

EXECUTION VERSION

Companies Act 2006
Private company limited by shares

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ARTICLES OF ASSOCIATION

Private company limited by shares

ARTICLES OF ASSOCIATION

FARMISON GROUP LIMITED

Company Number 13922579

Adopted on ..26..February.....2022

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PART 1 INTERPRETATION

1 DEFINED TERMS

1.1 In these Articles, the following words and expressions have the following meanings, unless inconsistent with the context:

"acting in concert" has the meaning given in the City Code

"Adoption Date" means the date on which these Articles are adopted as the articles of association of the Company

"alternate" or "alternate director" means an alternate director appointed in accordance with Article 14

"appointor" has the meaning given in Article 14.2

"Articles" means the Company's articles of association adopted on the Adoption Date

"A Share Dividend Per Share" means the Investor Returns divided by the number of A1 Shares in issue at the relevant time

"A Share Exit Price" means, for each A Share, the price per A Share as defined as X in the Exit Formula

"Asset Sale" means a disposal of all or substantially all of the undertaking and/or assets of the Group "A1 Shares" means the A Shares held by the Investor from time to time

"A2 Shares" means the MIP A2 Shares as defined in the Shareholders' Agreement

"A Shares" means the A ordinary shares of £1.00 each in the capital of the Company from time to time

"Bad Leaver" means any person who becomes a Leaver and is not a Good Leaver

"Board" means the board of directors of the Company as constituted from time to time

"B1 Share Exit Price" means (where X is the A Share Exit Price) an amount per share equal to (X + A Share Dividend per Share) less £3.50 provided that, where (X + A Share Dividend per Share) is less than or equal to £3.50, the B1 Share Exit Price shall be zero

"B1 Shares" means the B1 ordinary shares of £0.00001 each in the capital of the Company from time to time

"Called Shareholder" means all Shareholders other than the Investor

"Called Shares" means the shares that Called Shareholders are required to sell and transfer pursuant to a Drag Along Notice

"Chairperson" means the chairperson of the Board from time to time

"Chilli Marketing Director" means whichever of Christian Barton, Kieron Barton and Gareth Whittle is appointed to the Board at the relevant time

"City Code" means the City Code on Takeovers and Mergers, as amended from time to time

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company

"Company" means Farmison Group Limited (company number: 13922579)

"Completion" has the meaning given in Article 40.2(c)

"Credited as Paid Up" means amounts paid up or credited as paid up on a Share including both the nominal value and any share premium;

"Director" means a director of the Company;

"Deed of Adherence" means a deed of adherence to the Shareholders' Agreement substantially in the form set out in Schedule 4 of the Shareholders' Agreement

"Drag Along Notice" has the meaning given in Article 40.2

"Drag Along Right" has the meaning given in Article 40.1

"Employee Benefit Trust" means a trust established on terms which (and any alterations to the same) have been approved by an Investor Director

"Equity Shares" means the A Shares and the B1 Shares

"Excess Fresh Issue Shares" has the meaning given in Article 33.3(c)

"Excess Sale Shares" has the meaning given in Article 38.8(b)

"Exit Formula" has the meaning given in the Appendix

"Family Trust" means a trust, whether arising under:

- (a) a settlement inter vivos; or
- (b) a testamentary disposition by whomsoever made; or
- (c) on intestacy,

in respect of which no beneficial interest in shares is for the time being vested in any person other than the settlor or a Privileged Relation of the settlor and no power of control over the voting powers conferred by such shares is for the time being exercisable by or

subject to the consent of any person other than the trustees of such trust or the settlor or a Privileged Relation of the settlor, the terms of which (and any alterations to the same) have been approved by an Investor Director (such approval not to be unreasonably withheld or delayed)

"Fresh Issue Shares" means any shares or any rights to subscribe for or to convert into such shares which, in either case, the Company proposes to allot and issue or grant (as the case may be) after the Adoption Date, other than Permitted Issue Shares and Permitted Options

"Good Leaver" means any person who either (a) the directors, with the prior approval of a Shareholder Majority, determine to be such; or (b) becomes a Leaver for one of the following reasons:

- (a) death;
- (b) permanent or long term incapacity due to ill health, mental illness or disability which is sufficiently serious to prevent them from undertaking their usual duties;
- (c) retirement on reaching retirement age in accordance with their terms of employment;
- (d) their employment is terminated by any Group member where such termination is found to constitute wrongful or constructive dismissal;
- (e) their employment is terminated by any Group member with such termination to be effective following a notice period, other than as a result of summary dismissal in accordance with the terms of their employment agreement

"Group" means the Company and each Member of the Same Group as the Company (and "Group member" and "Group" shall be interpreted accordingly)

"Independent Expert" means a valuations practitioner in an internationally recognised professional services firm (acting as an expert and not as an arbitrator or adjudicator and, accordingly, the Arbitration Act 1996 or any statutory re-enactment or modification thereof for the time being in force shall not apply)

"Initial Period" means the period commencing on the Adoption Date and ending on the three year anniversary of the Adoption Date

"Investment Amounts" means, without double-counting, the aggregate of:

- (a) any and all transaction costs borne by the Investor (or any entity through which the Investor holds its interests in the Group) in connection with its acquisition and holding of Investor's Securities in the Group; and

- (b) all cash amounts paid directly or indirectly to any Group Company by or on behalf of the Investor or any member of the Investor Group, by way of:
 - (i) the subscription or other payment for or the acquisition of Investor's Securities; and/or
 - (ii) loans made to any Group Company

"Investments" means, at the relevant Realisation Date, the aggregate of all the Investment Amounts

"Investor" means Inverleith 1B Limited Partnership (registered number SL035289) whose registered office is at 43 Melville Street, Edinburgh EH3 7JF and its Permitted Transferees

"Investor Director" means a director appointed by the Investor pursuant to these Articles and holding office from time to time, and such expression includes their duly appointed alternate

"Investor Group" means any Investor Undertaking and/or any partner, unit-holder, shareholder, investor, funder, co-funder, limited partner, general partner or other participant of the Investor or any Investor Undertaking and "member of the Investor Group" shall be construed accordingly:

"Investor Returns" means

any amounts actually received in cash by the Investor or any member of the Investor Group prior to the relevant Realisation Date from any Group Company (or any third party) in respect of any Investor's Securities held by them, including any and all:

- (a) dividends, distributions, interest, repayments, redemptions or purchases of such securities (but, for the avoidance of doubt, excluding any management, monitoring, director or similar fees paid or payable to any Investor in respect of any ongoing management of the Group); and
- (b) any amounts actually received in cash in respect of any disposal, repayment or redemption of any Investor's Securities,

in each case (i) after deduction of all reasonable third party costs incurred on an arm's length basis and paid to a third party which is unconnected with any member of the Investor Group in connection with the transaction or event which has given rise to the Investor Returns and (ii) without double counting any amount;

"Investor's Securities" means the A1 Shares and any other loan notes or securities in a Group Company subscribed for or acquired by any Investor from time to time

"Investor Undertaking" means, in relation to the Investor, any holding company or subsidiary of the Investor and any other subsidiaries of any holding company or parent undertaking of the Investor;

"Leaver" means any employee, consultant or director of any Group member (other than an Investor Director) whose contract of employment or of consultancy or of services or whose appointment with that Group member has been terminated for any reason and who (in any such case) does not continue as or immediately start as an employee, consultant or director of or to another Group member

"Leaver Shares" means:

- (a) all shares held by a Leaver or any Permitted Transferee of such Leaver on such Leaver's Leaver Termination Date which were allotted and issued after the Adoption Date; and
- (b) all shares allotted and issued or transferred to a Leaver after their Leaver Termination Date pursuant to any share incentive arrangement,

provided that, for the avoidance of doubt, any B1 Shares held by the Leaver will not in any circumstances be Leaver Shares

"Leaver Termination Date" means, as the case may be:

- (a) where a Leaver's employment ceases by virtue of notice given by any Group member to such Leaver, the date on which such notice expires;
- (b) where a Leaver's contract of employment is terminated by a Group member and a payment is made to such Leaver in lieu of notice, the date on which such payment is made;
- (c) where a Leaver dies, the date of their death;
- (d) where the Leaver is a director or consultant but not an employee, the date on which their contract for services or appointment with the relevant Group member is terminated; and
- (e) in any other case, the date on which the Leaver's contract of employment is terminated

"Leaver Transfer Notice" means a notice deemed to have been given pursuant to Article 37 by a Leaver and their Permitted Transferees

"Liquidation" means the liquidation or winding up of the Company (save for the purposes of a solvent reorganisation or reconstruction or amalgamation pursuant to which no cash amount or cash equivalent is distributed to any Shareholder)

"Listing" means as the case may be:

- (a) the admission of any of the shares in the Company, or any of the shares in a direct or indirect holding company of the Company or any of their respective direct or indirect subsidiaries which hold all or substantially all of the assets of the Group (any shares or securities in the Company and/or any of the foregoing direct or indirect holding companies or subsidiaries, as applicable, being "Listing Securities") to, or the grant of permission becoming effective for the Listing Securities to be admitted to or traded or quoted on, the Official List of the UK Listing Authority or the Alternative Investment Market of the London Stock Exchange or any other recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000) (each an "Investment Exchange");
- (b) a direct listing of all or any of the Listing Securities or securities representing those Listing Securities on an Investment Exchange; or
- (c) any reverse takeover, merger agreement or business combination of the Company or any of its direct or indirect subsidiaries which hold all or substantially all of the assets of the Group by or with a special purpose acquisition company or similar undertaking, where all or any part of the share capital or equity interests (as applicable) of any of the foregoing, is listed on or admitted to any Investment Exchange in any jurisdiction; or
- (d) any prior reorganisation of the Group's capital structure for the purposes of any admission describers in paragraphs (a) to (c) above, including the transfer of any Shares or any other securities in the Company to a direct or indirect holding company of the Company

"Loan Notes" has the meaning given in the Shareholders' Agreement;

"Market Value" means in the case of Leaver Shares, the price agreed in accordance with Article 37.3(b) or determined in accordance with Articles 37.3(c) and 38.6 and, in the case of any other shares, the price determined in accordance with Article 38.6

"Member of the Same Group" means as the case may be:

- (a) as regards any Company, a company which is for the time being a subsidiary undertaking or parent undertaking of the Company or a subsidiary undertaking of any such parent undertaking;
- (b) as regards any partnership (other than the Investor), any member or partner (whether limited or general or otherwise) of that partnership; and

- (c) in the case of the Investor, any related funds or investors advised and/or managed by the Investor

"Minority Shareholder Consent" means the prior written consent of:

- (d) for such time as John Pallagi is an employee of the Group; or
- (e) at any time when John Pallagi is not an employee of the Group, the holders of more than 50% of the B1 Shares in issue

"Model Articles" means the model articles for public companies contained in schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Adoption Date;

"New Shareholder" has the meaning given in Article 40.7

"Notice Date" means the date on which a Transfer Notice is either given in accordance with Article 38.1 or shall be deemed to have been given pursuant to any of the provisions of these Articles

"Observer" has the meaning given to it in Article 15.1

"Offer" an offer on bona fide arm's length terms from a third party not connected to the Investor for such number of shares that would result in the Offeror holding more than 50% of the shares held by the Investor and members of the Investor Group

"Offeror" means the person or persons acting in concert making an Offer

"Offer Period" has the meaning given to it in Article 33.3(b)

"Permitted Issue Shares" means:

- (a) up to 2,250,000 A1 Shares which may be issued to Inverleith 1B Limited Partnership (registered number SL035289) at £1 per share following a resolution of the Board to do so at any time;
- (b) any shares which the Company has agreed to issue and allot pursuant to clause 3.2(h) and/or 9 of the Shareholders' Agreement; and/or
- (c) any shares allotted and issued pursuant to the exercise of a Permitted Option

"Permitted Option" means any option granted to an officer or employee of the Company (whether pursuant to the terms of, or as contemplated in the Shareholders' Agreement or otherwise), provided always that the aggregate number of A2 Shares which may be the subject of any such options (excluding any shares which are the subject of options which have lapsed) may not exceed a number of shares amounting to 12% by number of the aggregate number of A1 Shares (calculated on a fully diluted basis);

"Permitted Transfer" means a transfer of shares permitted by Article 35.1

"Permitted Transferee" means any person who receives shares pursuant to a Permitted Transfer

"Permitted Transferor" means any person who transfers shares pursuant to Permitted Transfer

"Permitted Transfer Share" means any share transferred pursuant to a Permitted Transfer and any other share held by a Permitted Transferee, save for any share which the:

- (a) Board determines was acquired other than by reason (directly or indirectly) of the relevant Permitted Transferee's relationship with the relevant Permitted Transferor; and
- (b) relevant Permitted Transferee acquired other than by reason (directly or indirectly) of exercising a right attaching to a share transferred pursuant to a Permitted Transfer from the relevant Permitted Transferor

"Prescribed Period" means the period during which Sale Shares have to be offered for sale and can be accepted by a Shareholder or any other person selected or approved by the Board (in accordance with these Articles), being the period commencing on:

- (a) the Notice Date, if the Prescribed Price has been agreed by such time; or
- (b) if applicable, the date the Prescribed Price is determined by an Independent Expert appointed pursuant to Article 38.5(c)

and, in each case, ending 42 days thereafter (as the case may be)

"Prescribed Price" means the price determined in accordance with Article 38.5

"Privileged Relation" means in relation to an individual Shareholder or deceased or former individual Shareholder:

- (a) the husband or wife or the widower or widow or civil partner of such Shareholder; and
- (b) all the children and lineal descendants in direct line of such Shareholder (including, without limitation, any step-child or adopted child)

"Proportionate Entitlement" has the meaning given in Article 38.6

"Proposing Transferor" means any person proposing or required to transfer all of its shares, other than pursuant to a transfer permitted by Article 35, Article 37, Article 39 or Article 40

"Purchaser" means a person willing to acquire:

- (a) any Leaver Shares in accordance with Article 37.3; or
- (b) any Sale Shares in accordance with Article 38

"Realisation" means a Share Sale, a Listing or a Winding Up

"Realisation Date" means the date on which a Realisation occurs, being:

- (a) where the Realisation is by way of a Share Sale, the date of receipt from the buyer or buyers of the consideration first payable on completion of the Share Sale;
- (b) where the Realisation is by way of a Listing, the date the Listing occurs; or
- (c) where the Realisation is by way of a Winding Up, the date of the first distribution of assets pursuant to the Winding Up

"Realisation Proceeds" means:

- (a) in the event of a Share Sale, the aggregate consideration payable in cash (including any cash received after converting a non-cash element of the consideration into cash) in respect of the shares on a Share Sale;
- (b) in the event of a Listing, the aggregate value of all of the shares (expressed in pounds sterling) as conclusively determined by the sponsoring broker, calculated on the basis of the issue price referred to in the prospectus, admission document or listing particulars published in connection with the Listing, but excluding the gross amount of any new money raised by the Company from the subscription for new shares issued by the Company at the time of, and in connection with, the Listing and less the costs and expenses of the Listing to the extent borne by any Group Company; and
- (c) in the event of a Winding Up, the amount to be distributed in the Winding Up to the Shareholders in respect of their shares on completion of such Winding Up

"Relevant Entitlement" has the meaning given in Article 33.2

"Sale Notice" has the meaning given in Article 39.2

"Sale Shares" has the meaning given in Article 38.1(a)

"section" means the relevant section of the Companies Act 2006 unless the context provides otherwise

"Shareholder" means a holder of shares and "Shareholders" shall be construed accordingly

"**Shareholders' Agreement**" means the shareholders' agreement among the Company, Inverleith 1B Limited Partnership (registered number SL035289) and the Shareholders entered into on or around the Adoption Date

"Shareholder Majority" means a Shareholder or Shareholders holding a majority of the voting rights in the Company

"shares" means any shares in the capital of the Company from time to time

"Share Sale" means:

- (a) the transfer (whether by way of a single transaction or series of related transactions) of shares which would, if completed, result in any person (or persons connected with each other) other than the Investor or a member of the Investor Group having, directly or indirectly, legal or beneficial ownership of such number of shares which in aggregate would confer the right to exercise more than 50% of the voting rights exercisable at a general meeting of the Company, or which confer the right to exercise more than 50% of the voting rights exercisable at a general meeting of any Group Company which holds directly or indirectly all or substantially all of the business of the Group; and/or
- (b) any form of capital reorganisation or scheme of arrangement or other reorganisation where any person (or persons connected with each other) other than the Investor or a member of the Investor Group acquires directly or indirectly beneficial ownership of or over such number of shares or shares in any of the Group Companies or any holding company of any of the Group Companies that is a subsidiary of the Company which in aggregate would confer the right to exercise more than 50% of the voting rights exercisable at a general meeting of the Company, or which would confer the right to exercise more than 50% of the voting rights exercisable at a general meeting of any Group Company which holds directly or indirectly all or substantially all of the business of the Group

"Subscription Price" means the subscription price in relation to the relevant shares

"Tag Along Shares" means any shares which are sold pursuant to a sale made in accordance with Article 39

"Tagging Shareholder" means all Shareholders other than the Investor

"Tag Purchaser" has the meaning given in Article 39.2

"Transfer Notice" means a notice given in accordance with Article 38.1 that a Shareholder desires to transfer all or some of their shares or any such notice which is deemed to have been given pursuant to these Articles (other than a Leaver Transfer Notice)

"transfer of shares" means, without limitation:

- (a) any sale or other disposition including by way of mortgage, charge or other security interest of the whole or any part of the legal or beneficial interest in any shares;
- (b) the grant of any option or other rights over the whole or any part of the legal or beneficial interest in any shares;
- (c) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than the holder; and
- (d) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it or issue of a derivative interest in a share) (i) whether or not by the relevant holder, (ii) whether or not for consideration, (iii) whether or not effected by an instrument in writing and (iv) whether or not made voluntarily or by operation of law

"Unsold Sale Shares" has the meaning given in Article 38.13

"voting rights" has the meaning given in paragraph 2 of Schedule 6 of the Companies Act 2006

"Winding Up" means any winding up, dissolution or liquidation of the Company.

1.1 Unless the context otherwise requires, other words or expressions contained in these Articles:

- (a) bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company; and
- (b) words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles.

1.2 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

- (a) any subordinate legislation from time to time made under it; and

- (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.3 A reference in these Articles to an "Article" is a reference to the relevant Article of these Articles unless expressly provided otherwise.
- 2 AMENDMENTS TO THE MODEL ARTICLES
- 2.1 The regulations in the Model Articles shall apply to the Company except where excluded or modified by these Articles.
- 2.2 Articles 7, 8, 9(3), 9(4), 11, 13, 14, 17(1), 29 and 38 of the Model Articles shall not apply to the Company.
- 2.3 The Model Articles shall, in their application to the Company, be amended as follows:
 - (a) in Article 4, by the insertion of "(3) No alteration of the Articles invalidates anything which the directors have done before such alteration";
 - (b) in Article 18, by the insertion of "(g) that person has for more than 6 consecutive months been absent without permission of the directors from directors' meetings held during that period and the directors resolve that that person should cease to be a director; or (h) the Company receives a written notice to such effect from a member or members holding a majority of the voting rights in the Company";
 - (c) in Article 20, by the insertion of the words "(including alternate directors)" after the words "reasonable expenses which the directors";
 - (d) in Article 42, by the insertion of the words "The voting entitlements of shareholders are subject to any rights or restrictions attached to the shares held by them, whether or not such rights or restrictions are set out in the Articles" at the end of that Article;
 - (e) in Article 27(2)(b), by the deletion of the word "had" after the word "holder" and the insertion of the words "from whom the transmittee derived such entitlement";
 - (f) in Article 27(3), by the deletion of the words "by reason of the holder's death or bankruptcy or otherwise," and in their place the insertion of the words "by reason of the event which gave rise to the transmission,";
 - (g) in Article 34(1), by the deletion of the words "on the recommendation of the directors" and replacing them with "or by a decision of the directors"; and
 - (h) in Article 49(1), by the addition of the words "or a committee of the directors authorised by the directors" at the end of the paragraph.

DIRECTORS

3 METHODS OF APPOINTING DIRECTORS

3.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by:

- (a) ordinary resolution;
- (b) a decision of the Board; or
- (c) a Shareholder Majority.

3.2 If the Company has only one Shareholder, the appointment by the directors of any person willing to act to be a director shall always be subject to the prior approval of that sole Shareholder.

4 **CALLING A DIRECTORS' MEETING**

4.1 Any Director may call a directors' meeting by giving at least seven days' prior written notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

4.2 Notice of any directors' meeting must indicate:

- (a) the proposed date and time of the meeting;
- (b) where and how it is to take place (whether physically, virtually or a hybrid);
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting; and
- (d) a written agenda specifying the matters to be raised and copies of all papers to be laid before the meeting.

4.3 Notice of a directors' meeting must be given to each director in writing.

4.4 In the first 24 months following the Adoption Date, Board meetings will be held at intervals of not more than six weeks and at least 12 Board meetings will be held in each calendar year. Thereafter, Board meetings will be held at intervals of not more than 12 weeks and at least six Board meetings will be held in each calendar year.

5 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

5.1 The general rule about decision-making by directors is that, without prejudice to Article 5.3, any decision of the directors must be either a majority decision at a meeting or in the form of a directors' written resolution in accordance with Article 6.

- 5.2 Subject to the Articles, each director participating in a directors' meeting has one vote.
- 5.3 No resolution of the directors shall be passed unless more votes are cast for it than against it.

6 **DIRECTORS' WRITTEN RESOLUTIONS**

- 6.1 Any director may propose a directors' written resolution by giving notice of the proposed resolution in writing to each director.
- 6.2 Notice of a proposed directors' written resolution must set out the terms of the proposed resolution and may also set out the time by which it is proposed that the Directors should adopt it.
- 6.3 A proposed directors' written resolution is adopted when a majority in number of the directors who would have been entitled to vote on the resolution, and have their vote counted, at a directors' meeting have signed one or more copies of it or otherwise indicated their agreement in writing, provided that those directors who have signed it or otherwise indicated their agreement in writing would have formed a quorum at such a meeting.
- 6.4 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles.
- 6.5 A written resolution signed by an alternate director need not also be signed by or agreed to by their appointor.

7 **QUORUM FOR DIRECTORS' MEETINGS**

- 7.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 7.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two, of which:
- (a) one of whom must be an Investor Director; and
 - (b) one of whom must be either:
 - (i) for such time as John Pallagi is an employee of the Company, John Pallagi; or
 - (ii) the Chilli Marketing Director.
- 7.3 If the quorum is not present within 30 minutes of the time when the meeting should have begun or, if during that meeting, there is no longer a quorum, the meeting shall be adjourned until the same day in the following week at the same time and at the same

place, at which adjourned meeting the directors present at the start of the meeting shall constitute a quorum (provided that at least one Investor Director is present).

7.4 If the total number of directors for the time being in office is less than the quorum required, the directors must not take any decision other than a decision:

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the Shareholders to appoint further directors.

8 **CHAIRING DIRECTORS' MEETINGS**

Any person so appointed as Chairperson shall preside at every Board meeting in which he or she is participating, but if no Chairperson is appointed, or if he or she is unwilling to preside at a Board meeting or he or she is not participating in a Board meeting within 10 minutes of the time when the meeting should have begun, any director nominated by an Investor Director shall act as the chairperson of the relevant meeting in the absence of the Chairperson.

9 **CHAIRPERSON TO HAVE CASTING VOTE AT DIRECTORS' MEETINGS**

If the numbers of votes by directors who are entitled to vote, and have their vote counted, at a directors' meeting for and against a proposal are equal, the Chairperson or other director chairing the meeting shall have a casting vote.

10 **ALTERNATES VOTING AT DIRECTORS' MEETINGS**

A director who is also an alternate director shall have an additional vote on behalf of each appointor who is:

- (a) not participating in a directors' meeting; and
- (b) would have been entitled to vote if they were participating in it.

11 **DIRECTORS' INTERESTS**

11.1 For the purposes of this Article:

- (a) an interest of a person who is connected (within the meaning of section 252) with a director is treated as an interest of the director; and
- (b) in the case of an alternate director, the interest of their appointor is treated as an interest of the alternate director in addition to any interest which the alternate director may have.

- 11.2 The Company may by ordinary resolution ratify any matter not properly authorised by reason of non-compliance with any of the provisions of Articles 11 or 12.
- 11.3 If they have declared their interest in accordance with the Companies Acts, a director may:
- (a) be a party to, or in any way interested, whether directly or indirectly, in any contract, arrangement or transaction to which the Company is a party, or in which the Company is in any way interested, whether directly or indirectly;
 - (b) hold and be remunerated in respect of any office (other than the office of auditor of the Company) or employment under the Company or any other undertaking in which the Company is in any way interested;
 - (c) act (or any firm of which they are a shareholder, partner or employee may act) in a professional capacity (other than the office of auditor) for the Company or any such other undertaking and be remunerated for so acting; and
 - (d) act as a director or other officer of, or be otherwise interested in, any undertaking promoted by the Company.
- 11.4 A director shall not, save as otherwise agreed by the director, be accountable to the Company for any interest, remuneration, profit or other benefit which the director (or a person connected with the director) derives from any matter permitted by Article 11.3 and no such contract, transaction or arrangement relating thereto is liable to be avoided on the grounds of any such interest or benefit.
- 11.5 For the purposes of section 175, the directors have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which the director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- 11.6 Any authorisation of a matter under this Article shall be subject to such conditions, limitations and/or terms as the directors may decide, whether at the time such authorisation is given or subsequently, and may be varied or revoked by the directors at any time and at their absolute discretion. A director shall comply with any obligations imposed on them by the directors pursuant to any such authorisation.
- 11.7 A director shall not, save as otherwise agreed by the director, be accountable to the Company for any benefit which the director (or a person connected with the director) derives from any matter authorised by the directors under Article 11.5 and any such related contract, transaction or arrangement is not liable to be avoided on the grounds of any such benefit.

12 NO RESTRICTIONS ON QUORUM AND VOTING WHERE A DIRECTOR HAS AN INTEREST

12.1 Save as provided in this Article, provided that a director has declared their interest in accordance with the Companies Acts, they shall be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which the director (or a person connected with the director) is interested.

12.2 A director shall not be counted in a quorum at a meeting of the directors in relation to any resolution on which they are not entitled to vote.

12.3 A director shall not vote or be counted in a quorum on any resolution concerning their own appointment as the holder of any office or employment with the Company or any undertaking in which the Company is interested.

12.4 Proposals concerning any matters relating to the appointment of two or more directors to offices or employments with the Company or any undertaking in which the Company is interested may be divided and considered in relation to each director separately. In such case each of the directors concerned (provided they are not otherwise barred from voting) is entitled to vote and be counted in the quorum in respect of each resolution, except that concerning the director's own appointment.

12.5 If any question arises at any meeting as to the entitlement of any director to vote, and such question is not resolved by the director voluntarily agreeing to abstain from voting, such question shall be referred to the chairperson of the meeting and the chairperson's ruling (in relation to any director other than the chairperson) is final and conclusive unless the interest has not been fairly disclosed. If any such question arises in respect of the chairperson, it shall be decided by the directors (other than the chairperson) and their ruling is final and conclusive unless the interest has not been fairly disclosed.

13 AUTHORISATION FOR DIRECTOR TO DISCLOSE INFORMATION TO THEIR APPOINTER

Any Investor Director shall be entitled from time to time to disclose to the Investor such information concerning the business and affairs of the Company as they shall at their discretion see fit.

14 NUMBER, APPOINTMENT AND REMOVAL OF DIRECTORS

14.1 The maximum number of Directors shall be 8. The Investor shall from time to time be entitled to nominate up to a maximum of three individuals to be Investor Directors and at any time remove any such Investor Director from office and appoint another person in their place.

14.2 Any Investor Director (the "appointor") may appoint any other director or any other person approved by resolution of the directors, to act as their alternate and may remove from office an alternate so appointed.

14.3 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.

15 OBSERVER

15.1 In addition, the Investor may appoint one person as an observer ("Observer") and remove any such person so appointed and appoint another in their place. Any such appointment or removal must be effected by notice in writing to the Company by the Investor, any such appointment or removal to take effect when such notice is received by the Company or on such later date (if any) specified in the notice.

15.2 The Observer shall be entitled:

- (a) to receive notice of Board meetings and meetings of the directors of each other Group member and all other information in respect of such meetings that an Investor Director would be entitled to receive and shall be entitled to receive such information (including notices of such meetings) at the same time as the Investor Director(s); and
- (b) to attend, observe and speak (but not vote) at Board meetings and meetings of directors of each other Group member,

but shall not be a director of any Group member and shall not be counted in the quorum of any meeting of directors of any Group member) and shall not be entitled to any remuneration from any Group member.

16 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

16.1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.

16.2 Except as the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their appointors; and
- (d) are not deemed to be agents of or for their appointors.

16.3 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
- (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

16.4 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

17 TERMINATION OF ALTERNATE DIRECTORSHIP

17.1 An alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing;
- (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;
- (d) when the alternate's appointor's appointment as a director terminates; or
- (e) when the Company receives a written notice to such effect from a Shareholder Majority.

DECISION-MAKING BY SHAREHOLDERS

18 NOTICE OF GENERAL MEETINGS

18.1 Notice of general meetings need not be given to Shareholders who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company.

18.2 A Shareholder present, in person or by proxy, at any general meeting or meeting of the holders of any class of shares shall be deemed to have been given, and received, the relevant notice of the meeting.

19 QUORUM FOR GENERAL MEETINGS

- 19.1 The quorum for a meeting of the Shareholders shall be at least two (present in person, by corporate representative or proxy) of whom at least one shall be the Investor.
- 19.2 If the quorum is not present within 30 minutes of the time when the meeting should have begun or, if during that meeting, there is no longer a quorum, the meeting shall be adjourned until the same day in the following week at the same time and at the same place, at which adjourned meeting the Shareholders present at the start of the meeting and an Investor Director shall constitute a quorum.
- 19.3 No business other than the appointment of the chairperson of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

20 CLASS MEETINGS

The provisions of the Articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

SHARES AND DISTRIBUTIONS

21 TRANSMISSION OF SHARES

- 21.1 If title to a share passes to a transmittee, the Company shall and may only recognise the transmittee as having any title to that share.
- 21.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- (a) may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
 - (b) subject to the Articles and pending any transfer of the shares to another person, has the same rights as the holder from whom the transmittee derived such entitlement.
- 21.3 The transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the event which gave rise to the transmission, unless they become the holders of those shares.

22 TRANSMITTEES AND TRANSFEREES BOUND BY PRIOR NOTICES

If a notice is given to a Shareholder in respect of shares and a transmittee (or a transferee of such transmittee pursuant to Article 28(2) of the Model Articles) is entitled to those shares, the transmittee (or the transferee) is bound by the notice if it was given to the

Shareholder before the transmittee's (or transferee's) name has been entered in the register of Shareholders.

23 NON-CASH DISTRIBUTIONS

23.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution or by a decision of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

23.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

23.3 No distribution (of any kind) shall be declared or paid until such time as all Loan Notes (and all accrued interest thereon) have been repaid in full.

24 PURCHASE OF OWN SHARES

Subject to the Companies Act 2006 but without prejudice to any other provisions of these Articles, the Company may purchase its own shares out of capital up to an aggregate amount in any financial year not exceeding the lower of:

- (a) £15,000; and
- (b) the nominal value of 5% of the Company's fully paid share capital as at the beginning of that financial year.

DIRECTORS' INDEMNITY AND INSURANCE

25 INDEMNITY

25.1 In this Article, the term "final" has the meaning given in sections 234(4) and (5) of the Companies Act 2006 and the word "finally" will be interpreted accordingly. To the fullest extent permitted by the Companies Acts, but not otherwise, the Company will indemnify the directors against:

- (a) any liabilities incurred by a director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated

company and arising out of the performance or purported performance of their duties as a director of the Company or any associated company, except for:

- (i) any liability to the Company or any associated company;
- (ii) any liability of a director to pay:
 - (A) a fine imposed in criminal proceedings; or
 - (B) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising);
- (iii) any liability incurred by a director in:
 - (A) the defence of any criminal proceedings where they are finally convicted;
 - (B) the defence of any civil proceedings brought by the Company, or any associated company, where final judgment is given against them; or
 - (C) any application for relief where the court refuses to grant relief to a director and such refusal is final; and
- (b) any other liability incurred by a director as an officer of the Company or any associated company.

26 INSURANCE

The Company will purchase and maintain (at the cost of the Company) insurance cover for the benefit of every director, former director or alternate director of the Company or of any associated company against all or any of the liabilities referred to in Article 25, with the amount of cover decided by the Board.

27 PROVISION OF FUNDS

27.1 On the request of a director, the Company may, to the extent the Board considers it reasonable and appropriate and at the sole discretion of the Board but subject always to the provisions of the Companies Acts:

- (a) provide a director with funds, by way of loan on such terms of repayment as the Company thinks fit, to meet expenditure incurred or to be incurred by them:
 - (i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by them in relation to the Company or any associated company; and/or

- (ii) in connection with any application for relief,
- 27.2 provide the director with funds to meet expenditure incurred or to be incurred by them in defending themselves in any investigation or action by, or against any action proposed to be taken by, a regulatory authority; and
- 27.3 take (or refrain from taking) any action to enable the director to avoid any such expenditure being incurred.

PART 2 SHARE ISSUE PROVISIONS

28 AUTHORITY TO ISSUE SHARES AND DISAPPLICATION OF STATUTORY PRE-EMPTION RIGHTS

28.1 The share capital of the Company at the Adoption Date is £7,250,023.75 divided into:

(a) 7,250,000 A1 Shares; and

(b) 2,375,000 B1 Shares.

28.2 Except as provided otherwise in these Articles, the A Shares and the B1 Shares shall rank pari passu but they shall constitute separate classes of shares.

28.3 The B1 Shares shall not confer on their holders the right to attend or vote at a general meeting, or to agree to a proposed written resolution.

28.4 Subject to Article 33, and provided that no B1 Shares shall be issued and allotted such that there are more than 2,375,000 B1 Shares in issue without the prior written consent of the holders of all of the B1 Shares in issue at the relevant time, the directors are authorised for the purposes of section 551 of the Companies Act 2006 to exercise all of the powers of the Company:

(a) to allot and issue shares; and/or

(b) to grant rights to subscribe for or to convert any security into such shares.

28.5 In accordance with section 567(1) of the Companies Act 2006, sections 561 and 562 of the Companies Act 2006 shall not apply to the allotment of equity securities (as defined in section 560(1) of the Companies Act 2006) by the Company.

28.6 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder. The terms, conditions and manner of redemption of any such shares shall be set out in the Articles.

29 DIVIDENDS

No cash dividend shall be declared or paid in respect of any B1 Share. The B1 Shares (as if one class) shall participate pari passu with the A Shares (by number of shares) in any non-cash distribution.

30 RETURN OF CAPITAL

30.1 Provided that there shall be no return of capital until such time as all of the Loan Notes have been repaid in full (and all accrued interest thereon has been paid up to and including the date of payment), on a Share Sale or a Winding Up or (but subject to Article 31) any other return of capital of the Company (other than a redemption of shares

or the purchase by the Company of its own shares), the surplus assets of the Company remaining after the payment of its liabilities and all other sums payable in priority shall be allocated and distributed amongst the holders of shares by:

- (a) calculating the A Share Exit Price;
- (b) paying each holder of B1 Shares the B1 Share Exit Price in respect of each B1 Share held by them; and
- (c) paying each holder of A Shares the A Share Exit Price in respect of each A Share held by them.

31 EXIT

- 31.1 In the event of a Share Sale, the selling Shareholders shall procure that the consideration shall first be used to repay all outstanding Loan Notes (together with all accrued and unpaid interest thereon as at the date of repayment) (if any) and thereafter the total consideration which they shall be entitled to receive for the shares they are transferring shall be that to which they would be entitled if the aggregate value of the remaining consideration was allocated to the selling Shareholders in accordance with the allocations set out in Article 30(Return of Capital).
- 31.2 For the avoidance of doubt, "total consideration" for the purposes of Article 31.1 shall be construed as meaning the value or worth of the total consideration regardless of the form of the total consideration but shall exclude any offer to subscribe for or acquire any share, debt instrument or other security in the capital of any person which is purchasing or acquiring the selling Shareholders' Shares (or a Member of the Same Group as any such person) made to a selling Shareholder (other than a member of the Investor Group) which is in addition to the consideration proposed to be paid for all the selling Shareholders' Shares.
- 31.3 In the event of an Asset Sale, the Shareholders shall procure that the proceeds of sale arising from such Asset Sale shall first be used to repay all outstanding Loan Notes (together with all accrued and unpaid interest thereon as at the date of repayment) (if any) and thereafter shall (to the extent that the Company is lawfully able to do so) be distributed to the Shareholders in accordance with the allocations set out in Article 30(Return of Capital).
- 31.4 In the event of a Listing, the Shareholders shall procure that the proceeds of the sale of all or any of the Equity Shares pursuant to the Listing shall first be used to repay all outstanding Loan Notes (together with all accrued and unpaid interest thereon as at the date of repayment) (if any) and thereafter shall be allocated to the selling holders of Equity Shares in accordance with the allocations set out in Article 30(Return of Capital).

- 31.5 In the event that there is a reorganisation of the share capital of the Company prior to a Listing, in connection with the reorganisation, the holders of B1 Shares shall receive such number of new shares such that, on the sale of all or any of the Equity Shares pursuant to the Listing, the proceeds of such sale which are allocated to the B1 Shares are equal to the allocation which would have been made to the holders of B1 Shares pursuant to Article 31.4 on a sale of the Equity Shares had there been no such reorganisation

32 PAYMENT OF COMMISSION

Subject to the provisions of and the powers conferred by the Companies Acts, the Company may pay commissions and brokerage on the issue of shares.

33 NEW SHARE ISSUES AND PRE-EMPTIVE OFFERS OF NEW SHARES

- 33.1 The directors may subject to Article 28.4 and Article 33.2, exercise all of the powers of the Company to:

- (a) allot and issue (as the case may be) Fresh Issue Shares;
- (b) allot and issue Permitted Issue Shares; and
- (c) grant Permitted Options,

to such persons, at such times and on such terms and conditions as the directors may determine, but only to the extent permitted by, and in accordance with, the Companies Acts, these Articles and the Shareholders' Agreement.

- 33.2 No Fresh Issue Shares shall be allotted or issued to any person unless the Company has first offered, in accordance with Article 33.3, such Fresh Issue Shares to each of its current Shareholders at the same price and pro rata to the number of shares held by them respectively (as nearly as may be without involving fractions) (each a Shareholder's "Relevant Entitlement").

- 33.3 Such offer shall be in writing and:

- (a) shall stipulate the number and price of the Fresh Issue Shares offered;
- (b) shall stipulate a period of time being not less than 21 days or more than 30 days during which it must be accepted in writing or in default will lapse as regards that offeree (the "Offer Period");
- (c) shall stipulate that any Shareholder who desires to subscribe for a number of Fresh Issue Shares in excess of their Relevant Entitlement (such shares being "Excess Fresh Issue Shares") shall in their acceptance state how many Excess Fresh Issue Shares they wish to subscribe for; and

- (d) may stipulate that any Shareholder who:
 - (i) desires to subscribe for a number of Fresh Issue Shares; and
 - (ii) is also an employee, director or prospective employee or director of any Group member,shall enter into a joint election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003.

33.4 At the expiration of the Offer Period, the directors shall allocate the Fresh Issue Shares in the following manner:

- (a) to each offeree there shall be allocated their Relevant Entitlement or such lesser number of the Fresh Issue Shares for which they may have applied;
- (b) if the number of Fresh Issue Shares which remain unallocated after the application of Article 33.4(a) is less than the aggregate number of Excess Fresh Issue Shares for which applications have been made, the unallocated Fresh Issue Shares shall be allocated (as nearly as may be) to each offeree in the proportions which the applications for Excess Fresh Issue Shares bear to one another; and
- (c) if the number of Fresh Issue Shares which remain unallocated after the application of Article 33.4(a) equals or is greater than the aggregate number of shares for which applications for Excess Fresh Issue Shares have been made, each offeree shall be allocated the number of Excess Fresh Issue Shares for which they applied.

33.5 If any Fresh Issue Shares are not allocated pursuant to Article 33.4, such Fresh Issue Shares may be offered to any person (other than any Shareholder) as the Board determines at no lesser price and otherwise on no more favourable terms as the offer to persons in accordance with the terms of Articles 33.2 to 33.3, save that no such Fresh Issue Shares may be issued more than three months after the end of the Offer Period unless the procedure in Articles 33.2 to 33.3 is repeated in respect of such Fresh Issue Shares.

33.6 If any person who is not already a party to the Shareholders' Agreement is issued shares in accordance with this Article 33, such person will be required to execute a Deed of Adherence.

PART 3 SHARE TRANSFER PROVISIONS

34 GENERAL RESTRICTIONS ON AND INFORMATION RELATING TO TRANSFERS OF SHARES

34.1 No Shareholder will transfer any share and the directors will not register any transfer of any share except for:

- (a) a transfer permitted by Article 35; or
- (b) a transfer made in accordance with the provisions of Article 37, Article 38.13, Article 39 or Article 40.

34.2 The directors shall, as a condition to the registration of any transfer of shares, require the transferee:

- (a) to execute and deliver to the Company a Deed of Adherence (but not so as to oblige the transferee to incur any obligations or liabilities which are greater than those of the proposed transferor under any such agreement or document); and
- (b) if the transferee is an employee, director or prospective employee or director of any Group member, to enter into a joint election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003.

34.3 To enable the directors to determine whether or not there has been any transfer of shares in breach of these Articles, the directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or such other person as the directors may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the directors may think fit regarding any matter which they deem relevant to such purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares registered in the holder's name. Failing such information or evidence being furnished to enable the directors to determine to their reasonable satisfaction (acting reasonably) that no such breach has occurred, or that as a result of such information and evidence the directors are reasonably satisfied (acting reasonably) that such breach has occurred, the directors shall forthwith notify the holder of such shares in writing of that fact whereupon:

- (a) all the shares shall cease to confer upon the holder thereof (or their proxy or representative) any rights:
 - (i) to receive notice of, attend or vote at any general meeting of the Company; or
 - (ii) to receive dividends or other distributions; and

- (b) a Transfer Notice shall be deemed to have been served in respect of such shares.

34.4 The rights referred to in Article 34.3(a) above shall be reinstated by the directors with the consent of a Shareholder Majority or, if earlier, upon the completion of a transfer of those shares.

34.5 If a Shareholder purports to transfer a share otherwise than in accordance with these Articles, they will be deemed immediately to have served a Transfer Notice in respect of such shares (unless a Shareholder Majority agrees in writing to waive this provision in respect of the relevant purported transfer in which case the purported transfer will not be registered and no Transfer Notice will be deemed to have been served by the Shareholder in question).

35 PERMITTED TRANSFERS OF SHARES

35.1 For the duration of the Initial Period, no shares may be transferred other than in accordance with Article 35.2 below by any Shareholder to any party who is not already an existing Shareholder. Other than by way of transmission the B1 Shares may not be transferred at any time.

35.2 The following transfers of shares may at any time and from time to time be made by any Shareholder without first complying with Article 38:

- (a) a transfer of shares to a Member of the Same Group as the Shareholder;
- (b) a transfer of shares to a Privileged Relation of such Shareholder;
- (c) a transfer of shares to trustees of a Family Trust of such Shareholder and, by the trustees of a Family Trust to any new trustees of or to the beneficiaries of that trust;
- (d) a transfer of shares by any person to whom those shares were transferred under any of Articles 35.2(a) to 35.2(c) back to the Permitted Transferor or to any person to whom the Permitted Transferor could have transferred those shares pursuant to any of Articles 35.2(a) to 35.2(c);
- (e) a transfer of shares by the legal representative of a deceased Shareholder to any person entitled to those shares under the deceased Shareholder's will or applicable laws as to intestacy, provided that:
 - (i) the person so entitled to those shares is a Privileged Relation or trustee of a Family Trust of such deceased Shareholder; and

- (ii) the transfer is made within the period of 18 months following the death of the Shareholder in question; and
 - (f) a transfer of shares by the trustees of an Employee Benefit Trust to the new trustees of or to beneficiaries of that trust.
- 35.3 Following the expiry of the Initial Period, and from time to time thereafter, any share may be transferred by a Shareholder, without first complying with the provisions of Article 38, in accordance with:
- (a) Article 37 (Leaver Transfers);
 - (b) Article 40 (Rights to drag non-accepting Shareholders along in a sale); and
 - (c) Article 39 (Rights to tag along in a sale).

36 DEEMED TRANSFER NOTICES

- 36.1 If (at any time) following a transfer pursuant to Article 35.2(a) the transferee ceases to be a Member of the Same Group as the Permitted Transferor, then such Permitted Transferee shall:
- (a) promptly notify the directors in writing; and
 - (b) be required to transfer, pursuant to Article 35.2(d), all of the relevant Permitted Transfer Shares to the relevant Permitted Transferor or, at the relevant Permitted Transferor's election, to another person who is a Permitted Transferee of the relevant Permitted Transferor.
- 36.2 If a Permitted Transferee pursuant to Article 35.2(b) or 35.2(c) ceases to be a Privileged Relation (whether by divorce or otherwise) or Family Trust of the relevant Permitted Transferor (as the case may be), then such transferee shall:
- (a) promptly notify the directors in writing; and
 - (b) be required to transfer, pursuant to Article 35.2(d), all of the relevant Permitted Transfer Shares to the relevant Permitted Transferor or, at the relevant Permitted Transferor's election, to a another person who qualifies as a Permitted Transferee of the relevant Permitted Transferor.
- 36.3 In the event that a transfer in accordance with Articles 36.1(b) or 36.2(b) has not been completed within the period of 28 days commencing on the date on which the relevant Shareholder ceased to be a Permitted Transferee, then:
- (a) a Transfer Notice shall be deemed to have been given in respect of any relevant Permitted Transfer Shares which have not been so transferred; and

- (b) such remaining relevant Permitted Transfer Shares may not be transferred pursuant to Article 35.

36.4 A Transfer Notice shall be deemed to have been given:

- (a) by the legal representative of a deceased Shareholder (other than a Leaver, in respect of which Article 37 shall apply) in the event that any share remains registered in the name of that deceased Shareholder at the expiry of the period referred to in Article 35.2(e)(ii). In this case, the Transfer Notice shall be deemed to have been given on the expiry of that period and shall be in respect of all shares registered in the name of that deceased Shareholder at such time;
- (b) in respect of any shares registered in the name of a deceased Shareholder (other than a Leaver, in respect of which Article 37 shall apply) in the event that such deceased Shareholder has no legal representative at the expiry of the period referred to in Article 35.2(e)(ii). In this case, the Transfer Notice shall be deemed to have been given on the expiry of that period and shall be in respect of all shares registered in the name of that deceased Shareholder at such time;
- (c) by the liquidator or administrator or receiver of any Shareholder who becomes insolvent. In this case, the Transfer Notice shall be deemed to have been given on and with effect immediately prior to the date of appointment of the liquidator or administrator or receiver (as the case may be) and shall be in respect of all shares held by the insolvent Shareholder; and
- (d) by the trustee in bankruptcy of any Shareholder who becomes bankrupt. In this case, the Transfer Notice shall be deemed to have been given on and with effect immediately prior to the date of the making of the bankruptcy order and shall be in respect of all shares held by the bankrupt Shareholder.

36.5 Notwithstanding any other provision of these Articles:

- (a) any person deemed to have served a Transfer Notice pursuant to this Article 36 shall not have any rights to receive notice of, attend or vote at any general meeting of the Company, provided always that such restrictions shall cease to apply to the relevant shares upon the completion of a transfer of those shares to a party who is not a Permitted Transferee of the relevant transferor; and
- (b) Transfer Notices shall be capable of being deemed to have been served pursuant to Article 36.4, and all relevant provisions of these Articles shall apply to such deemed Transfer Notices, prior to the expiry of the Initial Period.

37 LEAVER TRANSFERS

37.1 A Leaver Transfer Notice shall, unless the Board otherwise determines, be deemed to have been given by a Leaver and such Leaver's Permitted Transferees:

- (a) in respect of all Leaver Shares held by the relevant Leaver and such Leaver's Permitted Transferees, on the Leaver Termination Date; and
- (b) in respect of any other Leaver Shares acquired by the relevant Leaver after the Leaver Termination Date, on the date of the acquisition of such Leaver Shares, such date being the "Leaver Transfer Notice Date".

37.2 The price at which any Leaver Shares shall be offered for sale shall:

- (a) where the Leaver is a Good Leaver, be Market Value in respect of such Leaver Shares; and
- (b) where the Leaver is a Bad Leaver, be the lower of Market Value and the Subscription Price in respect of those Leaver Shares.

37.3 If a Leaver Transfer Notice is deemed to have been given pursuant to Article 37.1, then:

- (a) the relevant Leaver and such Leaver's Permitted Transferees may only transfer Leaver Shares pursuant to the following provisions of this Article 37.3 (save that, if following the operation of those provisions, any Leaver Shares have not been purchased, then the relevant Leaver and their Permitted Transferees may otherwise transfer such remaining Leaver Shares in accordance with these Articles);
- (b) the Board and the relevant Leaver shall negotiate in good faith with a view to seeking to agree the Market Value of the Leaver Shares; and
- (c) if the Board and Leaver are unable to agree the Market Value of the Leaver Shares within the period of 28 days following the Leaver Transfer Notice Date, then the Board shall refer the matter to an Independent Expert agreed between the Board and the relevant Leaver (or, in the event of disagreement as to nomination, by the President for the time being of the Institute of Chartered Accountants in England and Wales) and engaged by the Company and the Independent Expert shall determine and certify to the Company the amount which represents, in their opinion, the Market Value of the relevant Leaver Shares as at the relevant Leaver Termination Date and the provisions of Article 38.6 shall apply, with the necessary changes, to the determination of that Market Value. The report of the Independent Expert shall be final and binding except in the case of fraud or manifest error;

- (d) once the Market Value has been agreed or determined (as the case may be), all Leaver Shares shall be offered by the Company in the following order of priority:
 - (i) first, to such person or persons (if any) as may be nominated by the Board, conditional upon such person or persons commencing employment with a Group member; and
 - (ii) second, to the trustees of any Employee Benefit Trust,and the Board shall determine the period during which each such offer shall be open for acceptance, provided that the offers must have closed for acceptances by no later than the date falling 42 days after the date on which the Market Value of the Leaver Shares was agreed or determined (as the case may be);
- (e) if there remain any unpurchased Leaver Shares following the offers made pursuant to Article 37.3(d), then the provisions of Articles 38.7 to 38.12 shall apply, with the necessary changes, to those remaining Leaver Shares, save that, for this purpose, the Prescribed Period shall be deemed to have commenced on the date on which the last offer made pursuant to Article 37.3(d) closed or was rejected (as the case may be) and the Prescribed Price shall be the price agreed or determined (as the case may be) in accordance with the provisions of this Article 37.3;
- (f) the Leaver and/or their Permitted Transferee (as the case may be) shall be bound to transfer the Leaver Shares with full title guarantee free from any lien, charge or other encumbrance or third party right. If, after becoming so bound, the relevant Leaver or their Permitted Transferee (as the case may be) defaults in transferring any Leaver Shares, the Company may receive the purchase money and the relevant Leaver and/or their Permitted Transferee (as the case may be) shall be deemed to have appointed any one director or the secretary of the Company as their agent to execute a transfer of relevant Leaver Shares to the Purchaser and, upon execution of such transfer, the Company shall hold the purchase money on trust for the relevant Leaver and/or their Permitted Transferee (as the case may be). The receipt by the Company of the purchase money shall be a good discharge to each Purchaser and, after such Purchaser's name has been entered in the register of Shareholders of the Company, the validity of the proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this Article that no share certificate (or lost share certificate indemnity) has been produced; and
- (g) following the completion of the operation of the foregoing provisions of this Article 37.3, the Leaver Transfer Notice shall lapse.

- 37.4 Notwithstanding any other provision of these Articles, a Leaver and all of their Permitted Transferees (but only in respect of any Leaver Shares held by them) shall not have any rights to receive notice of, attend or vote at any general meeting of the Company, provided always that such restrictions shall cease to apply to the relevant shares upon the completion of a transfer of those shares to a party who is not a Permitted Transferee of the relevant transferor.
- 38 PROCEDURE TO BE FOLLOWED IN RESPECT OF PRE-EMPTIVE OFFERS TO TRANSFER SHARES
- 38.1 Other than in respect of a transfer of shares in accordance with Article 35.2, and subject to Article 35.3, a Proposing Transferor shall be required before effecting, or purporting to effect, a transfer of shares, to give a Transfer Notice to the Company. The Transfer Notice shall:
- (a) state the number of shares proposed to be transferred by the Proposing Transferor (the "Sale Shares"); and
 - (b) state the identity of the person (if known) to whom the Proposing Transfer wishes to transfer the Sale Shares and (if known) the Prescribed Price (as determined in accordance with Article 38.5(b)).
- 38.2 A Transfer Notice, once given, may not be amended or withdrawn without the consent of the Board. A Transfer Notice deemed to have been given may not be amended or withdrawn.
- 38.3 The Company may not make any allocation of Sale Shares unless and until it has:
- (a) first offered such Sale Shares to the Investor; and
 - (b) to the extent the Investor does not accept the offer made in accordance with Article 38.3(a) above, offered any remaining Sale Shares to the Shareholders (other than the Investor) in accordance with Article 38.7,
- and if there are any Sale Shares remaining following the offers made in accordance with Article 38.3(a) and Article 38.3(b) above, the Company shall be entitled to find a third party buyer or buyers for such remaining Sale Shares, provided that, if the Proposed Transferor is the Investor, any such sale to a third party buyer or buyers shall only be permitted if the Investor complies with the provisions of Article 39.
- 38.4 A Transfer Notice (or a deemed Transfer Notice) shall constitute the Company as the Proposing Transferor's agent for the sale of the legal title to, and entire beneficial interest in, the Sale Shares and all rights attached to the Sale Shares, at the Prescribed Price during the Prescribed Period to such persons, and in the priority, as are set out in Article 38.3.

38.5 The Prescribed Price shall be whichever is applicable of:

- (a) the cash price per Sale Share agreed not more than one month before the Notice Date between the Proposing Transferor and the Board as representing the Market Value of the Sale Shares (less the amount per Sale Share of any dividend or other distribution declared or made after such agreement and prior to the date on which the Transfer Notice was given);
- (b) if no such agreement referred to in Article 38.5(a) was reached before the Notice Date, the cash price contained in a bona fide offer received from an arm's length third party by the Proposing Transferor not more than one month before the Notice Date and which remains open for acceptance in respect of the Sale Shares until at least seven days after the last date for compliance with the pre-emption provisions contained in this Article 38 (but subject to the right of the directors to satisfy themselves that such offer is bona fide, for the consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser or other arrangement or agreement and so open for acceptance). If the cash price offered by the third party is an alternative (or an addition) to non-cash consideration which is also offered, then this Article shall not apply to determine the Prescribed Price and Article 38.5(c) shall apply for that purpose; or
- (c) if neither Article 38.5(a) nor 38.5(b) applies, the cash price determined by an Independent Expert, who shall be nominated by agreement between the Proposing Transferor and the Board (or in the event of disagreement as to nomination, by the President for the time being of the Institute of Chartered Accountants in England and Wales) and shall be engaged by the Company and shall act in accordance with the guidelines prescribed in Article 38.6. In so reporting, the Independent Expert shall be considered to be acting as an expert and not as an arbitrator or adjudicator and, accordingly, the Arbitration Act 1996 or any statutory re-enactment or modification thereof for the time being in force shall not apply. The Company will pay all costs of obtaining the Independent Expert's report, save the Market Value determined by the Independent Expert is more than 10% lower than the Proposing Transferor's proposal of Market Value, in which case the Proposing Transferor shall reimburse the Company the costs of obtaining such Independent Expert's report and the directors may resolve not to register any transfer of shares by the Proposing Transferor until the Company is so reimbursed. The report of such Independent Expert shall be final and binding except in the case of fraud or manifest error.

38.6 If the price is to be determined by an Independent Expert following the giving of a Transfer Notice, the directors shall refer the matter to the Independent Expert and the Independent

Expert shall determine and certify to the directors the amount which represents in their opinion the fair market value of each Sale Share as at the Notice Date. In determining such amount:

- (a) it shall be assumed that the sale is between a willing buyer and a willing seller by arm's length private treaty for cash payable on completion;
- (b) no addition or subtraction of any premium or discount arising in relation to the size of the holdings to be valued shall be applied; and
- (c) no addition or subtraction of any premium or discount arising in relation to any restrictions on the transferability of the Sale Shares shall be applied,

but the Independent Expert shall otherwise have regard to such criteria as they shall regard as appropriate for the purpose. The Company will pay all costs of obtaining the Independent Expert's report.

38.7 If the Investor does not take up the offer of all or any of the Sale Shares in accordance with Article 38.3(a), the remaining Sale Shares shall be offered by the Company, promptly following the Investor turning down any offer, to each Shareholder, other than the Investor, for purchase at the Prescribed Price on a pari passu basis and pro rata according to the numbers of shares held by them respectively (as nearly as may be without involving fractions) (each Shareholder's "Proportionate Entitlement").

38.8 Each such offer shall stipulate:

- (a) a period of time being not less than 14 days or more than 21 days during which it must be accepted in writing or in default will lapse as regards that offeree; and
- (b) that any Shareholder who desires to purchase Sale Shares in excess of their Proportionate Entitlement (such shares being "Excess Sale Shares") shall in their acceptance state how many Excess Sale Shares they wish to purchase.

38.9 At the expiration of such offer, the Board shall allocate the Sale Shares in the following manner:

- (a) to each Purchaser there shall be allocated their Proportionate Entitlement or such lesser number of the Sale Shares for which they may have applied;
- (b) if the number of Sale Shares which remain unallocated after the application of Article 38.9(a) is less than the aggregate number of Excess Sale Shares for which applications have been made, the unallocated Sale Shares shall be allocated (as nearly as may be) to each Purchaser in the proportions which the applications for Excess Sale Shares bear to one another; and

- (c) if the number of Sale Shares which remain unallocated equals or is greater than the aggregate number of shares for which applications for Excess Sale Shares have been made, each Purchaser who has applied for Excess Sale Shares shall be allocated the number of Excess Sale Shares for which they applied.
- 38.10 Within seven days of the share allocations under Article 38.9 being made, the Company shall notify the Proposing Transferor and all Purchasers of the details of the acceptances and applications which have been made and of the allocations made as between Purchasers under this Article 38. Each Purchaser shall be bound by the terms of any acceptance and application made by them to purchase in accordance with this Article such number of Sale Shares as are specified therein at the Prescribed Price.
- 38.11 Any Sale Shares not purchased by Shareholders pursuant to the foregoing provisions of these Articles by the end of the period stipulated for acceptance by the Board may, subject to, and provided the Investor complies with the provisions of, Article 39, be offered by the Board to such persons as the Board may think fit for purchase at the Prescribed Price before the end of the Prescribed Period.
- 38.12 The Proposing Transferor shall be bound, upon payment of the Prescribed Price, to transfer the Sale Shares which have been allocated pursuant to this Article 38 to the relevant Purchasers determined in accordance with this Article 38 fully paid with full title guarantee free from any lien, charge or other encumbrance or third party right. If, after becoming so bound, the Proposing Transferor defaults in transferring any of the Sale Shares, the Company may receive the purchase money and the Proposing Transferor shall be deemed to have appointed any one director or the secretary of the Company as their agent to execute a transfer of Sale Shares to the Purchaser and upon execution of such transfer the Company shall hold the purchase money in trust for the Proposing Transferor. The receipt of the Company for the purchase money shall be a good discharge to each Purchaser and, after their name has been entered in the register of members of the Company, no person shall question the validity of the proceedings. It shall be no impediment to registration of shares under this Article that no share certificate (or lost share certificate indemnity) has been produced.
- 38.13 If the Company has not within the Prescribed Period found Purchasers willing to purchase all of the Sale Shares (the Sale Shares in such circumstances being the "Unsold Sale Shares") the Proposing Transferor shall at any time during a period of 90 days commencing on the day after the end of the Prescribed Period be entitled to transfer the Unsold Sale Shares to any person named in the Transfer Notice (or where no person was named in the Transfer Notice, to any person) by way of a bona fide sale on arm's length terms at any cash price which is not less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made after the date of the

Transfer Notice and to be retained by the Proposing Transferor). Any such sale is to be conditional upon:

- (a) compliance with the provisions of Articles 34 and 39;
- (b) if a Total Transfer Notice was given, all the Unsold Sale Shares being included in the sale; and
- (c) the Board being satisfied that the Unsold Sale Shares are being transferred under this Article pursuant to a sale on bona fide arm's length terms for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the proposed purchaser.

38.14 If any of the conditions set out in Article 38.13 are not fulfilled, then the Board may refuse to register the instrument of transfer or impose further conditions to be fulfilled by the Proposing Transferor before doing so.

38.15 Immediately following the completion of the operation of the provisions of Articles 38.1 to 38.13, the relevant Transfer Notice shall lapse.

38.16 If any Shareholder or their Permitted Transferee has served a voluntary Transfer Notice and, before the sale to such the Transfer Notice relates is completed, such Shareholder becomes a Leaver, the Company shall inform the Purchasers that the Prescribed Price for the Sale Shares shall be determined in accordance with Article 37.3 and the directors shall be entitled to determine to either:

- (a) continue with the sale of the Sale Shares subject to any change in the Prescribed Price; or
- (b) end the sale of the Sale Shares initiated by such voluntary Transfer Notice in order to commence a new offer of the Sale Shares in accordance with Article 37.3.

39 RIGHTS TO TAG ALONG IN A SALE

39.1 If the Investor wishes to sell, in one or a series of related transactions, any of the A1 Shares, the Investor may only sell such A1 Shares if it complies with the provisions of this Article 39.

39.2 The Investor shall give written notice to the Tagging Shareholders (the "Sale Notice") of such intended sale at least 28 days prior to the date thereof. The Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer (the "Tag Purchaser"), the number of A1 Shares to be sold, the purchase price in respect of the A1 Shares to be sold and other terms and conditions of payment and the proposed date of sale.

39.3 Each Tagging Shareholder shall be entitled, by written notice given to the Investor within 14 days of receipt of the sale notice, to sell to the Tag Purchaser:

- (a) where the number of A1 Shares to which the Sale Notice applies will result in the Tag Purchaser and any persons acting in concert with the Tag Purchaser holding more than 50% of the A1 Shares, all of the relevant Tagging Shareholder's shares; and
- (b) in all other cases, the same proportion of the Tagging Shareholder's shares as are being sold by the Investor to the Tag Purchaser,

on the same terms and conditions as those set out in the Sale Notice (save that (i) the price to be paid for A Shares shall be the A Share Exit Price and for B1 Shares shall be the B1 Share Exit Price) and (ii) where the consideration being paid in respect of the A1 Shares is in the form of non-cash, a Tagging Shareholder may be offered a cash alternative in consideration for transferring his or her shares to the Tag Purchaser).

39.4 If a Tagging Shareholder is not given the rights accorded to them by the provisions of this Article 39 and the Tag Purchaser does not agree to acquire the relevant number of Tagging Shareholders' shares on the same terms and conditions as those set out in the Sale Notice (subject to Article 39.3), the Investor shall be required not to complete the proposed sale of its shares and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.

40 RIGHTS TO DRAG NON-ACCEPTING SHAREHOLDERS ALONG IN A SALE

40.1 In the event that an Offer is made, the Investor shall have the right to require all Called Shareholders to sell and transfer all of the Called Shares to the Offeror (or to such person as the Offeror may direct) (the "Drag Along Right").

40.2 The Drag Along Right shall be exercisable by the Investor giving notice to that effect to the Company and the Called Shareholders (a "Drag Along Notice") which shall be signed by or on behalf of the Investor and shall specify:

- (a) that the Drag Along Right is being exercised;
- (b) the number of Called Shares in respect of each Called Shareholder; and
- (c) the proposed place, date and time for the completion of the purchase of the Called Shares ("Completion"), which may not be earlier than the date and time for the completion of the purchase of the A1 Shares by the Offeror.

A copy of the relevant Offer shall be attached to the Drag Along Notice.

- 40.3 Following receipt by the Company and service on the Called Shareholders of the Drag Along Notice, no Shareholder shall be entitled to transfer their shares to any person other than the Offeror (or to such person as the Offeror may direct), without obtaining the prior written consent of the Investor. This restriction on transfers shall cease to apply in the event that the relevant Drag Along Notice lapses.
- 40.4 A Drag Along Notice shall be irrevocable but shall lapse:
- (a) if the sale of the relevant A1 Shares to the Offeror does not complete within 30 days after the date of service of the Drag Along Notice, and the Investor shall not be entitled to serve a further Drag Along Notice at any time before a period of 90 days following the lapse of the relevant Drag Along Notice has expired; or
 - (b) if notices are issued under section 979 of the Companies Act 2006 in respect of any of the shares held by the Called Shareholders.
- 40.5 On or before Completion, each Called Shareholder shall deliver a duly executed stock transfer form(s) in respect of the Called Shares held by him/her, together with the relevant share certificate(s) (or a lost share certificate indemnity in respect thereof in a form satisfactory to the directors) to the Company.
- 40.6 Any transfer of Called Shares shall be for a price per share that is no less than the price per share being received by the Investor (save that the price to be paid for A Shares shall be the A Share Exit Price and for B1 Shares shall be the B1 Share Exit Price) and on terms and conditions that are otherwise no less favourable than those offered to the Investor. No Called Shareholder shall be required to provide any warranty, indemnity, undertaking or covenant (other than a warranty as to title and capacity in respect of the Called Shares being sold by them) and the costs related to the sale and transfer of shares pursuant to any Offer shall be borne on a pro rata basis.
- 40.7 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of an option or warrant or other convertible security (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. The New Shareholder shall be bound to sell and transfer the relevant number of shares acquired by them to the Offeror, or to such person as the Offeror may direct, and the provisions of this Article 40 shall apply, with the necessary changes, to the New Shareholder, save that if Completion has already taken place, then completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed to have been served on the New Shareholder.
- 40.8 If any Called Shareholder does not, on or before Completion, execute a stock transfer form(s) in respect of the Called Shares held by them, then such defaulting Called

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Shareholder shall be deemed to have irrevocably appointed any director of the Company nominated for the purpose by the Investor to be its attorney to execute and deliver such stock transfer form(s) on their behalf and against receipt by the Company (on trust for such Called Shareholder) of the purchase monies or any other consideration payable (without there being any duty to deposit the same in an interest bearing account) for the Called Shares deliver such documentation to the Offeror (or as the Offeror may direct) and, subject to stamping, the directors shall forthwith register the Offeror (or as the Offeror may direct) as the holder thereof and, after the Offeror (or as the Offeror may direct) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this Article that no share certificate (or lost share certificate indemnity) has been produced.

Appendix

$$P = (A \times X) + (B \times (X - £3.50))$$

P = Surplus assets of the Company remaining after the payment of its liabilities and all other sums payable in priority arising as a result of the relevant Realisation or other event

A = Number of A Shares in issue at the relevant time

B = Number of B1 Shares in issue at the relevant time

X = Price per A Share in £