

COMPANY NUMBER: 9693923

ARTICLES OF ASSOCIATION of CUPCLUB LIMITED  
(Adopted by Special Resolution passed on 23 . 03 . 2018)



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**COMPANY NUMBER: 9693923**

**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF  
CUPCLUB LIMITED**

**(Adopted by Special Resolution passed on \_\_\_\_\_ 2018)**

**INTRODUCTION**

**1. Definitions and Interpretation**

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

<b>Act</b>	means the Companies Act 2006;
<b>acting in concert</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);
<b>Adoption Date</b>	means the date of adoption of these Articles;
<b>Articles</b>	means the Company's articles of association for the time being in force;
<b>Available Profits</b>	means profits available for distribution within the meaning of part 23 of the Act;
<b>Business Day</b>	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;
<b>Chairman</b>	has the meaning given to it in article 3.2;
<b>Company</b>	means Cupclub Limited (Company number 9693923);
<b>connected</b>	has the meaning given in section 252 of the Act;
<b>Controlling Interest</b>	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;
<b>Deemed Transfer Notice</b>	means a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;
<b>Directors</b>	means the directors of the Company from time to time;
<b>Disposal</b>	means the disposal by the Company of all, or a substantial part of, its business and assets;
<b>Eligible Director</b>	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);
<b>Employee</b>	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, any Group Company;
<b>Employee Option Plan</b>	means the EMI--and Non-EMI share option plans established by the Company for the issue of shares to incentivize employees, consultants and advisors of the Company;
<b>Exit</b>	means a Share Sale, a Disposal or a Listing;
<b>Fair Value</b>	has the meaning given in article 19.2;
<b>Financial Year</b>	means an accounting reference period (as defined in section 391 of the Act) of the Company;
<b>Founder</b>	means Safia Qureshi-Arya;
<b>Group</b>	means the Company and its subsidiaries (if any) from time to time and <b>Group Company</b> shall be construed accordingly;
<b>holding company</b>	meaning given in section 1159 of the Act;
<b>Independent Expert</b>	means an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 Business Days of the expiry of the 15 Business Day period referred to in article 19.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator);
<b>Investment Agreement</b>	means the investment agreement dated on or around the Adoption Date between, amongst others, the Company and the Investor (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being);
<b>Investor</b>	means any person who is a party to the Investment Agreement as an "Investor" and its or their Permitted Transferees;
<b>Investor Consent</b>	means the prior consent in writing of the Investor;
<b>Issue Price</b>	means in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;
<b>Lien Enforcement Notice</b>	means a notice in writing which complies with the requirements of article 23.3(b);
<b>Listing</b>	means the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);
<b>Member of the Same Group</b>	means any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company;

<b>Model Articles</b>	means 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;
<b>Option Agreement</b>	means the Option Agreement dated 10 January 2018 between the Company and Gavin Starks;
<b>Option Plans</b>	means the Employee Option Plan and option scheme set out in the Option Agreement;
<b>Ordinary Shares</b>	means the ordinary shares of £0.0001 each in the capital of the Company having the rights and being subject to the restrictions set out herein;
<b>Original Shareholder</b>	has the meaning given in article 16.1;
<b>Permitted Transfer</b>	means a transfer of Shares made in accordance with article 16;
<b>Permitted Transferee</b>	means in relation to: <ul style="list-style-type: none"> <li>(a) a Shareholder who is an individual, any of his Privileged Relations;</li> <li>(b) a Shareholder which is a company, a Member of the Same Group as that company; and</li> <li>(c) an Investor, to (i) a Member of the Same Group as that Investor, or (ii) any nominee of that Investor, or (iii) to any other Investor;</li> </ul>
<b>Privileged Relation</b>	means in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue);
<b>Relevant Securities</b>	means any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles and/or the Investment Agreement;
<b>Restricted Shares</b>	has the meaning given in article 18.3;
<b>Sale Shares</b>	has the meaning given in article 17.2(a);
<b>Seed Financing Round</b>	means the proposed issue of up to 2,127,660 Shares representing up to 20% of the issued share capital of the Company;
<b>Seller</b>	has the meaning given in article 17.2;
<b>Shareholder</b>	means a holder for the time being of any Share or Shares, but excluding any member holding Shares in treasury;
<b>Shares</b>	means shares (of any class) in the capital of the Company and Share shall be construed accordingly;
<b>Share Sale</b>	means 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 him together acquiring a Controlling Interest, except where the identities of the Shareholders and the proportion of Shares 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;

<b>subsidiary</b>	means in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;
<b>Transfer Notice</b>	has the meaning given in article 17.2;
<b>Transfer Price</b>	has the meaning given in article 17;
<b>Writing or written</b>	means 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, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form.

- 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:
  - (a) an **Article** is a reference to the relevant numbered article of these Articles; and
  - (b) a **model article** is a reference to the relevant article unless expressly provided otherwise
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory 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 A reference in these Articles to a holder, or the holder(s), of Shares or any class of Shares as the case may be shall, in each case, be deemed to exclude any member holding Shares in treasury.
- 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 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

- (a) another person (or its nominee), by way of security or in connection with the taking of security; or
- (b) its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

## **2. Adoption of the Model Articles**

- 2.1 The Model Articles (together with those provisions of Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) referred to in article 25.2) 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.
- 2.2 Model articles 7.1, 8, 9(1), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 21, 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 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".
- 2.4 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. Number of Directors and appointment of Chairman**

- 3.1 The Founder shall be appointed as the chairman of the Board of Directors ("**Chairman**") for so long as she continues to hold any Shares or until she chooses to step down from that position.

### **4. Proceedings of Directors**

- 4.1 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 4.2 (subject to article 4.3 and article 4.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2 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.
- 4.3 A decision taken in accordance with article 4.2 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.
- 4.4 A decision may not be taken in accordance with article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 4.7 and article 4.8.
- 4.5 Meetings of the Directors shall take place approximately four times in each year, with a period of approximately not more than twelve weeks between any two meetings. Any Director may call a meeting of the Directors. At least three Business Days' advance notice in writing of each such meeting shall be given to each Director, unless all Directors agree to a shorter

notice.

- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be [two] Eligible Directors, or one Director if only one Director is appointed. 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.
- 4.7 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a Conflict (as defined in article 7.1), 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.
- 4.8 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote.
- 4.9 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.
- 4.10 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

## **5. Appointment and Removal of Directors**

Except in relation to the Founder to whom this article shall not apply for so long as she continues to hold Shares, Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:

- 5.1 he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;
- 5.2 a majority of the other Directors resolve that he cease to be a Director; and
- 5.3 in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.

## **6. Transactions or Other Arrangements with the Company**

- 6.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his 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:

- (a) 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;
- (b) 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 he is interested;
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) 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



- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **7. Directors' Conflicts**

- 7.1 The Directors may, in accordance with the requirements set out in this article 7, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an "**Interested Director**") breaching his 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;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director;
  - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted; and
- 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 involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he 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 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 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, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 7.1 shall be necessary in respect of any such interest.
- 7.7 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 he derives 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.

## **8. 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.

## **9. Alternate Directors**

- 9.1 Any Director (in this article 9.1, an “**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.
- 9.2 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.
- 9.3 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.
- 9.4 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.
- 9.5 Save as provided otherwise in these Articles, alternate Directors:
- (a) are deemed for all purposes to be Directors;
  - (b) are liable for their own acts and omissions;
  - (c) are subject to the same restrictions as their appointors; and
  - (d) are not deemed to be agents of or for their appointors,
- and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.
- 9.6 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 appointor is an Eligible Director in relation to that decision and does not himself participate); and
  - (c) shall not be counted as more than one Director for the purposes of articles (a) and (b).
- 9.7 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining

whether a quorum is present.

- 9.8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 9.9 The appointment of an alternate Director terminates:
- (a) when the alternate's appointor revokes the appointment by notice in writing to the Company 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 appointment of the alternate's appointor as a Director terminates.

## **SHARES AND DISTRIBUTIONS**

### **10. Dividends**

- 10.1 In respect of any Financial Year, the Company may by ordinary resolution declare dividends as set out in this article 10.
- 10.2 Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Ordinary Shares *pari passu* pro rata to their respective holdings of Ordinary Shares.
- 10.3 Subject to the Act, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.
- 10.4 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.
- 10.5 Notwithstanding any other provision of this article 10, no dividend may be paid to the Company in respect of any Shares held in treasury.

### **11. Liquidation**

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 distributing the balance among the holders of the Shares pro rata to the number of Shares held.

### **12. Exit Provisions**

- 12.1 The proceeds of a Share Sale shall be distributed in the order of priority set out in article 11. The Directors shall not register any transfer of Shares if the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale ("**Sale Proceeds**") is not distributed in that manner provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale 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 11.
- 12.2 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 11, 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 (including, but without prejudice to the generality of this article 12.2, such action as may be necessary) to put the Company into voluntary liquidation so that article 11 applies.

- 12.3 Immediately before a Listing, the Company shall issue to each holder for the time being of Shares, by way of automatic capitalisation of reserves, such number of Shares which shall result in that holder holding, when aggregated with its existing shareholding (and following every issue of Shares to Shareholders pursuant to this article 12.3), the same proportion of the total number of Shares in issue as the proportion that its entitlement to the surplus assets of the Company under article 11 (including by way of arrears and accruals of dividend) bears to the total of the surplus assets available for distribution to the Shareholders under article 11.
- 12.4 All Shares to be issued in accordance with article 12.3 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and shall be credited as fully paid at par. Such a capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the Shares arising on the capitalisation to the Shareholders entitled to them in accordance with article 12.3. If and to the extent that the Company is not lawfully permitted to carry out the capitalisation required by article 12.3 in full (whether by virtue of the Act or otherwise), the entitlement of each holder of Shares to such an issue of Shares shall be reduced in the same proportion that its holding of Shares bears to the total number of Shares then in issue and each such holder shall be entitled to subscribe in cash at par for the balance of that number of additional Shares as would otherwise have been issued pursuant to article 12.3. The Shareholders shall *procure (so far as they are lawfully able) that the Directors shall have sufficient authorisations required to issue the Shares which may fall to be issued under article 12.3 or this article 12.4.*

### **13. Variation of Class Rights**

- 13.1 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 (excluding any holder(s) of Restricted Shares).
- 13.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares.

### **14. Pre-emption Rights on the issue of Further Shares**

- 14.1 Save to the extent authorised by these Articles or the Investment Agreement, the Directors shall not, save as authorised by ordinary resolution of Shareholders, exercise any power to allot Shares or grant rights to subscribe for, or to convert any security into, any Shares.
- 14.2 Subject to the remaining provisions of this article 14, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:
- (a) offer or allot;
  - (b) grant rights to subscribe for or to convert any security into; and
  - (c) otherwise deal in, or dispose of,
- any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.
- 14.3 The authority referred to in article 14.2:
- (a) shall be limited to a maximum of 2,127,660 shares of nominal amount of £0.0001

- per share for the purpose of allotments pursuant to the Investment Agreement and the remainder of the Seed Financing Round; and
- (b) shall permit the issue of a maximum aggregate amount of shares representing no more than 15% of the issued share capital of the Company under the terms of the Option Plans; and
  - (c) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution.
- 14.4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 14.5 If the Company proposes to allot any Relevant Securities other than pursuant to the Investment Agreement or Option Plans, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Ordinary Shares (each an "**Offeree**") on a pari passu basis and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.
- 14.6 An offer made under article 14.5 shall:
- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
  - (b) remain open for a period of at least five Business Days from the date of service of the offer; and
  - (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 14.5 shall, in his acceptance, state the number of excess Relevant Securities ("**Excess Securities**") for which he wishes to subscribe.
- 14.7 If, on the expiry of an offer made in accordance with article 14.5, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 14.8 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 14.5 shall be used to satisfy any requests for Excess Securities made pursuant to article 14.6(c). If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Ordinary Shares held by each such applicant bears to the total number of such Ordinary Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, subject to articles 14.9 and 14.10, be offered to any other person(s) as the Directors may at the same price and on the same terms as the offer to the Shareholders.
- 14.9 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 14.10 The Directors shall, as a condition to the allotment of Shares, require the proposed allottee (if not already a party to the Investment Agreement) to execute and deliver to the Company a deed, in favour of the Company and the other Shareholders agreeing to be bound by the terms of the Investment in such form as the Directors may reasonably require. If any condition is imposed in accordance with this article 14.10, the allotment and issue may not be completed and registered unless and until that deed has been executed and delivered to the Company's registered office by the allottee.
15. **Transfers of Shares: General**
- 15.1 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.

15.2 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 15.6, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

15.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.

15.4 Any transfer of a Share by way of sale which is required to be made under article 19, article 21 or article 22 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

15.5 The Directors shall, as a condition to the registration of any transfer of Shares, require the transferee if not already a party to the Investment Agreement to execute and deliver to the Company a deed, in favour of the Company and the other Shareholders agreeing to be bound by the terms of the Investment Agreement in such form as the Directors 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 15.6, 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.

15.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:

- (a) any holder (or the legal representatives of a deceased holder); or
- (b) any person named as a transferee in a transfer lodged for registration; or
- (c) such other person as the Directors 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.

15.7 If any such information or evidence referred to in article 15.7 is not provided within 10 of days of the demand from the Directors, 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:

- (a) the relevant Shares shall cease to confer on the holder of them any rights 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;
- (b) 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).

The Directors may reinstate the rights referred to in article 15.8(a) at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 16.8(b) on completion of such transfer.

15.8 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:

- (a) it does not contain a Minimum Transfer Condition; and
- (b) the Seller wishes to transfer all the Shares held by him (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).

15.9 Any Transfer Notice (but not an Offer Notice (as defined in article 17) served in respect

of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

## **16. Permitted Transfers of Shares**

- 16.1 A Shareholder (the “**Original Shareholder**”) may transfer all or any of his or its Shares to a Permitted Transferee.
- 16.2 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 20 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:
- (a) the Original Shareholder; or
  - (b) a Member of the Same Group as the Original Shareholder,
- (which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 16.2, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 16.2.
- 16.3 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 20 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:
- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - (b) give a Transfer Notice to the Company in accordance with article 17,
- failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 16.3. This article 16.3 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.
- 16.4 Notwithstanding any other provision of this article 16, a transfer of any Shares approved by ordinary resolution of the Shareholders may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## **17. Pre-emption Rights on the Transfer of Shares**

- 17.1 Except where the provisions of article 18 or article 20 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 17.
- 17.2 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:
- (a) subject to article 17.9(b), the number of Shares he wishes to transfer (“**Sale Shares**”);
  - (b) the name of the proposed transferee, if any;
  - (c) subject to article 18.4, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares; and
  - (d) subject to article 17.9(a), whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a “**Minimum Transfer Condition**”).
- 17.3 Once given, a Deemed Transfer Notice may not be withdrawn except with the consent of the Board.
- 17.4 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.

- 17.5 As soon as practicable following the later of:
- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
  - (b) the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 17.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 17 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.
- 17.6 The Company shall offer the Sale Shares to the holders of Ordinary Shares on the basis set out in article 17.7 to article 17.13 (inclusive).
- 17.7 The Directors shall offer the Sale Shares as referred to in article 17.6 to the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.
- 17.8 If:
- (a) at the end of the 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 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 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). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
  - (b) not all Sale Shares are allocated following allocations in accordance with article 17.8(a), 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 17.8(a). The procedure set out in this article 17.8(b) 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
  - (c) at the end of the 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 Shareholders in accordance with their applications. The balance (the "**Surplus Shares**") shall, subject to article 17.9, be offered to any other person in accordance with article 17.13.
- 17.9 Where the Transfer Notice contains a Minimum Transfer Condition:
- (a) any allocation made under article 17.6 to article 17.8 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
  - (b) if the total number of Sale Shares applied for under article 17.6 to article 17.8 (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.
- 17.10 Where either:
- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
  - (b) 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 17.6 to article 17.8 (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 (which shall be at least 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).

- 17.11 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.
- 17.12 If the Seller fails to comply with article 17.11:
- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent on behalf of the Seller:
    - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
    - (iii) (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
  - (b) 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 he has delivered his 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.
- 17.13 Where a Transfer Notice lapses pursuant to article 17.9(b) or an Allocation Notice does not relate to all the Sale Shares, then, subject to article 17.14, the Seller may, at any time during the 15 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 17.13 shall continue to be subject to any Minimum Transfer Condition.
- 17.14 The Seller's right to transfer Shares under article 17.13 does not apply if the Directors reasonably consider that:
- (a) the transferee is a person (or a nominee for a person) who is a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
  - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
  - (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in article 17.14(b).
- 17.15 The Transfer Price for each Sale Share the subject of a Transfer Notice served in accordance with this article 17 shall:
- (a) in the case of a proposed transfer to a bona fide third party purchaser, be the price per Sale Share offered to the Seller (in cash) from such bona fide third party purchaser; or
  - (b) in the case of any other transfer, be the Transfer Price determined in accordance with article 19.

## **18. Compulsory Transfers**

- 18.1 Save where the Directors otherwise determine, a Shareholder is deemed to have served a Transfer Notice in respect of all shares held by him or his nominee(s) immediately before any of the following events:
- (a) a petition being presented, or an order being made, for the Shareholder's bankruptcy; or

- (b) an application to the court being made under section 253 of the Insolvency Act 1986 where the Shareholder intends to make a proposal to his creditors for a voluntary arrangement; or
  - (c) the Shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986; or
  - (d) the Shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
  - (e) the Shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
  - (f) the happening in relation to a Shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
  - (g) (subject to article 18.3) his death.
- 18.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it (or its nominee(s)) at such time as the Directors may determine.
- 18.3 Forthwith upon a Transfer Notice being deemed to be served under article 19 the Shares subject to the relevant Deemed Transfer Notice ("**Restricted Shares**") shall cease to confer on the holder of them any rights:
- (a) 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;
  - (b) to receive dividends or other distributions otherwise attaching to those Shares; or
  - (c) to participate in any future issue of Shares issued in respect of those Shares.

The Directors may reinstate rights referred to in article 18 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 18 on completion of a transfer made pursuant to article 18.

## 19. Valuation

- 19.1 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), and the Seller or, in default of agreement within 15 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.
- 19.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- (a) 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);
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction;
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
  - (e) reflecting any other factors which the Independent Expert reasonably believes should

be taken into account.

- 19.3 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.
- 19.4 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.
- 19.5 The parties are entitled to make timely written submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 19.6 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).
- 19.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate (along with a report on workings as to how the Fair Value was determined) to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 19.8 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 unless:
- (a) the Seller withdraws the relevant Transfer Notice in accordance with article 18.13; or
  - (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

## 20. **Mandatory Offer on Change of Control and Drag Along Rights**

- 20.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 16, article 17 or article 23.3), but after the operation of the pre-emption procedure set out in article 18) 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 20 shall apply.
- 20.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the "**Offer**") to each Shareholder and, in respect of all Ordinary Shares held in treasury, the Company (each an "**Offeree**") on the date of the Offer other than any holder(s) of Restricted Shares, to buy all of the Ordinary Shares held by such Offerees on the date of the Offer for a consideration in cash per Ordinary Share (the "**Offer Price**") which is equal to the highest price per Ordinary Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Ordinary Shares in connection with the Proposed Transfer or any transaction in the twelve calendar months preceding the date of completion of the Proposed Transfer.
- 20.3 The Offer shall be made by notice in writing (an "**Offer Notice**") addressed to each Offeree on the date of the Offer at least 10 Business Days (the "**Offer Period**") before the date fixed for completion of the Proposed Transfer (the "**Sale Date**"). 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 Ordinary Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 20.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- (a) the making of an Offer in accordance with this article 20; and

- (b) the completion of the transfer of any Ordinary 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 20.4.

- 20.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 20 shall not be, subject to the pre-emption provisions of article 17.

### **Drag-along**

- 20.6 If the holders of at least 75 per cent of the Ordinary Shares, including the Founder, (the **"Selling Shareholders"**) wish to transfer all their interest in Shares (the **"Sellers' Shares"**) to a Proposed Purchaser, 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 all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the **"Drag Purchaser"**) on the same terms as the Selling Shareholders, in accordance with the provisions of this Article.

- 20.7 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 Purchaser. A Drag Along Notice shall specify that:

- (a) the Called Shareholders are required to transfer all their Shares (the **"Called Shares"**) under this Article;
- (b) the person to whom they are to be transferred;
- (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);
- (d) the proposed date of transfer, and
- (e) 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 (b) to (d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article. 20.8 Within ten Business Days of the Company serving a Drag Along Notice on the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the **"Drag Completion Date"**), each Called Shareholder shall deliver:

- (a) duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;
- (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
- (c) 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"**).

- 20.9 On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag

Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.

- 20.10 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 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 20 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration that is 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.

## **DECISION-MAKING BY SHAREHOLDERS**

### **21. General Meetings**

- 21.1 No business other than, subject to article 21.2, the appointment of the chairman 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.
- 21.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman 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 chairman of the meeting must be the first business of the meeting.

### **22. Voting**

- 22.1 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.
- 22.2 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.
- 22.3 Model article 44(3) 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 model article.
- 22.4 Model article 45(1) shall be amended by:
- (a) 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
  - (b) 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.

### **23. Lien**

- 23.1 The Company has a lien (the "Company's Lien") over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- 23.2 The provisions of articles 52(2), 55, 56(2), 57(2) and (3), 59, 60(1), (2) and (3), 61 and 62 for public companies set out in Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company, save that each reference in those articles to a "member" or "members" shall be deemed to be references to a "Shareholder" or "Shareholders" (as the case may be).
- 23.3 Enforcement of the Company's Lien**
- (a) Subject to the provisions of this article 23.3, if:
    - (i) a Lien Enforcement Notice has been given in respect of a Share; and
    - (ii) the person to whom the notice was given has failed to comply with it,
 the Company may sell that Share in such manner as the Directors decide.
  - (b) A Lien Enforcement Notice:
    - (i) may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
    - (ii) must specify the Share concerned;
    - (iii) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
    - (iv) must be addressed either to the holder of the Share or to a transmittee of that holder; and
    - (v) must state the Company's intention to sell the Share if the notice is not complied with.
  - (c) Where Shares are sold under this article 23.3:
    - (i) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
    - (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
  - (d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
    - (i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
    - (ii) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice.
  - (e) A statutory declaration by a Director, or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:
    - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
    - (ii) subject to compliance with any other formalities of transfer required by the

Articles or by law, constitutes a good title to the Share.

## **ADMINISTRATIVE ARRANGEMENTS**

### **24. Means of Communication to be Used**

- 24.1 Subject to article 24.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - (b) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the Business Day after posting; or
  - (c) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
  - (d) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - (e) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
  - (f) 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; and
  - (g) if deemed receipt under the previous paragraphs of this article 24.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 24.2 To prove service, it is sufficient to prove that:
- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
  - (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
  - (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
  - (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 24.3 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form (other than by fax), or by means of a website.
- 24.4 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.

### **25. Indemnity and Insurance**

- 25.1 Subject to article 25.2, 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 as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including (in each case) any liability incurred by him in defending

- any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs; and
- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.
- 25.2 This article 25 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.
- 25.3 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.
- 25.4 In this article 25:
- (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 (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and
- (b) **Relevant Officer** means any director or other officer or former director or other officer of any Group Company, but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.
- 26. Data Protection**
- 26.1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a "**Recipient**") for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.
- 26.2 The personal data that may be processed for such purposes under this article 26 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
- (a) a Member of the Same Group as the Recipient (each a "**Recipient Group Company**");
- (b) employees, directors and professional advisers of that Recipient or any Recipient Group Company; and
- (c) funds managed by any of the Recipient Group Companies.
- 26.3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.