shareholders.
- 8.7. Within 10 Business Days of receipt of a Default Transfer Notice (or within five Business Days after the ascertainment of the Purchase Price, if later) the Board shall, subject to Article 8.13, offer the Sale Shares to all Shareholders (other than the Defaulting Shareholders), on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as possible without involving fractions). The offer:
- 8.7.1. shall be in writing, shall be open for acceptance for a period of 20 Business Days from the date of the offer ("Acceptance Period") and shall give details of the number and Purchase Price of the relevant Sale Shares; and
- 8.7.2. may stipulate that any Shareholder who wishes to subscribe for a number of Sale Shares in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess Sale Shares ("Excess Securities") for which he wishes to subscribe.
- 8.8. Any Sale Shares not accepted by Shareholders pursuant to the offer made to them in accordance with Article 8.7.1 shall be used for satisfying any requests for Excess Securities made pursuant to Article 8.7.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the relevant applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to Shareholders in accordance with Article 8.7.1 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him).
- 8.9. The Shareholders (excluding the Defaulting Shareholder) may unanimously agree at any time before the expiration of the Acceptance Period to nominate a third party or parties ("Nominee Purchasers") to purchase some or all of the Sale Shares at the Purchase Price.
- 8.10. If the Company shall, during the Acceptance Period find shareholder and/or Nominee

Purchasers willing to purchase all of the Sale Shares at the Purchase Price (together "Purchasers"), the Directors shall give written notice to the Defaulting Shareholder of the name and address of each Purchaser and the number of Sale Shares to be purchased by him. Upon receipt of such notice, the Defaulting Shareholder shall be bound, upon payment of the Purchase Price, to transfer the Sale Shares to the relevant Purchaser(s).

- 8.11. In the event that any Shareholder is deemed to have served a Default Transfer Notice in respect of his Shares before or during an Acceptance Period he shall not be entitled to purchase any Sale Shares pursuant to this Article 8, and any Shares already offered to him may be transferred to any Shareholder or Nominee Purchaser at the discretion of the Board.
- 8.12. Completion of the sale and purchase of the Sale Shares shall be completed at a place and time (being, subject to Article 8.13, not less than five nor more than 10 Business Days after the expiration of the acceptance period) to be appointed by the Directors.
- 8.13. At any time after the service of a Default Transfer Notice, the Board:
  - 8.13.1. may nominate a third party or parties to purchase some or all of the Sale Shares at the Purchase Price; or
  - 8.13.2. may agree that, subject to due compliance with the relative provisions of the Act, the Company may purchase all or any number of the Sale Shares at the Purchase Price

and shall serve the Defaulting Shareholder with 10 Business Days' written notice of its intention to do so, whereupon the sales and purchases of the Sale Shares or any of them pursuant to the provisions of this Article may be deferred for a reasonable period so as to enable the Company to comply with the relative provisions of the Companies Act in connection with its said purchase and/or to make arrangements for the third party or parties to purchase such Sale Shares.

- 8.14. The Defaulting Shareholder shall not be bound to sell any Sale Shares unless all the Sale Shares are sold however the Directors shall be entitled to serve further Compulsory Transfer Notices at any time.
- 8.15. If the Defaulting Shareholder fails to transfer any Share which he has become bound to transfer:
  - 8.15.1. the chairman of the Company (or, failing him, one of the other Directors, or some other person nominated by a resolution of the board) may, as agent on behalf of the Defaulting Shareholder:
    - 8.15.1.1. complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Purchasers;
    - 8.15.1.2. receive the consideration and give a good discharge for it (and no Purchaser shall be obliged to see to the distribution of the consideration); and
    - 8.15.1.3. (subject to the transfers being duly stamped) enter the Purchasers in the register of members as the holders of the Sale Shares purchased by them; and

- 8.15.2. the Company shall pay the consideration into a separate bank account in the Company's name on trust (but without interest) for the Defaulting Shareholder until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.
- 8.15.3. where a document is being signed for the Defaulting Shareholder then the Defaulting Shareholder shall indemnify the Company, the Directors and any person signing on his behalf against all and any costs, liabilities and losses which he may suffer and which are in any way directly or indirectly associated with such signing.
- 8.16. Any obligation to transfer Shares under this Article 8 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Shares free from any lien, charge, encumbrance or other third party rights such as options.
- 9. Tag along rights on a change of control
  - 9.1. The provisions of Articles 9.2 to 9.6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any 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.
  - 9.2. Before making a Proposed Transfer, each Shareholder proposing to transfer Shares shall procure that the Buyer makes an offer ("Offer") to:
    - 9.2.1. the other Shareholders to purchase all of the Shares held by them;
    - 9.2.2. the 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; and
    - 9.2.3. the 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 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 12 months preceding the date of the Proposed Transfer ("Specified Price").
  - 9.3. The Offer shall be given by written notice ("Offer Notice"), at least 30 Business Days ("Offer Period") before the proposed sale date ("Sale Date"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
    - 9.3.1. the identity of the Buyer;
    - 9.3.2. the amount, form and timing of consideration payable and any other terms

and conditions applicable;

- 9.3.3. the Sale Date; and
  - 9.3.4. the number of Shares proposed to be purchased by the Buyer ("Offer Shares").
- 9.4. If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 9.2 and 9.3, the Shareholders proposing to transfer Shares shall not be entitled to complete the Proposed Transfer and the Directors shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 9.5. If the Offer is accepted in writing by any Shareholder ("Accepting Shareholder") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 9.6. If any Accepting Shareholder does not, at the time appointed for completion of the Proposed Transfer, deliver a duly executed stock transfer form, sale agreement or other documents required to be entered into to effect the acquisition of the Offer Shares by the Buyer ("Sale Documents"), the Company and each Director shall be constituted the agent of such defaulting Accepting Shareholder to take such actions and enter into any Sale Documents required to effect the transfer of such Accepting Shareholder's Shares pursuant to this Article 9 and the Directors shall, if requested by the Buyer, authorise any Director to transfer the defaulting Accepting Shareholder's Shares on the defaulting Accepting Shareholder's behalf against receipt by the Company (on trust for such Accepting Shareholder) of the consideration due in respect of the Offer Shares. After the Buyer has been registered as the holder of such Offer Shares the validity of such proceedings shall not be questioned by any such person. Failure to produce a Share certificate shall not impede the registration of Shares under this Article 8.
10. Drag Along Option
- 10.1. If the holders of a majority percentage of the Voting Shares in issue for the time being (the "Selling Shareholders") wish to transfer (whether through a single transaction or a series of related transactions) all their interest in Shares (the "Sellers' Shares") to a Proposed Buyer, the Selling Shareholders shall have the option (the "Drag Along Option") to compel each other holder of Shares (each a "Called Shareholder" and together the "Called Shareholders") to sell and transfer their legal and beneficial title to all of their Shares free from all liens, charges and encumbrances and together with all rights attaching to them to the Proposed Buyer or as the Proposed Buyer shall direct (the "Drag Buyer") in accordance with the provisions of this Article.
- 10.2. 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 forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Buyer. A Drag Along Notice shall specify:
- 10.2.1. that the Called Shareholders are required to transfer all their Shares (the "Called Shares") under this Article 10;
  - 10.2.2. the person to whom they are to be transferred;
  - 10.2.3. the amount and form of consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);

10.2.4. the proposed date of the transfer;

10.2.5. the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "Sale Agreement"),

(and, in the case of paragraphs 10.2.2 to 10.2.4 above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). 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 Drag Buyer within 30 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.

10.3. 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 Called Shareholders and the Selling Shareholders in accordance with the provisions of Articles 13.1 and 13.2 less the Called Shareholder's proportion of any transaction expenses which shall be borne pro rata to the consideration due to the Shareholders in respect of their Shares (the "Drag Consideration").

10.4. In respect of a transaction that is the subject of a Drag Along Notice and with respect to any Drag Document, a Called Shareholder shall be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due.

10.5. Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified either in the Drag Along Notice or in any subsequent written notice from the Company to the Called Shareholders) (the "Drag Completion Date"), each Called Shareholder shall deliver:

10.5.1. duly executed stock transfer form(s) for its Shares in favour of the Drag Buyer;

10.5.2. the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and

10.5.3. a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

(together the "Drag Documents").

10.6. On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Buyer, the Drag Consideration that is due to the extent that the Drag Buyer has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Buyer. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.

10.7. To the extent that the Drag Buyer has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares. The Selling Shareholders shall be entitled to serve further Drag Along Notices and the

provisions of this Article 10 will continue to apply.

- 10.8. If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent and duly appointed attorney of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 10 and the Directors shall, if requested by the Drag Buyer, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Buyer to the extent the Drag Buyer has, by the Drag Completion Date, paid the Drag Consideration due to the Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.
- 10.9. Any transfer of Shares to a Drag Buyer 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 7.
- 10.10. On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant 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 Drag Buyer 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.
11. Rights attaching to Shares
  - 11.1. The share capital of the Company shall comprise A Ordinary Shares, B Investment Shares and the C Preference Shares. The A Ordinary Shares, B Investment Shares and C Preference Shares shall rank *pari passu* in all respects, save as provided in these Articles.
  - 11.2. The A Ordinary Shares and the C Preference Shares shall each carry one vote. The holders of A Ordinary Shares and the C Preference Shares shall have the right to receive notices of any general meetings and to attend, speak and vote at such general meetings. The B Investment Shares shall have no voting rights attached to them, and holders of B Investment Shares shall not have the right to receive notices of any general meetings, or the right to attend at such general meetings.
  - 11.3. No dividend shall be payable in respect of any Shares unless and until the amount of such dividend when aggregated with all dividends then payable to the holder of such Shares exceeds the sum of £50 and all the dividends declared but not paid pursuant to this Article 11.3 shall be held by the Company as dedicated retained dividends on trust for such holder of Shares and shall be payable to such persons either upon the winding up of the Company or when the cumulative value of such withheld dividends exceeds £50.
12. Liquidation Preference
  - 12.1. On a distribution of assets on a liquidation or a return of capital (other than a

conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities (the "Remaining Assets") shall be applied (to the extent that the Company is lawfully permitted to do so):

- 12.1.1. if the Remaining Assets are equal to or less than £15,128,521.24
  - 12.1.1.1. first, in distributing the value of the Remaining Assets up to the Preferred Amount among the holders of the C Preferred Shares pro rata to the total number of C Preferred Shares held by them; and
  - 12.1.1.2. thereafter, in distributing the balance of the Remaining Assets (if any) among the holders of the A Ordinary Shares, the B Investment Shares and the C Preferred Shares pro rata to the total number of A Ordinary shares, B Investment Shares and C Preference Shares held by them as if they constituted the same class of share; or
- 12.1.2. if the Remaining Assets are greater than £15,128,521.24, in distributing the value of the Remaining Assets among the holders of the A Ordinary Shares, the B Investment Shares and the C Preferred Shares pro rata to the total number of A Ordinary shares, B Investment Shares and C Preference Shares held by them as if they constituted the same class of share.

### 13. Exit Provisions

- 13.1. On a Share Sale the Proceeds of Sale shall be distributed in the manner set out in Article 12, on the basis that the Sale Proceeds shall be treated as the Remaining Assets and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

- 13.1.1. the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the manner set out in Article 12; and
- 13.1.2. the Shareholders shall take any action required to ensure that the Proceeds of Sale in their entirety are distributed in the manner set out in Article 12.

In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the manner set out in Article 12.

- 13.2. The value of the Proceeds of Sale which represent consideration other than cash payable on completion of a Share Sale shall be an amount reasonably determined by the directors.
- 13.3. On an Asset Sale 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 manner set out in Article 12 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required (including, but without prejudice to the generality of this Article 13.3, actions that may be necessary to put the Company into voluntary liquidation) so that Article 12 applies.



- 13.4. Immediately prior to and conditionally upon a Listing, all Shareholders shall enter into such reorganisation of the share capital of the Company as they may agree to ensure that the amounts referred to in Article 13.1 are allocated between the holders of the Shares the subject of the Listing in the same proportions as the provisions of Article 13.1 would provide in distributing the Proceeds of Sale to all Shareholders selling Shares in connection with such Share Sale.
14. Purchase of Own Shares
- 14.1. Subject to the Companies Act but without prejudice to any other provision of these Articles, save for as per Article 14.2 below, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of:
- 14.1.1. £15,000; and
- 14.1.2. the value of 5% of the Company's share capital.
- 14.2. The provisions of Article 7.1 shall not apply to this Article 14.
15. Electronic Communication
- 15.1. Without prejudice to Article 48 of the Model Articles, notices and any other communications sent or supplied, by or to Shareholders or Directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Companies Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such Shareholder or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such Shareholders or Directors).
- 15.2. For the purposes of Article 15.1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by Shareholders or Directors are up to date and current, and it is the sole responsibility of each Shareholder and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all Shareholders and Directors agree that the Company has no responsibility to any Shareholder or Director who fails to receive any notice or other communication as a result of the Shareholder or Director failing to comply with this Article 15.2.
- 15.3. When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Companies Act.
- 15.4. Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission.

- 15.5. The Company's obligation to send or supply any notice or communication to Shareholders or Directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control.
- 15.6. Each Shareholder and Director shall for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Companies Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website.
16. Board Representation
- 16.1. Any Qualifying Shareholder shall be entitled to be a Director of the Board, or to appoint one nominee Director to the Board, and to remove and replace such nominee Director upon written notice to the Board, provided that such nominee Director shall have been previously approved by the Board such approval not to be unreasonably withheld or delayed.
- 16.2. Any Director appointed to the Board in accordance with Article 16.1 above shall immediately resign as a Director should his appointing Qualifying Shareholder, cease to be a Qualifying Shareholder.
17. Share certificates
- 17.1. The conditions of issue of any Shares shall not require the Company to issue any Share certificate although the Board may resolve to do so.
- 17.2. The Company shall not be bound to issue more than one certificate in respect of Shares held jointly by two or more persons. Delivery of a certificate to the person first named in the register shall be sufficient delivery to all joint holders.
- 17.3. If the Board resolves to issue a Share certificate it may be issued in electronic format, under seal (by affixing the seal to or printing the seal or a representation of it on the certificate) or signed by at least two Directors or by at least one Director and the Secretary. Such certificate shall specify the number and class of the Shares in respect of which it is issued and the amount or respective amounts paid up on it. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any Share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be issued under seal or signed by any person.
- 17.4. Every Share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any Share certificate lost or delayed in the course of delivery.