

Company number 10409375
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
of
Joanna Dai Limited (Company)

Circulation Date: 2 APRIL 2019.

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the sole director of the Company proposes that the following resolution is passed as a special resolution (Resolution).

SPECIAL RESOLUTION

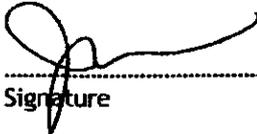
THAT, the articles of association circulated with these Resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

AGREEMENT TO THE RESOLUTION

Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, being the person entitled to vote on the above Resolution on the date of circulation of them by the Company, irrevocably votes in favour of it.

Joanna Dai


.....
Signature

2/4/2019
.....
Date

L:37038208v1

MONDAY



A83H1ZDD
A10 15/04/2019 #171
COMPANIES HOUSE

NOTES

1. If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods:

By hand: delivering the signed copy to the Company's registered office.

By post: returning the signed copy by post to the Company's registered office.

If you do not agree to the Resolution, you do not need to do anything; you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.

3. Unless, by the date falling 28 days from the Circulation Date, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.

4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

JOANNA DAI LIMITED

(COMPANY NUMBER 10409375)

(ADOPTED BY SPECIAL RESOLUTION PASSED ON 2 APRIL 2019)

INTRODUCTION

1. INTERPRETATION

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

Act: the Companies Act 2006;

Acting in concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);

Adoption Date: the date of adoption of these Articles;

Articles: the Company's articles of association for the time being in force;

Available Profits: profits available for distribution within the meaning of part 23 of the Act;

Bad Leaver: the Founder who ceases to be employed by the Company in circumstances where she:

- (a) is dismissed (or could have been dismissed but for her resignation) by the Company for gross misconduct; or
- (b) commits a material breach of her obligations to the Company concerning confidentiality or intellectual property or non-compliance with any non-compete obligations applicable under the terms of her service agreement or the Investment Agreement; or
- (c) is dismissed on the ground of any fair (as judged in accordance with section 98(4) of the Employment Rights Act 1996) reasons under sections 98(1)(b) and 98(2)(a)-(c) (inclusive) of the Employment Rights Act 1996 (other than the incapacity of the relevant employee through illness or the redundancy or capability of that employee);

Board: the board of directors of the Company;

Business Day: 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;

Chairman: the chairman of the board of Directors as appointed by the Directors from time to time;

Civil Partner: in relation to an individual Shareholder, a civil partner as defined in the Civil Partnerships Act 2004;

Company: means Joanna Dai Limited (company number 10409375);

Company's Lien: has the meaning given to it in article 26.1;

Connected: has the meaning given in section 252 of the Act;

Controlling Interest: an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;

Deferred Shares: the deferred shares of £0.0001 in the capital of the Company from time to time;

Directors: the directors of the Company from time to time;

Disposal: the disposal by the Company of all, or a substantial part of, its business and assets;

Eligible Director: 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);

Exit: a Share Sale, a Disposal or a Listing;

Exit Proceeds: the Exit Value minus all Company costs, fees and expenses associated with such Exit;

Exit Value: the gross proceeds (or a bona fide valuation of the likely gross proceeds as estimated by the Independent Expert) of an Exit;

Fair Value: has the meaning given in article 19.2;

Family Trust: as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons);

Financial Year: an accounting reference period (as defined in section 391 of the Act) of the Company;

Fifth Anniversary: the fifth anniversary of the Adoption Date;

First Anniversary: the first anniversary of the Adoption Date;

Founder(s): Joanna Dai and such other employee of the Company, designated as a founder or co-founder pursuant to the Investment Agreement;

Founder Director: has the meaning given in clause 6.3;

Founder Shares: number of Shares held by the Founder and any of her Permitted Transferees;

Good Leaver: the Founder who ceases to be employed by the Company in circumstances where she is not a Bad Leaver, or where the Lead Investor determines she should be considered a Good Leaver;

Group: in relation to any company or undertaking, such company together with its holding company and each subsidiary of that company and its holding company;

Independent Expert: an independent firm of accountants appointed by Directors (in each case acting as an expert and not as an arbitrator);

Investment Agreement: the investment and shareholders agreement dated on or around the Adoption Date between the Company and its Shareholders (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being);

Lead Investor: Redrice Ventures Ltd or such other Shareholder that is a Permitted Transferee of Redrice Ventures Ltd as Redrice Ventures Ltd designates as constituting the Lead Investor in substitution of Redrice Ventures Ltd;

Leaver: a Bad Leaver or a Good Leaver;

Lien Enforcement Notice: means a notice in writing which complies with the requirements of article 26.2;

Listing: 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);

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date;

Original Shareholder: has the meaning given in article 17.1;

Permitted Transfer: a transfer of Shares made in accordance with article 17;

Permitted Transferee: in relation to:

- (a) a Shareholder who is an individual, any of her Privileged Relations or the trustee(s) of a Family Trust;
- (b) a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) any member of the same Group;
- (c) in relation to a Shareholder which is an investment fund, any member (individual or corporate) of the same fund group; and

- (d) in relation to a Shareholder which is a corporate entity:
 - (i) any member of the same Group;
 - (ii) any member of the same fund group;
 - (iii) any nominee of such corporate entity;

Privileged Relation: 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);

Redrice Director: as the same is defined in article 6.3 below;

Relevant Securities: 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 (including shares issued pursuant to exercise of pre-emption rights in article 15 or shares issued pursuant to options granted in accordance with these Articles).

Sale Shares: has the meaning given in article 18.1(a);

Seller: has the meaning given in article 18.1;

Share Sale: the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons Acting in concert with 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;

Shareholder: a holder for the time being of any Shares or Deferred Shares;

Shares: the ordinary shares of £0.0001 each in the capital of the Company other than the Deferred Shares;

Termination Date: in relation to any employee of the Company:

where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;

where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;

where a Leaver dies, the date of her death; or

in any other case, the date on which the employment is terminated;

Third Anniversary: the third anniversary of the Adoption Date;

Transfer Notice: has the meaning given in article 18.1;

Transfer Price: has the meaning given in article 19;

Unvested Shares: in relation to a Leaver any Shares held by the Leaver and any of her Permitted Transferees that are not Vested Shares;

Vested Shares: in relation to the Founder, the number of Shares held by the Founder and any of his Permitted Transferees that are deemed to constitute Vested Shares in accordance with article 20.6;

Writing or Written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, 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 (other than by fax).

- 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 26) 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, 8, 9(1), 11(2) and (3), 12, 14(1) to (4) (inclusive), 16, 22, 26(5), 38, 39, 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.

2.3 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".

3. B CORPS

3.1 The purposes of the Company are to promote the success of the Company for the benefit of its members as a whole and, through its business and operations, to have a material positive impact on society and the environment, taken as a whole.

- 3.2 A Director shall have regard (amongst other matters) to:
- (a) the likely consequences of any decision in the long term;
 - (b) the interests of the Company's employees;
 - (c) the need to foster the Company's business relationships with suppliers, customers and others;
 - (d) the impact of the Company's operations on the community and the environment;
 - (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
 - (f) the need to act fairly as between members of the Company,
- (together, the matters referred to above shall be defined for the purposes of this Article as the **Stakeholder Interests**).
- 3.3 For the purposes of a Director's duty to act in the way he or she considers, in good faith, most likely to promote the success of the Company, a Director shall not be required to regard the benefit of any particular Stakeholder Interest or group of Stakeholder Interest as more important than any other.
- 3.4 Nothing in this Article express or implied, is intended to or shall create or grant any right or any cause of action to, by or for any person (other than the Company).
- 3.5 The Directors of the Company shall for each financial year of the Company prepare a strategic report as if sections 414A(1) and 414C of the Companies Act (as in force at the Adoption Date of these Articles) applies to the Company whether or not they would be required to do so otherwise than by this Article.

DIRECTORS

4. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not exceed five but shall not be less than one.

5. PROCEEDINGS OF DIRECTORS

- 5.1 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 5.2 (subject to article 5.3 and article 5.4). 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.

- 5.2 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.
- 5.3 A decision taken in accordance with article 5.2 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.
- 5.4 A decision may not be taken in accordance with article 5.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 5.6 and article 5.8.
- 5.5 Meetings of the Directors shall be convened and held at least once every three months. Any Director may call a meeting of the Directors. At least five Business Days' advance notice of each such meeting shall be given to each Director unless all the Directors agree to shorter notice.
- 5.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must include a Redrice Director (if so appointed pursuant to article 6.5) and a Founder Director (if so appointed pursuant to article 6.3) unless the Redrice Director is not, or no Founder Director is, in respect of any particular meeting (or part of a meeting), an Eligible Director in which case, subject to article 5.8, the quorum for such meeting (or part of the meeting, as the case may be) shall be all other Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine.
- 5.7 Notwithstanding the other provisions of these Articles, in the event that there is a sole director, the sole director may, for so long as they remain the sole director, take decisions without regard to any of the provisions of the articles relating to directors' decision-making.
- 5.8 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a Conflict (as defined in article 8.1), 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.
- 5.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Founder, if appointed as a Director, shall have a second or casting vote. If the Founder is not appointed as a Director, the first appointed Founder Director (if any) shall have a casting vote.

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

5.11 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.

6. APPOINTMENT AND REMOVAL OF DIRECTORS

6.1 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 4 of these Articles".

6.2 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:

(a) 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; and

(b) save in the case of a Director appointed by the Lead Investor in accordance with article 6.3 below, a majority of the other Directors resolve that he cease to be a Director.

6.3 For so long as the Founder holds Shares and is either employed by, or is appointed as the chairman of, the Company she shall have the right to be appointed as a director and shall have a casting vote.

6.4 For so long as the Founder holds at least 10% of the Shares, she shall be entitled to serve written notice upon the Board to appoint (and remove or replace) any two persons as directors of the Company (**Founder Directors**). Upon receipt of such written notice, the Board will attend to any filing requirements in relation to such appointment or removal

6.5 For as long as the Lead Investor holds Shares, it may at any time and at its sole discretion, serve written notice upon the Board to appoint any person as a director of the Company (**Redrice Director**) and such appointment shall take effect immediately. Upon receipt of such written notice, the Board will attend to any filing requirements in relation to such appointment. For the avoidance of doubt, the rights conferred upon the Lead Investor pursuant to this article 6.5, are only exercisable in respect of one appointment of a director of the Company.

7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he 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, anybody 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.

8. DIRECTORS' CONFLICTS

8.1 The Directors may, in accordance with the requirements set out in this article 8, 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**).

8.2 Any authorisation under this article 8 will be effective only if:

- (a) the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;

- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (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.

8.3 Any authorisation of a Conflict under this article 8 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.

8.4 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.

8.5 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.

8.6 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 8.1 shall be necessary in respect of any such interest.

- 8.7 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.

SHARES AND DISTRIBUTIONS

9. SHARES

- 9.1 The issued share capital of the Company at the Adoption Date is £1.2155 divided into 12,155 Shares.
- 9.2 Unless the context requires otherwise, references in these Articles to Shares shall include Shares created and/or issued after the Adoption Date and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares then in issue.

10. DIVIDENDS

- 10.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay such dividends as the Company may determine to distribute.
- 10.2 Subject to article 10.1 above, 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.
- 10.3 No Deferred Share shall have any entitlement to a dividend.

11. DEFERRED SHARES

- 11.1 Subject to the Act, any Deferred Shares may be purchased, or in the case of Shares issued as redeemable shares, redeemed by the Company at any time at its option for £1.00 for all the Deferred shares register in the name of any holder(s) without obtaining the sanction of the holder(s).
- 11.2 The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the

Company at any time after their allotment, issue, conversation or re-designation, without obtaining the sanction of such holder(s), to:

- (a) appoint any person to execute any transfer (or any agreement to transfer) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise); and/or
- (b) give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and /or
- (c) purchase such Deferred Shares in accordance with the Act,

in any such case:

- (i) for a price being not more than an aggregate sum of £1.00 for all the Deferred Shares registered in the name of such holder(s); and
- (ii) with the Company having authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.

11.3 No Deferred Share may be transferred without the prior consent of the Lead Investor.

12. 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 the following order of priority:

12.1 first, in paying the holders of Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and

12.2 the balance to be distributed among the holders of the Shares pro rata to the number of Shares held.

13. EXIT PROVISIONS

13.1 On an Exit, the Exit Proceeds shall be distributed (to the extent that the Company is lawfully able to do so) in the following order of priority:

- (a) first, in paying the holders of Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and
- (b) the balance to be distributed among the holders of the Shares pro rata to the number of Shares held.

- 13.2 The Directors shall not register any transfer of Shares pursuant to a Share Sale if the Exit Proceeds are not distributed in the manner set out in article 13.1 provided that, if the Exit Proceeds are not settled in their entirety upon completion of the Share Sale:
- (a) *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 set out in article 13.1; and*
 - (b) each Shareholder shall take any reasonable action (to the extent lawful and within its control) to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 13.1.
- 13.3 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 13.1, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of article 13.1, each Shareholder shall (to the extent lawful) take all reasonable action required by the Directors to put the Company into voluntary liquidation so that the distribution set out in article 13.1 applies.

14. VARIATION OF CLASS RIGHTS

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.

15. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 15.1 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.
- 15.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all the Shareholders (on the date of the offer) (each an **Offeree**) and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares in issue at the relevant time (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.
- 15.3 An offer made under article 15.2 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 10 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 15.2 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.
- 15.4 If, on the expiry of an offer made in accordance with article 15.2, 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.
- 15.5 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 15.2 shall be used to satisfy any requests for Excess Securities made pursuant to article 15.3(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 Shares held by each such applicant bears to the total number of such 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).
- 15.6 If, after completion of the allotments referred to in article 15.4 and article 15.5, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 15.7 The Lead Investor may assign all or any portion of its rights under this article 15 to a Permitted Transferee.

16. TRANSFERS OF SHARES: GENERAL

- 16.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 16.2 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 16.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

- 16.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed (unless the Lead Investor resolves otherwise) to have immediately served a Transfer Notice in respect of all Shares held by him.
- 16.4 Any transfer of a Share by way of sale which is required to be made under article 20, article 21 or article 22 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 16.5 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company 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 16.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 16.6 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.

- 16.7 If any such information or evidence referred to in article 16.6 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors) within 10 Business Days of receipt of such written notice, then:
- (a) the Relevant Shares shall cease to confer on the holder of them any rights:
 - (i) 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;
 - (ii) to receive dividends or other distributions otherwise attaching to those Shares; or

(iii) to participate in any future issue of Shares issued in respect of those Shares; and

(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 16.7(a) at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 16.7(b) on completion of such transfer.

16.8 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 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).

16.9 Any Transfer Notice (but not a Drag Along Notice (as defined in article 21) or an Offer Notice (as defined in article 22)) 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.

17. PERMITTED TRANSFERS OF SHARES

17.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

17.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

- (a) the Original Shareholder;
- (b) any Privileged Relation(s) of the Original Shareholder;
- (c) subject to article 17.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
- (d) subject to article 17.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

17.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied:

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
- (b) with the identity of the proposed trustee(s);
- (c) that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- (d) that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

17.4 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 of companies as the Original Shareholder, transfer the Shares held by it to:

- (a) the Original Shareholder; or
- (b) a member of the same group of companies 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 17.4, 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 17.4.

17.5 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 18,

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 17.5.

17.6 If a Permitted Transferee who was a member of the same fund group as the Original Shareholder ceases to be a member of the same fund group, the Permitted Transferee must not later than 5 Business Days after the date on which the Permitted Transferee so ceases, transfer all the Shares held by it to the Original Shareholder or a member of the same fund group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.

18. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

18.1 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 16.8, the number of Shares he wishes to transfer (**Sale Shares**);
- (b) the name of the proposed transferee, if any; and
- (c) subject to article 20.7, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**).

18.2 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.

18.3 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 offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 18 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.

18.4 The Directors shall offer the Sale Shares to all the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.

18.5 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 18.5(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 18.5(a). The procedure set out in this article 18.5(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 be offered to any other person in accordance with article 18.9.

18.6 Where 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 18.4 and article 18.5, 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 10 Business Days, but not more than 30 Business Days, after the date of the Allocation Notice).

18.7 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.

18.8 If the Seller fails to comply with article 18.7:

- (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.

- 18.9 Where an Allocation Notice does not relate to all the Sale Shares, then, subject to article 18.10, the Seller may, at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer the remaining Sale Shares to any person at a price at least equal to the Transfer Price.
- 18.10 The Seller's right to transfer Shares under article 18.9 does not apply if the Directors reasonably consider that:
- (a) the transferee is a person (or a nominee for a person) whom the Directors determine to be a competitor of the business of the 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 18.10(b).
- 18.11 The Lead Investor may assign all or any portion of its rights under this article 18 to a Permitted Transferee.

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 (which shall include the Redrice Director (if appointed)) and the Seller or, in default of agreement within 5 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 Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 19.5 The parties 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 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 in such other proportions as the Independent Expert directs unless 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. COMPULSORY TRANSFERS AND LEAVER PROVISIONS

- 20.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall, if so requested by the Board (with the prior consent of the Lead Investor), be deemed to have given a Transfer Notice in respect of that Share.
- 20.2 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, if so requested by the Board (with the prior consent of the Lead Investor), be deemed to have given a Transfer Notice in respect of all Shares held by it and such Transfer Notice to include any Shares transferred by such Shareholder pursuant to the provisions of article 17.

20.3 The Founder's Vested Shares and her Unvested Shares shall be subject to the procedures set out in the remaining provisions of this article 20 as summarised below, and the Board shall take all necessary steps and execute all necessary documents to give effect to the same.

20.4 If at any time the Founder is a Good Leaver, the Unvested Shares held by the Founder shall automatically convert into Deferred Shares on the Termination Date.

20.5 If at any time the Founder is a Bad Leaver, 100% of the Founder Shares shall automatically convert into Deferred Shares on the Termination Date.

20.6 The Founder's Vested Shares shall be, if the date on which the Founder ceases to be an employee falls:

- (a) before the First Anniversary, zero;
- (b) after the date of the First Anniversary to and including the date of the Third Anniversary, a number calculated in accordance with the following formula:

$$\text{Vested Shares} = (A \times B) + (FS \times 0.25)$$

$$\text{Where: } A = FS \times 0.75$$

$$B = NM/24$$

Where: NM = number of full calendar months from the First Anniversary to the Termination Date.

FS = number of Founder Shares held on the First Anniversary.

- (c) on or after the Third Anniversary, all of the Founder Shares.

20.7 If any person acquires a Controlling Interest in the Company and at any time after such change in control takes legal effect the Founder becomes a Good Leaver, all of the Unvested Shares held by her shall automatically be deemed to be Vested Shares on the applicable Termination Date.

20.8 If at any time after the Third Anniversary but before the Fifth Anniversary the Founder becomes a Good Leaver, the Founder shall be deemed to have served a Transfer Notice immediately before the relevant Termination Date in respect of 10% of the

Founder Shares (rounded down to the nearest whole number) (the **Leaver Shares**) and any Transfer Notice served in respect of any such Leaver Shares before the relevant Termination Date shall automatically lapse.

20.9 Forthwith upon a Transfer Notice being deemed to be served under article 20.8, the Leaver 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 Shares;
- (b) to receive dividends or other distributions otherwise attaching to those Leaver Shares; or
- (c) to participate in any future issue of Shares issued in respect of those Leaver Shares.

20.10 The Lead Investor may reinstate the rights referred to in article 20.9 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 20.12 on completion of such transfer.

20.11 The delivery of the deemed Transfer Notice in accordance with article 20.8 shall constitute an offer by the Founder to the Company (the **Buyback Offer**) for the purchase of the Leaver Shares by the Company (in so far as is lawfully permitted) at Fair Value. If the Board agrees (without the votes of the Founder Director(s) being counted) to purchase some or all of the Leaver Shares, the Company shall, within 15 Business Days of the Buyback Offer, notify the Founder in writing of its confirmation to purchase the Leaver Shares, giving details of the number of Leaver Shares to be purchased at Fair Value.

20.12 If the Founder does not receive any notification from the Company in accordance with article 20.11, the Buyback Offer will lapse and the Leaver Shares shall be offered to the Shareholders (other than the Founder) in the manner set out in articles 18.3 to 18.11 (inclusive) and for the purposes of this article 20.12 any reference made in articles 18.3 to 18.11 (inclusive) to:

- (a) the Transfer Price shall mean Fair Value;
- (b) the Seller shall mean the Founder; and
- (c) Sale Shares shall mean the Leaver Shares.

21. DRAG ALONG

21.1 If the holders of 75% of the Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interests in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling

Shareholders shall (subject to approval of the Board and the Lead Investor) have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request, if any (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 21.

- 21.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 21;
 - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - (c) the consideration payable for the Called Shares calculated in accordance with article 21.4;
 - (d) the proposed date of completion of transfer of the Called Shares.
- 21.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Board and the Lead Investor. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of article 13.1.
- 21.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 21.
- 21.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders otherwise agree.
- 21.7 Within 90 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms

for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 90 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 21.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 21.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 21.4 in trust for the Called Shareholders without any obligation to pay interest.

- 21.8 To the extent that the Proposed Buyer has not, on the expiration of the 90 Business Day period, put the Company in funds to pay the amounts due pursuant to article 21.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 21 in respect of their Shares.
- 21.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 21.
- 21.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to the Share Option Scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 21 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this article 21.10 to

a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.

- 21.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 18.
- 21.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

22. TAG ALONG RIGHTS AND CO-SALE RIGHTS

- 22.1 No sale or transfer (**Proposed Transfer**) of any Shares (**Specified Shares**) shall be made which would result (if made and registered) in a person or persons (not being an existing member or members together) obtaining over 50% of the Shares unless the proposed transferee or transferees or his or their nominees (**Purchaser**) has or have offered (**Offer**) to purchase all of the Shares from all of the Shareholders on such terms (including price) as are substantially the same as those on which the Purchaser agreed to acquire the Specified Shares.
- 22.2 The Offer must be given by written notice (**Proposed Sale Notice**) at least 10 business days (**Offer Period**) prior to the proposed sale date (**Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Purchaser (**Proposed Sale Shares**).
- 22.3 If any other Shareholder is not given the rights accorded him by this article, the holders of the Specified Shares will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 22.4 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 22.5 The Proposed Transfer is subject to the pre-emption provisions of article 18 but the purchase of the Accepting Shareholders' shares shall not be subject to article 18.
- 22.6 No transfer (other than a Permitted Transfer or pursuant to articles 18.1 to 18.7 or article 21) of any of the Shares held by a Shareholder may be made unless such Shareholder (**Co-Sale Seller**) has observed the following procedures of this article 22.

22.7 After the Co-Sale Seller has gone through the pre-emption process set out in article 18, the Co-Sale Seller shall give to all persons who hold Shares (which shall not include the Founder or her Permitted Transferees) (the **Co-Sale Shareholders**) not less than 10 Business Days' notice in advance of the proposed sale (**Co-Sale Notice**). The Co-Sale Notice shall specify:

- (a) the identity of the proposed purchaser (**Buyer**);
- (b) the price per share which the Buyer is proposing to pay;
- (c) the manner in which the consideration is to be paid;
- (d) the number of Shares which the Co-Sale Seller proposes to sell; and
- (e) the address where the counter-notice should be sent.

22.8 The Co-Sale Shareholders shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Co-Sale Seller that they wish to sell a certain number of Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Co-Sale Shareholder wishes to sell. The maximum number of shares which a Co-Sale Shareholder can sell under this procedure shall be:

$$\left(\frac{X}{Y} \right) \times Z$$

where:

X is the number of Shares held by a Co-Sale Shareholder;

Y is the total number of Shares;

Z is the number of Shares the Co-Sale Seller proposes to sell.

22.9 Following the expiry of five Business Days from the date the Co-Sale Shareholders receive the Co-Sale Notice, the Co-Sale Seller shall be entitled to sell to the Buyer on the terms notified to the Co-Sale Shareholders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which any Co-Sale Shareholder indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from a Co-Sale Shareholder the number of shares they have indicated they wish to sell on terms no less favourable than those obtained by the Co-Sale Seller from the Buyer.

22.10 No sale by the Co-Sale Seller shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.

22.11 Sales made in accordance with articles 22.6 to 22.10 shall not be subject to article 17.1.

23. PURCHASE OF OWN SHARES

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

23.1 £15,000; and

23.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

DECISION-MAKING BY SHAREHOLDERS

24. GENERAL MEETINGS

24.1 No business other than, subject to article 24.2, 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.

24.2 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 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.

25. VOTING

25.1 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 and to receive and vote on proposed written resolutions of the Company.

25.2 The Deferred Shares (if any) shall not entitle the holders of them to receive notice of and to attend, speak and vote at all general meetings of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purpose of, proposed written resolutions of the Company.

25.3 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.

25.4 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.

26. COMPANY'S LIEN OVER SHARES

26.1 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.

26.2 The Company's Lien over a share:

- (a) takes priority over any third party's interest in that Share; and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

26.3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

27. ENFORCEMENT OF THE COMPANY'S LIEN

27.1 Subject to the provisions of this article 27, if:

- (a) a Lien Enforcement Notice has been given in respect of a Share; and
- (b) 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.

27.2 A Lien Enforcement Notice:

- (a) may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed;
- (b) must specify the Share concerned;

- (c) 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);
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

27.3 Where Shares are sold under this article 27:

- (a) 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
- (b) 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.

27.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

- (a) 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
- (b) 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.

27.5 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:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) 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

28. MEANS OF COMMUNICATION TO BE USED

28.1 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 fax, at the time of transmission; or
- (c) 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 second Business Day after posting; or
- (d) 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
- (e) 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
- (f) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- (g) 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
- (h) if deemed receipt under the previous paragraphs of this article 28.1 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.

28.2 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.

28.3 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.

29. INDEMNITY AND INSURANCE

29.1 Subject to article 29.2, 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 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 29.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

29.2 This article 29 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.

29.3 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.

29.4 In this article 29:

- (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 any pension fund or employees' share scheme of the Company; and
- (b) **Relevant Officer** means any director or other officer or former director or other officer of the Company, but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

30. **DATA PROTECTION**

- 30.1 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.
- 30.2 The personal data that may be processed for such purposes under this article 30 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 of companies 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.
- 30.3 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.