

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**THUNDERBIRD FRIED CHICKEN LTD**

**(Company Number 10582001)**

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**Articles of Association**

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**Adopted by special resolution dated 30 April 2019 (as  
amended by resolution dated 28 January 2021)**

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**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**THUNDERBIRD FRIED CHICKEN LTD  
(Company Number 10582001)  
(the "Company")**

**(adopted by written resolution passed on 30 April 2019 as amended by resolution dated 28 January 2021)**

**1. DEFINITIONS AND INTERPRETATION**

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

**"Act"** or **"CA 2006"** means the Companies Act 2006 (as amended from time to time);

**"acting in concert"** has the meaning ascribed to it by the City Code on Takeovers and Mergers (as amended from time to time);

**"Affiliate"** means, with respect to any specified person, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such person;

**"Adoption Date"** or **"Date of Adoption"** means the date of adoption of these Articles;

**"A Preferred Shares"** means the A Preferred Shares of £0.01 each in the capital of the Company;

**"Angel Investors"** means the Angel Investors as defined in a Shareholders Agreement;

**"Angel Director"** means a Director appointed in accordance with Article 19.4;

**"Auditors"** means the auditors for the time being of the Company;

**"Board"** means the board of Directors of the Company from time to time or any duly authorised committee or other delegate thereof;

**"Bonus Issue or Reorganisation"** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the holders of Shares) or any consolidation or sub-division or any repurchase or redemption of Shares (other than Preferred Shares in accordance with the terms of these Articles) or any variation in the subscription price or conversion rate applicable to any other outstanding Shares;

**"B Preferred Shares"** means the B Preferred Shares of £0.01 each in the capital of the Company;

**"business day"** means any day which is not a Saturday, Sunday or public holiday in England;

**"Change of Control"** means the acquisition whether by purchase, transfer, renunciation or otherwise (but excluding a transfer of Shares made in accordance with Article 11(*"Permitted Transfers"*) save as specified therein), in a single transaction or in a series or related transactions, by any Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser, together with persons acting in concert or connected with him (excluding any person who was an original party to a Shareholders Agreement or any Permitted Transferee of such person), would hold 50 per cent or more of the voting rights at a general meeting of the Company attached to the issued Shares for the time being;

**"Company Communication Provisions"** means sections 1144 to 1148 of and Schedules 4 and 5 to the CA 2006);

**"connected with"** has the meaning ascribed to it in Sections 1122 – 1123 Corporation Tax Act 2010;

**"control"** shall, in relation to a company, mean the power to direct the management and policies of that company, whether through the ownership of voting capital, by contract or otherwise;

**"Deed of Adherence"** has the meaning given to it in a Shareholders Agreement;

**"Deferred Share"** means a deferred share in the capital of the Company from time to time;

**"Deferred Share Entitlement"** means the lower of (i) the original subscription price of the relevant G Share prior to its redesignation as a Deferred Share and (ii) the value of the G Share Entitlement of that G Share at the relevant time had such G Share not been redesignated as a Deferred Share as determined in good faith by the Board (including the Investor Directors);

**"Disposal"** means the entering into of one or more legally binding agreements (whether conditional or not) for the disposal by the Group of assets (whether together with associated liabilities or otherwise and as part of an undertaking or otherwise) which represent 50 per cent or more of the consolidated assets of the Group at that time and for the purposes of this definition "disposal" shall mean a sale, transfer, exclusive license, assignment or other disposition, in a single transaction or in a series or related transactions, whereby a person ceases to be the absolute beneficial owner of the assets in question or all rights attached thereto or an agreement to enter into such disposal or the grant to compel entry into such an agreement provided that, for the avoidance of doubt, there shall be no "Disposal" in the event that the Group or any member of the Group grants a debenture or similar security over its assets to its bankers from time to time;

**"Eligible Director"** means a director who would have been entitled to vote on any matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

**"Equity Shares"** the Ordinary Shares and the Preferred Shares together as if they constituted a single class;

**"Exit Event"** means the first to occur of:

- (a) the date and time at which an agreement referred to in the definition of "Sale" is completed;

- (b) the date and time at which an agreement referred to in the definition of "Disposal" is completed; and
- (c) the date and time at which a Listing takes place;

and **"Exit"** shall be construed accordingly;

**"G Shares"** means the G Shares of £0.01 each in the capital of the Company;

**"G Share Cap"** is as defined in Article 8.7;

**"Follow-on Excess"** means the aggregate amount subscribed by the Existing Shareholders pursuant to the Follow-on Right exceeding (i) £400,000 or (ii) the amount equal to 10% of the Issue Price of all A Preferred Shares;

**"Follow-on Ordinary Shares"** means such number of additional Ordinary Shares which shall be added to the Converted Shares as shall be equal (in current value at the relevant time) to, and in order to adjust the amount for, the amount of the Follow-on Preferred Return;

**"Follow-on Right"** means the rights of the Existing Shareholders to subscribe for Follow-on Subscription Shares as defined in and as set out in a Shareholders Agreement;

**"Founder"** means Matthew Harris;

**"Founder Director"** means a Director appointed in accordance with Article 19.2;

**"Group"** means the Company and any subsidiary and subsidiary undertakings of the Company (direct and indirect) where a **"subsidiary"** means a subsidiary within the meaning ascribed to such expression by section 1159 of the Companies Act 2006 and a **"subsidiary undertaking"** means a subsidiary undertaking within the meaning ascribed to such;

**"Investment Fund"** means any arrangement constituting a collective investment scheme for the purpose of section 235 Financial Services and Markets Act 2000 (as amended or re-enacted for the time being) or which would constitute such a scheme if it did not fall within an exemption or exclusion to that section and, without limitation, shall include limited partnerships and variable capital companies;

**"Investors"** means the Investors as defined in and for the purposes of a Shareholders Agreement (and includes any party who subsequently adheres to a Shareholders Agreement as an Investor by entering into a Deed of Adherence);

**"Investor Associate"** means a person listed in Article 11.4(a) to 11.4(e) (inclusive);

**"Investor Directors"** means a director appointed in accordance with Article 19.3;

**"Investor Investment Amount"** means the aggregate Issue Price of all Investor Shares held as at the date of the Exit Event;

**"Investor Shares"** means the Shares held by the Investors from time to time;

**"Investor Majority"** shall mean Investors together who hold a majority of the Investor Shares at the relevant time;

**"Issue Price"** means, in the case of the amount paid per Share in cash on the issue of the same;

**“Liquidation”** means the making of a winding-up or dissolution order by a court of competent jurisdiction or the passing of a resolution by the Shareholders (subject to the necessary consent of the Investors) that the Company be wound up or any other capital return (on capital reduction, liquidation or otherwise);

**"Listing"** means any of:

- (a) the admission by the UK Listing Authority of all or any of the issued equity share capital of the Company to the Official List and such admission becoming effective; or
- (b) the granting of permission by the London Stock Exchange for the introduction of all or any of the issued equity share capital of the Company to AIM and such permission becoming effective; or
- (c) any equivalent admission to, or permission to deal on, any other Recognised Investment Exchange becoming unconditionally effective in relation to all or any of the issued equity share capital of the Company;

**"London Stock Exchange"** means London Stock Exchange plc;

**"Member"** or **“Shareholder”** means any registered holder of a Share;

**“Model Articles”** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 in force as at the Adoption Date;

**“Management Incentive Plan”** means any employee share incentive plan adopted at any time after the Original Adoption Date with Investor Majority consent;

**"Ordinary Shares"** means ordinary shares of £0.01 each in the capital of the Company;

**“Original Adoption Date”** means 22 October 2018;

**"Permitted Transferee"** means any person to whom a Member transfers Shares pursuant to Article 11;

**“person”** means any individual, firm, company, corporation, body corporate, government, state or agency of state, trust or foundation, or any association, partnership or unincorporated body of two or more of the foregoing (whether or not having separate legal personality and wherever incorporated or established);

**“Preferred Shares”** means the A Preferred Shares and the B Preferred Shares together or such of them as the context requires of permits;

**"Proceeds of Sale"** means:

- (a) on a Sale, the aggregate consideration actually paid to the Shareholders (including any deferred and/or contingent consideration and any other consideration which, having regard to the substance of the transaction as a whole, can be reasonably regarded as an addition to the price paid or payable for the Shares being sold) whether in cash or otherwise, including the cash value of any non-cash consideration, less the aggregate costs payable by the Shareholders in respect of such Sale; and
- (b) on a Listing, the aggregate value (expressed in pounds sterling to the nearest three decimal places) of all the Shares (or such shares as may be derived therefrom on any

pre-Listing re-organisation) for which a Listing is obtained (being, (i) in the case of an offer for sale, the underwritten price (or if applicable the minimum tender price), or (ii) in the case of an offer for sale by tender, the strike price under the offer, or, (iii) in the case of a placing, the placing price or, (iv) in the absence of such an offer or placing, by reference to the price such shares would have immediately following admission to, or permission to deal on, the relevant exchange becoming effective) (but excluding any new Shares issued as part of the arrangements relating to the Listing (other than any new Shares to be paid up by way of capitalisation of reserves)) plus the cash value of the non-cash consideration represented by the Shares not being sold in the Listing but retained following the Listing, less the aggregate costs payable by the Shareholders in respect of such Listing;

**"Recognised Investment Exchange"** has the meaning ascribed thereto in Section 285(1) Financial Services and Markets Act 2000;

**"Residual Exit Proceeds"** is as defined in Article 3.1(c);

**"Sale"** means the entering into of one or more legally binding agreements (whether conditional or not) for the disposal, transfer, purchase, subscription or renunciation of any part of the share capital of the Company, in a single transaction or in a series or related transactions, giving rise to a Change of Control and for the purposes of this definition **"disposal"** shall mean a sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner of the share in question or voting rights attached thereto or an agreement to enter into such disposal or the grant to compel entry into such an agreement;

**"Shareholders Agreement"** means any one or more written agreements relating to the Company and to which the Company and some or all of the Members including at least the Founder, the Angel Investors, and an Investor are a party, and expressly stated on its face to be a Shareholders Agreement for the purposes of the Articles, as any such agreement is amended, waived, restated, modified or supplemented from time to time;

**"Shares"** means the shares in the capital of the Company (not including Deferred Shares) or such of them as the context requires or permits; and **"Shareholders"** shall be construed accordingly;

**"SIPP"** means, in relation to an individual Member or their spouse (in each case, a **"SIPP Member"**), the trustees of a self-invested personal pension of the SIPP Member;

**"Surplus Assets"** shall bear the meaning set out in Article 3.1;

**"Third Party Purchaser"** means a person who is not:

- (a) a Member on the Original Adoption Date; or
- (b) save as set out in Article 11, a Permitted Transferee or an Affiliate of such a Member,

acquiring Shares on arm's length terms, and, where the relevant acquisition is by the renunciation of a renounceable letter of allotment, shall include the relevant renouncee;

**"Valuers"** means the Auditors unless:

- (a) a report on the Market Value is to be made pursuant to a Deemed Transfer Notice and, within 21 days after the date of the Deemed Transfer Notice, the Vendor notifies the Board in writing that it objects to the Auditors making that report; or
- (b) the Auditors give notice to the Company that they decline an instruction to report on Market Value,

and in any such case the Valuers shall be a firm of chartered accountants agreed between the Vendor and the Board or, in default of agreement within 20 business days after the event referred to in (a) or (b) above, appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Company; and

- 1.2. The Model Articles shall be incorporated into and form part of these Articles and shall apply to the Company insofar as such regulations are not excluded, amended or modified by or otherwise inconsistent with this document.
- 1.3. These Articles and the regulations incorporated into them shall take effect subject to the requirements of the Act and of every other statute for the time being in force affecting the Company.
- 1.4. In these Articles where the context so permits:
  - (a) words importing the singular number only shall include the plural number, and vice versa;
  - (b) words importing the masculine gender only shall include the feminine gender;
  - (c) words importing persons shall include bodies corporate, unincorporated associations and partnerships;
  - (d) the expression "**paid up**" shall include credited as paid up; and
  - (e) the word "**writing**" shall include using electronic communications.
- 1.5. References in these Articles to Regulations are to regulations in the Model Articles and references to an Article by number are to a particular Article of these Articles.
- 1.6. Words and expressions defined in or for the purposes of the Act or the Model Articles shall, unless these Articles provide otherwise, have the same meaning in these Articles.
- 1.7. Words and expressions defined elsewhere in these Articles shall bear the meanings thereby ascribed to them.
- 1.8. Headings used in these Articles shall not affect their construction or interpretation.
- 1.9. References to any statute or section of any statute shall include reference to any statutory amendment, extension, modification or re-enactment thereof for the time being in force.
- 1.10. In these Articles:
  - (a) the words "other" and "otherwise" shall not be construed ejusdem generis with any preceding words where a wider construction is possible;
  - (b) any phrase introduced by the words "including", "include", "in particular" or any similar expression shall be construed as illustrative only and shall not be construed as limiting the generality of any preceding words; and



(c) whenever the consent or approval of the Investor Directors is required, howsoever expressed, it means the consent of a majority of the Investor Directors in office at the relevant time).

- 1.11. Whenever under these Articles it is desired or necessary for any two or more persons to give any notice, consent or approval in writing, the same may be done by them executing two or more documents either in identical form or adapted only for execution.
- 1.12. The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with these Articles or otherwise arising between the Company and any of its members (or any former member or any person claiming title or interest under or by virtue of any member or former member) (each a “**Disputant**”) relating in any way to the past or present or alleged membership of the Company or otherwise under the Articles of Association for the time being of the Company or under the CA 2006 (a “**Dispute**”), including a dispute regarding the existence, validity or termination of membership of the Company or the consequences of its nullity.
- 1.13. The Company and each Disputant agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.
- 1.14. Unless the context otherwise requires, reference in these Articles to any English term for any action, remedy, method of judicial proceeding, legal document, legal status, court, legislation, official or any legal concept or thing shall, in respect of any jurisdiction other than England and Wales, be deemed to include what most nearly approximates in that jurisdiction to the relevant English term.
- 1.15. **Application of the Model Articles etc.**
  - (a) These Articles and the Regulations of the Model Articles (subject to any modifications set out in these Articles and, in particular, in Article 28) shall constitute all the articles of association of the Company.
  - (b) Regulations 8, 14(1) to 14(5) (inclusive), 19(3)(b), 21, 26(1), 26(5), 41(1), 44(2) to 44(4) (inclusive), 52 and 53 do not apply to the Company.

## 2. **SHARE CAPITAL AND LIABILITY OF MEMBERS**

- 2.1. The Company is a private company and accordingly any offer to the public (whether for cash or otherwise) of any shares in or debentures of the Company or any allotment of or agreement to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of these shares or debentures being offered for sale to the public shall be prohibited.
- 2.2. The Ordinary Shares and the Preferred Shares constitute separate classes but shall, other than where these Articles expressly provide otherwise, have the same rights and rank *pari passu* in all respects. The liability of the Members is limited.

## 3. **RETURN OF CAPITAL / PROCEEDS OF SALE**

### 3.1. **Order of Priority for Payment of Proceeds**

On a return of capital whether on Liquidation, capital reduction, Sale or otherwise (other than a conversion or purchase of Shares in accordance with these Articles) (“**Return Event**”), the surplus assets of the Company remaining after the payment of its liabilities,

including the costs and expenses of any winding-up, or any expenses or fees of advisers or otherwise in relation to a Sale ("**Surplus Assets**") shall be applied, to the extent the Company is lawfully permitted to do so:

- (a) first, in paying to each holder of Preferred Shares, an amount per Preferred Share equal to the greater of: (i) its Issue Price (as adjusted for any Bonus Issue or Reorganisation) together with the amount of any accrued but unpaid dividends or distributions due on the same, and (ii) such amount per Share as would have been payable had all Preferred Shares been converted into Ordinary Shares immediately prior to the Return Event in accordance with Article 5 ("**Converted**"), subject always to Articles 3.1 (c) and (f) ("**Preferred Return**");
- (b) second, if the Follow-on Excess has been achieved, in paying to each holder of A Preferred Shares (or if such shares have actually Converted, to the holder of the relevant Converted Shares) a sum equal to a return of 12% pa on its Investor Investment Amount calculated from and including the date of issue of each relevant A Preferred Shares held by him up to but excluding the date of payment to him under this Article 3.1(b) ("**Follow-on Preferred Return**");
- (c) third, in paying to the G Shareholders the G Share Entitlement (pro-rata between them in proportion to the number of G Shares held by them at the relevant time and rounded up or down to the nearest 1p as the Board shall in its absolute discretion determine);
- (d) fourth, in paying to the holders of any Deferred Shares the Deferred Share Entitlement of each such Deferred Share held by them;
- (e) thereafter, in distributing the balance of the Surplus Assets, if any, ("the **Residual Exit Proceeds**") amongst the holders of the Ordinary Shares in proportion to the number of Ordinary Shares held by them respectively; and
- (f) in the event that the A Preference Shareholders would be entitled to be paid any Follow-on Preferred Return, such aggregate amount of Follow-on Preferred Return will be deducted from any amounts otherwise payable to the B Preference Shareholders pursuant to Article 3.1(a) prior to the applicable payment on a pro rata basis (in proportion to the number of B Preference Shares and Ordinary Shares); and
- (g) in the event that the amount of Surplus Assets is insufficient to pay the full amount of the Preferred Return, the full amount of the Surplus Assets shall be paid pro rata to the Preference Shareholders, subject always to Article 3.1 (f).

3.2. Any Proceeds of Sale will be shared between the Members on the same basis as though the Sale proceeds were Surplus Assets for the purpose of a return of capital under Article 3.1. 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) as Surplus Assets in the order of priority set out in Article 3.1 provided always that if it is not lawful for the Company to distribute such surplus assets in accordance with the provisions of these Articles, the Members shall take such action as may be required to put the Company into voluntary liquidation) so that Article 3.1 applies.

### 3.3. **Allocation of Proceeds on a Listing**

Immediately prior to and conditionally upon a Listing, the Shareholders shall, to the extent required, enter into such reorganisation of the share capital of the Company as they may

agree to ensure that the Proceeds of Sale are allocated between the Shareholders in the same proportions as the preceding provisions of this Article 3 would provide on an Sale or Liquidation at that Listing value. As part of any such reorganisation, the Shares shall ultimately be re classified into ordinary shares of the same class and with the same nominal value so as to ensure all Shareholders participate in the Listing to the extent of their economic entitlements on Listing pursuant to this Article 3.

#### 3.4. **Non-cash Consideration**

In the event of a Sale occurring where the whole or any part of the Proceeds of Sale are to be received by the Shareholders in a form other than cash, the Shareholders shall enter into such arrangements in relation to such Proceeds of Sale as they may agree or, in default of such agreement, as shall be determined by the Valuer in accordance with Article 3.5 may reasonably specify, to ensure that such non cash consideration is allocated amongst the Shareholders so as to achieve the same commercial effect as would be the case pursuant to Article 3.1 if such consideration had actually been received in cash (and as between the Shareholders, such non-cash consideration shall be apportioned between the different classes of Shares in the same proportions in which they are entitled to receive the overall Proceeds of Sale and otherwise on the same terms, unless the Shareholders should reach any agreement to the contrary).

#### 3.5. **G Share Entitlement**

For the purposes of Article 3.1 (c), the G Share Entitlement shall be the aggregate entitlements of the G Shares as determined by the Board on and as part of the terms of issue thereof (and as endorsed on the share certificates therefor at the time of each such issue) provided that if, at Exit, there are fewer than the maximum number of G Shares in issue permitted by the then current G Share Cap, the amount otherwise payable to the G Shareholders by way of their aggregate G Share Entitlements shall be reduced to an amount equal to X where

$$X = \text{GSE} \times Y\%$$

where GSE means the aggregate G Share Entitlements and

$$Y = (A \div B) \times 100 \text{ where}$$

A = the number of G Shares in issue at the time of the Exit and

B = the G Share Cap.

Once any G Share Entitlement has been established by the Board on the issue of any G Shares, it may not be altered save with the consent of the relevant G Shareholder(s) and the Board (including the Investor Directors).

#### 3.6. **Dispute**

In the event that the application of any provision of this Article 3 cannot be agreed between the Company and the Shareholders, any such matters in dispute shall be referred by the Board to the Valuer whose costs shall be borne by the Shareholders in such proportions as the Valuer may determine having regard to the conduct of the Shareholders and the merits of their arguments in relation to the matter(s) in dispute (or in the absence of such determination, shall be borne by the Shareholders pro rata to their respective holdings of Shares) and whose decision shall be final and binding on all Shareholders (save in the case of manifest error).

4. **DIVIDENDS AND INCOME**

- 4.1. Dividends shall only be declared as payable among the holders of Equity Shares and shall be paid pro-rata to the holders of all such Shares as if they constituted a single class.
- 4.2. The Company will take such steps as are reasonably available to it to procure that the profits of any other Group company available for distribution will be paid, directly or indirectly, by way of dividend to the Company if and to the extent that such dividends are necessary to permit lawful and prompt payment by the Company of any dividend approved for the purposes of Article 4.1 above.

5. **PREFERRED SHARES AND CONVERSION RIGHTS**

- 5.1. Each holder of Preferred Shares shall have the right to convert at any time and from time to time the whole or any part of the Preferred Shares held by them into Ordinary Shares in accordance with this Article 5.1.
- 5.2. Conversion of Preferred Shares shall be effected by the holder of the relevant Preferred Shares (each a "**Relevant Preferred Shareholder**") giving notice in writing to the Company (a "**Conversion Notice**") specifying the total number of Preferred Shares to be converted (the "**Relevant Preferred Shares**") and the required date for the conversion to take place ("**Conversion Date**") being (save with the prior consent of the Board) a date not less than 5 business days after the date of the relevant Conversion Notice. A Conversion Notice once served may not be withdrawn without the consent in writing of the Company provided that the relevant holder shall be entitled to direct that conversion is conditional on completion of an Exit Event taking place. Each Conversion Notice shall be accompanied by the certificate(s) for the Relevant Preferred Shares (or an indemnity in lieu thereof in terms satisfactory to the Board), together with such other evidence as the Directors may reasonably require to prove the title and claim of the person exercising the right to convert.
- 5.3. If:
- (a) a Pull Notice has been served on the Shareholders pursuant to Article 14.2 (*Pull Along*); or
  - (b) a Third Party Purchaser has given notice of its intention to purchase Uncommitted Shares pursuant to Article 15 (*Tag Along*);
  - (c) notice of any order or Shareholder resolution in relation to a Liquidation,
- (each such case, a "**Relevant Event**") a Relevant Preferred Shareholder shall be entitled to (but shall not be obliged to) serve a Conversion Notice on the Company up to the date falling two business days prior to the Conversion Date and such conversion will be effected immediately prior to the Relevant Event completing.
- 5.4. On the Conversion Date, the Relevant Preferred Shares shall without further authority than is contained in these Articles immediately and automatically stand converted into Ordinary Shares on the basis of one Ordinary Share for each Relevant Preferred Share (together with, in the case of the A Preference Shares, additional Follow-on Ordinary Shares, if applicable), and the Ordinary Shares resulting from that conversion shall in all respects rank pari passu with the existing issued Ordinary Shares with effect therefrom.
- 5.5. The Company shall on the Conversion Date enter each holder of Relevant Preferred Shares in the register of members of the Company as the holder of the appropriate number of Ordinary Shares fully paid and, subject to such holder delivering his certificate(s) (or

indemnity) in respect of the Relevant Preferred Shares in accordance with this Article, the Company shall within five (5) business days of the Conversion Date issue to such holder a definitive share certificate for the appropriate number of fully paid Ordinary Shares.

- 5.6. In the event of any Bonus Issue or Reorganisation, then the number of Ordinary Shares arising from the conversion of the Preferred Shares as set out above shall be reduced or increased accordingly as determined in good faith by the Board and if any doubt arises as to any such an adjustment or the Company and the Investor Majority cannot agree, the matter shall be referred to the Valuers who shall act as experts and not as arbitrators and whose determination shall, in the absence of manifest error, be final and binding on the Company and all Shareholders. The costs of such referral shall be borne by the Company.
- 5.7. All of the fully paid Preferred Shares shall automatically convert into Ordinary Shares (on the basis set out in clause 5.4) immediately upon the occurrence of a Listing approved by an Investor Majority. At least five business days prior to the occurrence of the Listing, each holder of the relevant Preferred Shares shall deliver the certificate (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Preferred Shares being converted to the Company at its registered office for the time being.

## **6. VOTING**

- 6.1. Subject to Article 13 (*Compulsory Transfer*), each holder of an Equity Share shall be entitled to receive notice of, and to vote at, general meetings of the Company; on a show of hands every holder of an Equity Share who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll, every holder of an Equity Share so present in person or by proxy shall have one vote for each Equity Share held by him. The G Shares shall not entitle the holders thereof to receive notice of nor to attend or vote at general meetings of the Company.

## **7. VARIATION OF CLASS RIGHTS**

- 7.1. Whenever the capital of the Company is divided into different classes of Shares, the special rights attached to any class may not (unless otherwise provided by the terms of issue of the Shares of that class) be varied or abrogated without the consent in writing of members representing not less than 75% of the total voting rights of eligible members of that class or with the sanction of a special resolution passed at a separate meeting of members holding issued Shares of that class.
- 7.2. To every separate general meeting referred to in Article 7.1, all the provisions of these Articles relating to general meetings of the Company and to the proceedings at those meetings shall, with the necessary changes, apply, except that:
- (a) the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued Shares of the class (unless only one person holds issued Shares of the class in which event such quorum shall be one person holding such Shares);
  - (b) at an adjourned meeting the necessary quorum shall be one person holding Shares of the class or his proxy;
  - (c) the holders of Shares of the relevant class shall on a poll have one vote in respect of every Share of that class held by them respectively; and

- (d) a poll may be demanded by any holder of Shares of the class whether present in person or by proxy.
- 7.3. For the avoidance of doubt, the rights of the G Shares shall not be deemed to be varied by the issue of any further Shares in the capital of the Company after the Adoption Date and whether or not such further Shares have any prior rights to the G Shares to Surplus Assets.
- 8. **ISSUE OF SHARES**
- 8.1. By virtue of Section 567(1) of CA 2006, Section 561(1) and Sections 562(1) to (5) of the Act shall not apply to an allotment by the Company of any equity securities (as defined in Section 560(1) of CA 2006) where that allotment otherwise conforms to the requirements of these Articles.
- 8.2. Except with the prior consent in writing of at least 75% of the Equity Shareholders (in terms of nominal value) or as provided in Article 8.5 and 8.6, any Shares (other than G Shares in relation to which, Article 8.7 shall apply) which are from time to time unissued shall, before issue, be offered by the Directors in the first instance to all holders of Equity Shares at such time (and hereafter references to Shares and Shareholders in this Article 8 shall be read and construed as references to Equity Shares only). Every such offer shall be in writing, shall be in identical terms for each Shareholder, shall state the number of the Shares to be issued, the terms of issue, the aggregate number of Shares in issue, the number of Shares held by the holder to whom the offer is addressed and shall be subject to the following conditions, which shall be incorporated in such offer:
  - (a) that any acceptance thereof (which may be as regards all or any of the Shares offered) shall be in writing and be delivered to the office of the Company or, in the case of any acceptance contained in an electronic communication, be delivered at any number or address used for the purpose of electronic communications and identified for that purpose by the Company and in either such case, within a period of 14 days from the date of service of the said offer;
  - (b) that in the event of the aggregate number of Shares accepted exceeding the aggregate number of Shares included in such offer, the holders accepting shall be entitled to receive and bound to accept an allocation of either the number of Shares accepted by them respectively or a proportionate number of the Shares offered according to the proportion which the number of Shares held by the accepting holder bears to the aggregate number of Shares held by all the accepting holders at the date of the offer, whichever number be less; and
  - (c) that any holders to whom such offer shall have been validly made and whose requirements shall not have been fully met by such allocation shall further be entitled to receive and bound to accept an allocation among them of any surplus Shares in proportion, as nearly as may be, to the number of Shares accepted by them respectively in excess of the number of Shares to which they may respectively be entitled on the first allocation thereof in accordance with Article 8.2(b).
- 8.3. If any such offer shall still not be accepted in full, the Directors may, within three months after the date of such offer, dispose of any Shares comprised therein and not accepted by the existing Shareholders to such third party person or persons as they may think fit which are not (directly or indirectly) in competition with the business of the Company and are reasonably appropriate persons but only on arm's length terms at the same price and upon the same terms as to payment, if any, as were specified in such offer.

- 8.4. The rights of the Shareholders to be offered Shares on a pro-rata basis pursuant to the foregoing provisions of this Article 8 may not be waived or varied without the prior written approval of at least 75% of the Equity Shareholders (in terms of nominal value).
- 8.5. The provisions of Article 8.3 shall not apply to the issue of (i) Equity Shares pursuant to a Shareholders Agreement; or (ii) Shares pursuant to a Management Incentive Plan.
- 8.6. The provisions of Articles 8.2 to 8.4 (inclusive) shall have no application to any Shareholder in respect of any Equity Shares which are the subject of a Deemed Transfer Notice on or prior to the date on which any offer referred to in Article 8.2 is made and such Shareholder shall not be permitted to participate in such offer for Shares.
- 8.7. G Shares shall be issued at the direction of the Board (including the Investor Directors) to employees and others providing services to the Company, including as non-executive director (and in Article 13.11, "employed" shall be read and construed accordingly). No more than an aggregate 24,000 G Shares may be issued by the Company hereunder without the prior Investor Majority consent (and the maximum number permitted hereunder from time to time being the "**G Share Cap**") but the Board shall be entitled to issue further G Shares to persons qualified to receive the same equal to the number of G Shares if any previously redesignated as Deferred Shares under and in accordance with Article 13.11.

9. **LIEN**

- 9.1. The Company shall have a lien attach to all Shares of any class whether fully paid or not and to all Shares registered in the name of any Member for all money presently payable by him or his estate to the Company, whether he is their sole registered holder or one of two or more joint holders.
- 9.2. All Shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 13 (*Compulsory Transfers*) as if a Deemed Transfer Notice were deemed given in respect of such Shares.

10. **TRANSFER OF SHARES - GENERAL PROVISIONS**

- 10.1. The Board shall not register the transfer of any Share or any interest in any Share unless the transfer is permitted by and is made in accordance with these Articles.
- 10.2. For the purpose of ensuring that a transfer of Shares is in accordance with these Articles or that no circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice (as defined in Article 12.1), the Board may from time to time require any Member or any person named as transferee in any transfer lodged for registration with the Company, to furnish to the Board such information and evidence as the Board acting reasonably shall deem relevant for such purpose.
- 10.3. Failing such information or evidence being furnished to the reasonable satisfaction of the Board within a reasonable time after request under Article 12.2, the Board may in its absolute discretion refuse to register the transfer in question (if any) or require by notice in writing to the Member(s) concerned that a Transfer Notice be given in respect of the Shares concerned.
- 10.4. If such information or evidence requested under Article 12.2 discloses to the satisfaction of the Board in its absolute discretion that circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice, the Board may by notice in writing to the Member(s) concerned require that a Transfer Notice be given in respect of the shares concerned.

- 10.5. An obligation to transfer a share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or encumbrance.

10.6. **Founder lock-up**

Save with the prior consent of the Investor Directors and other than by way of Permitted Transfer and subject always to the other provisions set out in a Shareholders Agreement or the Articles, the Founder shall not dispose of such number of Shares or interest in such number of Shares as set out below:

- 10.6.1. any Shares or interest in any Shares, for a period of two years after the Original Adoption Date; and thereafter,
- 10.6.2. any amount in excess of a maximum amount equal to 20% of the Shares the Founder held at the Original Adoption Date.

10.7. **G Shares**

The G Shares are not transferable prior to an Exit save as required by Article 13 and any purported transfer of any G Share in contravention of this Article 10.7 is null and void and references to Shares in Articles 11 and 12 shall not be deemed to include the G Shares.

11. **PERMITTED TRANSFERS**

11.1. **Definitions**

For the purposes of Article 11 (*Permitted Transfers*), Article 12 (*Voluntary Transfers*) and Article 13 (*Compulsory Transfers*):

- (a) **"Family Member"** means, in relation to any person, (i) a spouse (or widow or widower), civil partner; (ii) mother, father, brother, sister (save in relation to the Founder who shall only be permitted to transfer up to in aggregate 20% of his holding of Shares to his mother, father, brother or sister); and (iii) child, grandchild (including step and adopted children and grandchildren) or other lineal descendant;
- (b) **"Family Trust"** means, in relation to a Member, a trust or settlement (including any such arising under a testamentary disposition or on an intestacy) which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares which are the subject of the trust or settlement is capable of being exercised by or being subject to the consent of any person other than the trustees or such Member or any of his Family Members (but so that the inclusion of a charity as an ultimate default beneficiary shall not prevent a trust or settlement from being a Family Trust (but only where the charity or charities have no immediate beneficial interest in any of the settled property or the income from it when the trust is created but may become so interested if there are no other beneficiaries from time to time except other charities)) and in addition, under which no power of control is capable of being exercised over the votes of any Shares that are held in the trust by any person other than the trustees, the settlor or the Family Members of the settlor;
- (c) **"a member of the same group"** means, in relation to a body corporate, any other body corporate which is for the time being a holding company of the first body



corporate or a subsidiary or subsidiary undertaking of the first body corporate or a subsidiary or subsidiary undertaking of any holding company of which the first body corporate is also a subsidiary or subsidiary undertaking; and

- (d) **"permitted transfer"** means any transfer of shares expressly permitted under this Article 11.

#### 11.2. **Family Members, Family Trusts and SIPPs**

- (a) Any Member who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be:
  - (i) a Family Member of his (provided they are over the age of 18 years of age and of sound mental capacity);
  - (ii) any Affiliate; or
  - (iii) trustees of a Family Trust for that Member.
- (b) Any Member who is a trustee of a Family Trust may at any time transfer Shares to a person or persons shown to the reasonable satisfaction of the Board to be:
  - (i) the new or remaining trustees of the Family Trust upon any change of trustees; or
  - (ii) any person (being a Family Member of a Member or of a former Member who has previously transferred some or all of his Shares in accordance with Article 11.2(a)) on his becoming entitled to such Shares under the terms of the Family Trust.
- (c) Any Member may at any time transfer any Shares to a SIPP of which he or his spouse is the SIPP Member;
- (d) Any Member who is a trustee of a self-administered personal pension of a SIPP Member may at any time transfer Shares to:
  - (i) the new or remaining trustees of the self-administered personal pension of the SIPP Member upon any change of trustees; or
  - (ii) the SIPP Member.

#### 11.3. **Groups of companies**

- (a) Any Member (not being an Investor) which is a body corporate may at any time transfer any Shares held by it to a member of the same group.
- (b) Where Shares have been transferred under Article 11.3(a) (whether directly or indirectly or by a series of such transfers) from a Member (the "**Transferor**") to a member of the same group as the Transferor (the "**Transferee**") and subsequent to such transfer the Transferee ceases to be a member of the same group as the original Transferor, the Transferee shall forthwith transfer all of such Shares held by it back to the Transferor for such consideration as they agree and if they do not do so within 28 days of the date upon which the Transferee ceases to be a member of the same group as the Transferor, the Directors may (and will if so requested by

the Investor Directors) at any time thereafter require the Transferee to serve a Transfer Notice in respect of such Shares.

**11.4. Investor Permitted Transfers**

Each of the Investors and its custodians or nominees shall have the right to transfer, or otherwise dispose of, interests in all or any of the Shares held or owned by it directly or through any custodian or other nominee to:

- (a) each other or any other member of the Investor's Group; or
- (b) the beneficial owner or owners in respect of which the transferor is a nominee or custodian or any other nominee or custodian for such beneficial owner or owners; or
- (c) any fund, company or partnership or other person whose business consists of the holding of securities for investment purposes managed by any entity that manages or advises an Investor (or any partnership or company carrying on business in succession to it); or
- (d) a partner, member, shareholder, participant, manager or adviser (or an employee of an adviser) in any such fund, company or partnership or of any Investment Fund in respect of which an Investor or the transferee is a nominee or custodian; or
- (e) a nominee or member of the same group of any of the persons referred to in subparagraphs (a) to (d) (inclusive) above;

save to the extent in the circumstance that (i) any such transfer amounts to an exit for the purposes of the transferring Investor resulting in a change in beneficial ownership and or requiring a distribution of the relevant proceeds to such Investors' partners or other participants and (ii) the proposed transferee shall accordingly be a Third Party Purchaser for the purposes of these Articles; (and prior to making any transfer hereunder the transferring Investor will provide such evidence as the Company shall reasonably require to determine whether or not this proviso applies to such intended transfer).

**11.5. Transfers of unencumbered interest**

A transfer of any Share pursuant to this Article 11 shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer free from any lien, charge or other encumbrance.

**11.6. Other**

- (a) Any Member holding Shares as a result of a transfer made after the Original Adoption Date by a person in relation to whom such Member was a Permitted Transferee may at any time transfer Shares to the person who originally transferred

such Shares to him (or to any other Permitted Transferee of such original transferor).

- (b) Any Member may at any time transfer any Shares to the Company subject to the provisions of the Act and the terms of these Articles and any Shareholders Agreement.
- (c) Any Member may at any time transfer any Shares to its Affiliates.
- (d) Any Member may transfer Shares to any third party person which is not (directly or indirectly) in competition with the business of the Company, another financial investor, and are reasonably appropriate persons with the prior consent (howsoever given) by not less than 75% (in terms of nominal value) of the Equity Shareholders.
- (e) The Founder shall be entitled to transfer up to 2,500 Ordinary Shares to any of the Angel Investors at any time hereafter for whatever consideration (if any) he may determine at the relevant time.

## 12. VOLUNTARY TRANSFERS

- 12.1. Except as expressly permitted under Article 11 (*Permitted Transfers*) or as contemplated in Article 14 (*Pull Along*) or 15 (*Tag along*) and subject to Article 10.6 (*Founder Lock-up*) , any Member who wishes to transfer any Share or any interest therein (a "**Vendor**") shall, before transferring or agreeing to transfer such Share or interest in it (and references hereafter to a share transfer shall be read and construed accordingly), serve notice in writing (a "**Transfer Notice**") to the Directors of his wish to make that transfer.
- 12.2. In the Transfer Notice the Vendor shall specify:
  - (a) the number and class of Shares which he wishes to transfer ("**Sale Shares**");
  - (b) if the Vendor has received any offer to purchase, or has otherwise negotiated the sale of, Shares (whether or not such terms are legally binding or conditional) within the period of three months prior to the date of service of the Transfer Notice, give the identity of the prospective Third Party Purchaser thereof and the price per Share;
  - (c) the price per Share (if any) at which the Vendor wishes to transfer the Sale Shares (the "**Proposed Price**"); and
  - (d) any other terms relating to the transfer of the Sale Shares.
- 12.3. Each Transfer Notice shall constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this Article 12 and save as provided in Article 12.5, shall be irrevocable.
- 12.4. The Sale Shares shall be offered for purchase in accordance with this Article 12 at a price per Sale Share (the "**Sale Price**") agreed between the Vendor and the Board or, in default of such agreement by the end of the tenth business day after the date of service of the Transfer Notice, the lower of:
  - (a) the Proposed Price; and

- (b) the price per Sale Share reported on by the Valuers as their written opinion of the open market value of each Sale Share in accordance with Article 12.12 (the "**Market Value**") as at the date of service of the Transfer Notice.
- 12.5. If the Market Value is reported on by the Valuers under Article 12.4(b) to be less than the Proposed Price, the Vendor may revoke the Transfer Notice by written notice given to the Board within the period of 5 business days after the date the Valuers' written opinion of the Market Value is received by the parties (the "**Withdrawal Period**").
- 12.6. Not more than 40 days after the Sale Price has been agreed or determined, the Board shall give notice ("**Offer Notice**") to all Equity Shareholders (other than the Vendor and prior Permitted Transferees of the Vendor) offering the Sale Shares pro-rata to their respective Equity Shareholdings in the Company (and hereafter, references to Shares and Shareholders and Members in this Article 12 shall be read and construed accordingly), save that the Company shall have the right (but not the obligation) to buy back any Sale Shares for which Purchasers are not found or to specify some other person to whom such Shares must be transferred prior to any other disposal of the same by the Vendor as envisaged in Article 12.10.
- 12.7. An Offer Notice shall expire 10 business days after its service and shall:
  - (a) specify the Sale Price;
  - (b) contain the other information set out in the Transfer Notice;
  - (c) state that in the event that any Member does not take up their pro-rata entitlement to the Sale Shares, any remaining Sale Shares (the "**Excess Sale Shares**") may be applied for in any amount by the other, accepting Members. Should the aggregate amount of Excess Sale Shares applied for exceed the number of Excess Sale Shares in existence, the Excess Sale Shares will be allocated to the relevant accepting Members, as nearly as practicable, on a pro-rata basis calculated by reference to such Members' respective existing shareholdings;
  - (d) invite the relevant Members to apply in writing, before expiry of the Offer Notice, to purchase the numbers of Sale Shares (including if relevant, Excess Sale Shares) specified by them in their application; and
  - (e) state the time and date of the intended completion of transfer of the Sale Shares pursuant to the Offer Notice which shall be a date not later than ten business days after the date of expiry of the relevant Offer Notice.
- 12.8. Within 5 business days of the expiry of the Offer Notice, the Board shall give notice in writing (a "**Sale Notice**") to the Vendor and to each person to whom Sale Shares have been allocated (each a "**Purchaser**") in accordance with Article 12.7, specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the total price payable for them.
- 12.9. Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time and on the date specified in the Sale Notice when the Vendor shall, against payment to the Company by each Purchaser of the Sale Price (including any stamp duty payable) in respect of the Sale Shares allocated to them, transfer those Sale Shares to the relevant Purchaser by delivering duly executed stock transfer forms in relation thereto together with the relative share certificate(s) to the Company (or a duly executed indemnity in a form reasonably approved by the Board for any such certificate which has been lost or destroyed) on behalf of the Purchaser(s). The

Company's receipt of the Sale Price and such other moneys due shall be a good discharge to each Purchaser and the Company shall hold such moneys on trust for the Vendor. The Company shall as soon as practicable pay the Sale Price to the Vendor and arrange for the transfers to be stamped (if applicable) and, subject to due stamping, shall register the transfer of the Sale Shares and issue a new share certificate in favour of each Purchaser as appropriate.

- 12.10. The Vendor may, during the period of 60 business days commencing 20 business days after the expiry date of the relevant Offer Notice, sell all or any of those Sale Shares for which no Purchaser has been found, by way of *bona fide* sale to the proposed transferee (if any) named in the Transfer Notice and on the terms thereof or, if none was so named, to any other person at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that the Vendor may not transfer any such Share and the Board shall not register any transfer to a transferee who is not at that date a Member unless such transferee is first approved in writing by the Board. The provisions of Article 15 shall apply to any such transfer.
- 12.11. If a Vendor fails for any reason (including death) to transfer any Sale Shares when required pursuant to this Article 12:
- (a) the Board may authorise a person (who, as security for the Vendor's obligations, shall be deemed to be irrevocably appointed as the attorney of that Vendor for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Vendor's behalf;
  - (b) the Company may receive the purchase money for such Sale Shares from the Purchaser and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Purchaser as the holder of such Sale Shares;
  - (c) the Company shall hold such purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held and shall pay such monies to the Purchaser (or his personal representatives) upon deliver to the Company of the Vendor's share certificate (or an indemnity therefor) and such other form of receipt or discharge as the Company shall reasonably require of or on behalf of the Vendor);
  - (d) the Company's receipt for such purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application of it; and
  - (e) after the name of the Purchaser has been entered in the register of Members in purported exercise of the power conferred by this Article 12.11, the validity of the proceedings shall not be questioned by any person.
- 12.12. If instructed to report on their opinion of Market Value under Article 12.4(b) the Valuers shall:
- (a) act as expert and not as arbitrator and their written determination shall be final and binding on all persons (except in the case of manifest error); and
  - (b) proceed on the basis that the open market value of each Sale Share shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the shares of the class of shares of which the Sale Shares form part, divided by the number of issued shares then comprised in that class taking no account of any premium or any discount by reference to the size of the Shareholding that is the subject of the Transfer Notice or in relation to any

restrictions on the transferability of the Sale Shares but taking due account of Article 3; and

- (c) are entitled in their absolute discretion to appoint such legal or other professional advisers to advise them on the interpretation and effect of any records or documents provided to the Valuers for the purposes of their determining the Market Value or otherwise.

12.13. The Company and the Vendor shall both co-operate with the reasonable requirements of the Valuers to assist them in their determination and will each use their respective reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to the Board and to the Vendor within 28 days of being requested to do so.

12.14. The Valuers' fees for reporting on their opinion of the Market Value and the reasonable fees of any legal or other advisers appointed by them as envisaged in Article 12.12(c) shall be paid as to one half by the Vendor and as to the other half by the Company unless:

- (a) the Vendor revokes the Transfer Notice pursuant to Article 12.5; or
- (b) none of the Sale Shares are purchased pursuant to this Article 12,

when the Vendor shall pay all the Valuers' fees. All other costs of the parties incurred in relation to the appointment of the Valuers and their determination of Market Value shall be borne by the party incurring it.

12.15. The rights of the Shareholders to be offered Shares on a pro-rata basis pursuant to the foregoing provisions of this Article 12 may not be waived or varied without the prior written approval of at least 75% of the Equity Shareholders (in terms of nominal value).

### 13. **COMPULSORY TRANSFER**

#### 13.1. **Compulsory transfer event**

In this Article 13, a "**Transfer Event**" occurs, in relation to any Member:

- (a) if that Member, being an individual:
  - (i) has a bankruptcy order made against him or is declared bankrupt by any court of competent jurisdiction;
  - (ii) dies (save where the Member's Shares pass (within 6 months of the date of death) to Permitted Transferees only of the deceased Member); or
  - (iii) suffers from mental disorder and is admitted to hospital or becomes subject to any court order relating to their mental capacity

and within the following 12 months the Board resolves that such event is a Transfer Event in relation to that Member for the purposes of this Article 13; or

- (b) if that Member makes or offers or purports to make any arrangement or composition with his creditors generally and within the following 12 months the Board resolves that such event is a Transfer Event in relation to that Member for the purposes of this Article 13; or
- (c) if that Member received Shares as a result of a Permitted Transfer and ceases to be a Permitted Transferee in relation to the person from whom he acquired the Shares

(other than as a result of (i) the death of that person or (ii) a distribution of the assets of an investment fund upon its winding up), including that Member ceasing to be the spouse or civil partner of the person from whom s/he acquired the Shares; or

- (d) if that Member, being a body corporate:
  - (i) has a receiver, manager or administrative receiver appointed over all or a substantial part of its undertaking or assets; or
  - (ii) has an administrator appointed in relation to it;
  - (iii) becomes insolvent;
  - (iv) ceases or threatens to cease to carry on business;
  - (v) enters into liquidation (other than a voluntary liquidation for the purpose of a *bona fide* scheme of solvent amalgamation or reconstruction);
  - (vi) ceases to be controlled by the person(s) who controlled that Member on the date on which it became a Member or such person's Affiliates; or
  - (vii) has any equivalent action in respect of it taken in any jurisdiction; or
- (e) who is at any time an employee or director (not including the Founder or any Founder Director, Angel Investor or Angel Director or Investor Director) of a member of the Group:
  - (i) ceases to hold such employment or be appointed as a director (other than by circumstances falling within Article 13.1 (a) and 13.1(b)); and
  - (ii) does not remain or thereupon immediately become an employee or director of another member of the Group; or
- (f) if he or any Family Member or the trustees of any Family Trust shall attempt to deal with or dispose of any Share or any interest in it otherwise than in accordance with Article 11 (*Permitted Transfers*), Article 12 (*Voluntary Transfers*) and this Article 13 (*Compulsory Transfers*) or in breach of Article 15 (*Tag Along*) or 10.6 (*Founder Lock-up*).

### 13.2. **Deemed Transfer Notice**

Upon the occurrence of a Transfer Event, the Member in respect of whom it is a Transfer Event (the "**Relevant Member**") and any other Member who has acquired shares from him under a Permitted Transfer (directly or by means of a series of two or more Permitted Transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by such Member(s) (or in the case of a Transfer Event under Article 13.1(e), all of the Ordinary Shares held by him/her and the remaining provisions of this Article 13 shall be read and construed accordingly) and or their respective Permitted Transferees and any other Shares which that Member and or his Permitted Transferees may become entitled to under any agreement or arrangement for the issue, allotment, sale or transfer or any right to call for the issue, allotment, sale or transfer of Shares which exists at the time (a "**Deemed Transfer Notice**").

13.3. A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except in relation to any Shares which have then already been validly transferred pursuant to that previous Transfer Notice.

13.4. **Suspended voting rights**

- (a) Notwithstanding any other provision of these Articles, any Member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares or to receive or to have any voting rights in respect of, any written resolutions of the Company in respect of any other Shares held by the Relevant Member and/or any party referred to in paragraphs (b) and/or (c) of the definition of Deemed Transfer Shares (and of any Shares received thereafter by way of rights or on a capitalisation in respect of those Deemed Transfer Shares and any other Shares held by the Relevant Member and/or any party referred to in paragraphs (b) and/or (c) of the definition of Deemed Transfer Shares) on and from the date of the relevant Deemed Transfer Notice (being the date upon which the Board so resolves or otherwise specifies in its relevant resolution as envisaged above) until the entry in the register of members of the Company of another person as the holder of those Shares.
- (b) Any director appointed by a Member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall have all rights (including voting, right to attend meetings, receive notice of meetings, and so on) suspended on and from, and shall be removed from office as soon as possible after, the date of the relevant Deemed Transfer Notice (being the date upon which the Board so resolves or otherwise specifies in its relevant resolution as envisaged above) until the entry in the register of members of the Company of another person as the holder of those Shares, if applicable. For the avoidance of doubt, where a director has been appointed by multiple Members, the provisions in this Article 13.4(b) shall only apply if there is either only a sole Member entitled to appoint such Director, or if the Deemed Transfer Notice shall affect all the Members entitled to appoint such Director.

13.5. **Deemed offer for sale**

The Shares the subject of a Deemed Transfer Notice shall be offered for sale in accordance with Article 12 (*Voluntary Transfers*) as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Vendor the person who is deemed to have given the Deemed Transfer Notice save that:

- (a) the Vendor shall have no right to withdraw a Deemed Sale Notice pursuant to Article 10.5; and
- (b) the Company shall have the right (but not the obligation) to buy back any Sale Shares for which Purchasers are not found or to specify some other person to whom such Shares must be transferred prior to any other disposal of the same by the Vendor as envisaged in Article 12.10.

13.6. **Leaver Sale Price**

The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within Article 13.1(e) shall:

- (a) if the Relevant Member is a Good Leaver, be their Market Value; and



- (b) if the Relevant Member is a Bad Leaver and save to the extent the Board may determine otherwise, be the lower of their Issue Price and their Market Value.

13.7. **Defined terms – Good/Bad Leaver**

In Article 13.6:

- (a) **"Good Leaver"** means a Relevant Member who ceases to be an employee in circumstances where they are not a Bad Leaver; and
- (b) **"Bad Leaver"** means any Relevant Member who ceases to be an employee:
  - (i) where the Company is entitled to terminate his/her employment or engagement without notice; or
  - (ii) either during or after the period of his/her employment or engagement does or omits to do anything which results in a material breach of any of the restrictive covenants or confidentiality provisions applicable to such Relevant Member under the Shareholders Agreement (or any similar restrictions pursuant to his terms of employment or engagement).

13.8. **Unpaid shares**

Notwithstanding any other provision in these Articles, the Company shall be entitled to receive or retain (as the case may be) from the Sale Price any amount by which any Deemed Transfer Shares are unpaid.

13.9. **Termination Date**

For the purposes of Article 13.1(e) (*Compulsory Leaver*), the date upon which a Shareholder ceases to hold office as an employee or director ("**Termination Date**") shall:

- (a) where the Group Company terminates or purports to terminate a contract of employment or engagement by giving notice to the employee or director of the termination of the employment or engagement, whether or not the same constitutes a wrongful or unfair dismissal, be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the Group Company in respect of such termination);
- (b) where the employee or director terminates or purports to terminate a contract of employment or engagement by giving notice to the Group Company of the termination of the employment or engagement (whether or not he is lawfully able so to do), be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice;
- (c) where the Group Company (on the one hand) or employee or director (on the other hand) wrongfully repudiates the contract of employment or engagement and the other respectively accepts that the contract of employment or engagement has been terminated, be the date of such acceptance by the Group Company, or employee or director (as the case may be);
- (d) where a contract of employment or engagement is terminated in any other circumstance other than set out in Articles 13.9(a) to (d) (inclusive), be the date on which the person actually ceases to be employed or engaged by the Group Company.

13.10. **No dealings following Deemed Transfer Notice**

Once a Deemed Transfer Notice shall be given in respect of any Share then no permitted transfer under Article 11 (*Permitted Transfers*) may be made in respect of such Share unless and until an Offer Notice shall have been served in respect of such Share and the period of allocation permitted under Article 12 (*Voluntary transfers*) shall have expired without such allocation.

13.11. **G Shares**

The foregoing provisions of this Article 13 shall not apply to the G Shares and no reference to Shares or Shareholders or Members in the foregoing provisions of this Article 13 shall be deemed to include the G Shares or the holders thereof. The following compulsory transfer provisions shall apply to the G Shares:

- (a) On any Bad G Share Leaver ceasing to be employed by the Company, all of his G Shares shall, without any further resolution of the Board or of the Company be redesignated, on his cessation date, as Deferred Shares.
- (b) On any G Shareholder who is not a Bad G Share Leaver ceasing to be employed by the Company, all of his Unvested G Shares shall, without any further resolution of the Board or of the Company be redesignated, on his cessation date, as Deferred Shares.
- (c) At any time after a Good G Share Leaver or an Intermediate G Share Leaver ceases to be employed by the Company, the Board may (and shall if so required by the Investor Directors), require the Good G Share Leaver or the Intermediate G Share Leaver (as appropriate) to transfer his Vested G Shares to such person(s) as the Board may require at their Market Value as at the date of such requirement.
- (d) For the foregoing purposes of this Article 13.11, the following definitions shall apply:

**“Bad G Share Leaver”** means, save to the extent the Board, with the approval of the Investor Directors, determines otherwise at the time of his cessation, a G Shareholder who ceases to be employed by or to be a director of the Company by reason of (i) his voluntary resignation (not including constructive dismissal) within the Minimum Serving Period or (ii) his lawful summary dismissal or other departure in circumstances when the Company could have lawfully summarily dismissed him in accordance with his employment terms or other terms of his appointment;

**“Good G Share Leaver”** means a G Share Leaver who ceases to be employed by or to be a director of the Company (i) by reason of death or permanent ill-health or serious disability or (ii) in circumstances in which the Board (including the Investor Directors) determines him to be a Good G Share Leaver;

**“Intermediate G Share Leaver”** means a G Shareholder who (a) is not a Good G Share Leaver or a Bad G Share Leaver or (b) is a Bad G Share Leaver but who has been deemed to be an Intermediate G Share Leaver by the Board (including the Investor Directors) who ceases to be employed by or to be a director of the Company (i) by reason of his voluntary resignation after the end of the Minimum Serving Period or (ii) who is dismissed by the Company but not summarily or in circumstances whereby he could have been validly summarily dismissed by the

Company or (iii) in circumstances in which the Board (including the Investor Directors) determines him to be an Intermediate G Share Leaver;

**“Minimum Serving Period”** means, in the case of anyone employed by the Company in an executive role, a period of 24 months from (i) in the case of any such person acquiring G Shares within 30 days of the Adoption Date, the Adoption Date and (ii) in all other cases, the date of his acquisition of his G Shares and for any other person not employed in an executive role, a period of 12 months from (i) in the case of any such person acquiring G Shares within 30 days of the Adoption Date, the Adoption Date and (ii) in all other cases, the date of his acquisition of his G Shares.

- (e) For the purposes of this Article 13.11, G Shares shall vest as follows:

For a Good G Share Leaver, by 48 monthly instalments in arrears from his vesting commencement date (meaning, in respect of any person acquiring G Shares within 30 days of the Adoption Date, 1 January 2019 and for all other persons, the date of issue of his G Shares); and

For an Intermediate G Share Leaver, by 60 monthly instalments in arrears from his vesting commencement the date (as above)

and **“Vested”** and **“Unvested”** shall be read and construed accordingly provided that if a Good G Share Leaver or an Intermediate G Share Leaver ceases to be employed by or to be a director of the Company within the first 6 months of his Minimum Serving Period, save to the extent the Board (including the Investor Directors) determine otherwise, none of his G Shares shall be deemed to have Vested for the purposes hereof.

- (f) For the purposes of this Article 13.11, the Market Value of G Shares shall be determined in accordance with Article 12.
- (g) Deferred Shares created under this Article 13.11 shall not entitle the holders thereof to any rights to receive notice of, attend or to vote at any meeting of Shareholders or of any class of Shareholders and the Deferred Shares do not confer on the holders thereof any class rights for the purposes of Article 6 or otherwise. Deferred Shares carry no right to dividends or other distributions. The Company may retain any share certificate for any Deferred Shares in issue from time to time. The Company may at any time buy back all Deferred Shares then in issue for a purchase price equal to the Deferred Share Entitlement of each such Deferred Share and is hereby authorised to execute all agreements and stock transfer forms on behalf of all and any Deferred Shareholders from time to time to give effect to such buy back. In the circumstances where the Company executes documentation on the buy back of any Deferred Share(s) the consideration therefore shall be paid to the relevant Deferred Shareholder to such account as s/he shall notify to the Company for the purpose and in default of such notification, the Company hold such purchase money in a separate bank account on trust for the relevant Deferred Shareholder but shall not be bound to earn or pay interest on any money so held and shall pay such monies to the Deferred Shareholder upon delivery to the Company of such form of receipt or discharge as the Company shall reasonably require of him/her. Save as envisaged hereby, the Deferred Shares are non-transferable.

- 14.1. If the Investors (the "**Selling Shareholders**") wish to transfer all their Shares (the "**Relevant Shares**") to a Third Party Purchaser in a bona fide, arm's length transaction, the Selling Shareholders shall have the option (the "**Pull Option**") to require all the other holders of Shares to transfer all their Shares with full title guarantee to the relevant Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 14.
- 14.2. The Selling Shareholders may exercise the Pull Option by giving written notice to that effect (a "**Pull Notice**") to all other Members (the "**Pulled Shareholders**") at any time before the registration of the transfer of the Relevant Shares. A Pull Notice shall specify that the Pulled Shareholders are required to transfer all their shares (the "**Pulled Shares**") pursuant to Article 14 to the Third Party Purchaser, the price at which the Pulled Shares are to be transferred (determined in accordance with Article 14.4), the proposed date of transfer and the identity of the Third Party Purchaser.
- 14.3. A Pull Notice is irrevocable but the Pull Notice and all obligations thereunder will lapse (without prejudice to the right to serve a further such notice in the future including in relation to the same Third Party Purchaser where appropriate) if for any reason the Relevant Shares are not transferred by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Pull Notice.
- 14.4. The Pulled Shareholders shall be obliged to sell the Pulled Shares at the price specified in the Pull Notice which shall equal the price per Share at which the Selling Shareholders are selling the Relevant Shares save where required by Article 3.1 when the Proceeds of Sale will be shared between the relevant members on the same basis as though the Sale proceeds were a return of capital under that Article and it shall be a requirement of completion of the Sale that such allocation is thereby achieved as between the relevant Shareholders in such manner.
- 14.5. Completion of the sale of the Pulled Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares unless:
- (a) all of the Pulled Shareholders and the Selling Shareholders agree otherwise; or
  - (b) that date is less than 14 days after the date of the Pull Notice, when it shall be deferred until the fourteenth day after the date of the Pull Notice.
- 14.6. Each of the Pulled Shareholders shall on service of the Pull Notice be deemed to have irrevocably appointed each of the Selling Shareholders severally to be his agent to execute any stock transfer and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Pulled Shares pursuant to this Article 14.
- 14.7. The provisions of this Article 14 shall prevail over any contrary provisions of these Articles, including rights of pre-emption and other restrictions contained in these Articles which shall not apply on any sale and transfer of Shares to the Third Party Purchaser named in a Pull Notice.
15. **TAG ALONG**
- 15.1. Notwithstanding any other provision in these Articles, no Member(s) (the "**Proposed Seller(s)**") may sell, transfer or otherwise dispose of any interest in Shares (the "**Specified Shares**") in one or a series of related transactions if such sale, transfer or disposition would result in a Change of Control unless before the transfer is lodged for registration the Third Party Purchaser has made a *bona fide* offer (an "**Offer**") in accordance with these Articles to purchase at the Specified Price (as defined in Article 15.5) all the Shares (the "**Uncommitted Shares**") held at the time by all the other Members (other than the Proposed

Seller(s) or such of the other Members who are acting in concert or otherwise connected with the Third Party Purchaser).

- 15.2. An Offer made under Article 15.1 shall be given in writing in accordance with Article 24 (*Notices*) at least 10 business days prior to the proposed date for the sale, transfer or disposition of the Specified Shares and shall be open for acceptance for at least 21 days from the date of the Offer (the “**Offer Period**”) and shall be deemed to be rejected by any Member who has not accepted it in accordance with its terms within the Offer Period.
- 15.3. If any Member is not given the rights accorded him by this Article, the Proposed Seller(s) will not be entitled to complete the sale, transfer or disposition of the Specified Shares or any of them and the Company will not register any transfer intended to carry the same into effect.
- 15.4. If the Offer is accepted by any Shareholder (an “**Accepting Shareholder**”) within the Offer Period, the completion of the sale, transfer or disposition of the Specified Shares will be conditional upon the completion at the same time of the purchase of all the Shares held by Accepting Shareholders in accordance with this Article 15. Notwithstanding any other provision or term of the Third Party's offer to the Proposed Seller(s), the consideration for the Shares of any Accepting Shareholders must be settled in full within 10 business days of the end of the Offer Period or earlier if the sale of the Specified Shares completes earlier.
- 15.5. For the purposes of this Article 15:
- (a) the expression “**transfer**” includes the renunciation of a renounceable letter of allotment; and
  - (b) the expression “**Specified Price**” means the price per Share at least equal to the highest price paid or payable per Share by the Third Party Purchaser or persons acting in concert with him or connected with him for any Shares within the six months preceding the date of the Offer (including to avoid doubt the Specified Shares), plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Specified Shares provided always that the Proceeds of Sale will be shared between the relevant Members on the same basis as though the Sale proceeds were a return of capital under Article 3 and it shall be a requirement of completion of the Sale that such allocation is thereby achieved as between the relevant Shareholders in such manner.
  - (c) If any part of the Specified Price is payable otherwise than in cash any Member may require, as a condition of his acceptance of the offer, to receive in cash on transfer all or any of the price offered for his Uncommitted Shares.
  - (d) If the Specified Price or its cash equivalent cannot be agreed between the Third Party Purchaser and Members holding 60 per cent of the Uncommitted Shares within 21 days of the date of the Offer, it shall be referred to the Valuers for determination in accordance with the foregoing provisions of this Article 15 and the Offer Period shall be extended accordingly.
- 15.6. **Co-Sale on Partial Transfers**

In the event that any Shareholder (the “**Applicable Shareholder(s)**”) wishes to sell at least 20% of his holding of Shares at the applicable time to any Third Party Purchaser (including

after a pre-emptive offer to other Members in accordance with Article 12(*Voluntary Transfers*)) the Applicable Shareholder shall notify all other Shareholders of such intention and each of the other Shareholders may sell at the same time to the same buyer and at the same price the same proportion of their Shares as the Applicable Shareholder is selling at that time (the “**Co-Sale Shares**”) and if so, it shall be a condition of the completion and registration of the sale of the relevant Shares of the Applicable Shareholder that such Applicable Shareholder procures that the other Shareholders may sell at the same time to the same buyer and at the same price the Co-Sale Shares. The relevant foregoing provisions of this Article 15 shall apply *mutatis mutandis* to any such sale(s) accordingly.

## 16. **GENERAL MEETINGS**

- 16.1. Any Director may require the Company to convene a general meeting of Shareholders and the Company shall do so within the time specified in any such notice from either of them.
- 16.2. If a meeting is adjourned because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present shall form a quorum.
- 16.3. Any form of proxy left at or sent by post or by facsimile transmission to the Company’s registered office at any time up to the time fixed for the relevant meeting in respect of which it is so delivered shall be deemed validly delivered for the purposes of that meeting.

## 17. **PROCEEDINGS AT GENERAL MEETINGS AND ADJOURNMENT**

- 17.1. Any member having the right to vote at the meeting may demand a poll at a general meeting.
- 17.2. If within ten minutes from the time appointed for a general meeting a quorum is not present or, if during a meeting a quorum ceases to be present, the meeting, if convened upon the request of the Members in accordance with the CA 2006, shall be dissolved; in any other case, it shall stand adjourned to the same time and place 7 days later when any Shareholder(s) present shall constitute a quorum.
- 17.3. If a quorum is not present at any such adjourned meeting within ten minutes from the time appointed for that meeting, the meeting shall be dissolved.

## 18. **POLL VOTES**

- 18.1. A poll may be demanded at any general meeting by:
  - (a) the chairman; or
  - (b) any qualifying person (as such term is defined in section 318 of the CA 2006) present and entitled to vote at the meeting.
- 18.2. A demand for a poll may be withdrawn before the poll is taken, but only with the consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 18.3. Subject to these Articles, polls at general meetings must be taken when, where and in such manner as the chairman of the meeting directs. The chairman of the meeting may appoint scrutineers (who need not be holders) and decide how and when the result of the poll is to be declared.

- 18.4. The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
- 18.5. A poll on the election of the chairman of the meeting or a question of adjournment must be taken immediately. All other polls must be taken within thirty days of their being demanded.
- 18.6. A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.
- 18.7. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken.
- 18.8. The omission or failure by any proxy to vote in accordance with any instructions given to him by his appointer shall not invalidate any vote cast by him or any resolution passed at the general meeting concerned.

## 19. **DIRECTORS**

- 19.1. The number of Directors shall not be less than two and shall not be subject to any maximum.
- 19.2. The Founder shall, for so long as he continues to hold Shares be entitled to appoint two Directors of the Company (including one as Chairman (with the consent of the Investors Directors acting reasonably) and at any time and on more than one occasion to remove any Founder Director from office and appoint a replacement.
- 19.3. The Investors may, for so long they hold Shares in the Company, at any time appoint up to three Directors of the Company and at any time and on more than one occasion to remove any Investor Director from office and appoint a replacement.
- 19.4. The Angel Investors may, for so long as they hold such number of Shares equal to at least 10% of the issued share capital of the Company, at any time by majority resolution between them appoint a person to be Director of the Company and at any time and on more than one occasion to remove the Angel Director from office and appoint a replacement.
- 19.5. Any appointment or removal of a Founder Director or the Angel Director or an Investor Director shall be in writing served on the Company and shall take effect at the time it is served on the Company or (if later) the date expressly stated therein, whichever is earlier.
- 19.6. Notice of meetings of the Board shall be served on any Director who is absent from the United Kingdom.
- 19.7. Upon written request by his appointor, the Company shall procure that any Founder Director, the Angel Director and or any Investor Director is forthwith appointed as a member of any committee of the Board and as a director of any other member of the Group indicated in such request.

## 20. **ALTERNATE DIRECTORS**

- 20.1. Subject to Article 20.2, any Director may, in his temporary absence for any reason, by written notice to the Company signed by that Director and by the proposed alternate consenting so to act, appoint as an alternate any other person to be their alternate to exercise that Director's powers and to carry out that Director's responsibilities. No alternate Director

of any Founder Director, the Angel Director or any Investor Director is subject to the prior approval of the Board.

- 20.2. Any Investor Director may only appoint another Investor Director, or an Investor Associate, or a consultant engaged by any member of the Investors Group as its alternate; any Founder Director may only appoint the other Founder Director or an Angel Investor as its alternate; and the Angel Director may only appoint another Angel Investor as its alternate.
- 20.3. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.
- 20.4. If an alternate Director is himself a Director or attends any meeting as an alternate Director for more than one Director, his voting rights shall be cumulative but he shall only be counted once in deciding whether a quorum is present.
- 20.5. Alternate Directors are deemed to be Directors for all purposes and shall be responsible for their own acts and omissions. The Company shall not be liable to pay an alternate Director any fee or expenses incurred in his discharging his role as an alternate Director.
- 20.6. Any appointment of an alternate shall expire on the date specified in the relevant notice of appointment and in any event after one month of such date. Any such appointment shall terminate in the termination of office of the relevant appointing Director for any reason. An alternate may resign his position as alternate Director by notice in writing to the Company at any time.

## **21. ACTS OF DIRECTORS**

- 21.1. Subject to the provisions of CA 2006, all acts done by in any proceedings of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

## **22. RETIREMENT OF DIRECTORS**

- 22.1. The directors shall not be subject to retirement by rotation.

## **23. PROCEEDINGS OF DIRECTORS**

- 23.1. Save as envisaged by Article 23.9 or save whenever there is only a single Director in office, the quorum for the transaction of business of the Board shall be two Directors including a Founder Director, if any, and at least one of the Investor Directors (if any) unless:

- (a) in respect of the Founder Directors:
  - (i) the Founder Directors have previously agreed otherwise in writing;
  - (ii) no Founder Director is entitled to be counted in the quorum present at the relevant meeting in relation to a resolution to be proposed at the meeting; or
  - (iii) there is no Founder Director in office at that time; or
- (b) in respect of the Investor Directors:



- (i) the Investor Directors have previously agreed otherwise in writing;
- (ii) no Investor Director is entitled to be counted in the quorum present at the relevant meeting in relation to a resolution to be proposed at the meeting; or
- (iii) there is no Investor Director in office at that time,

provided that in the event that such a quorum is not present within half an hour of the time appointed for the meeting, the meeting shall stand adjourned to the same time and place three business days later, at which meeting any two Directors present shall constitute a quorum.

- 23.2. Save to the extent all Directors agree otherwise in relation to any particular meeting, at least 7 days prior written notice of meetings of the Board shall be given to all Directors, all such notices to include an agenda and full copies of all papers and reports to be considered at the meeting.
- 23.3. Any Director or his alternate may validly participate in a meeting of the Board by conference telephone or other form of communication equipment provided all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and shall be entitled to vote. Such a meeting shall be deemed to take place by telephone.
- 23.4. Decisions of the Directors shall (subject to any Shareholders Agreement) be determined by simple majority. Each Director shall have one vote on all resolutions of the Directors. In the event of deadlock, the Chairman shall not have a casting vote. In the event of deadlock over matters relating to approval of the annual budget, performance targets for senior executives and or decisions relating to the hiring or firing of senior executives, the Investor Directors shall between them have one additional vote. If ever the Investors own more than 50% of the Equity Shares or in the event of a Material Underperformance (until such time as such Material Underperformance has been rectified) the Investor Directors shall between them have one additional vote on all decisions to be taken by the Directors. For the purposes of this Article 23.4, "**Material Underperformance**" shall be as defined in a Shareholders Agreement.
- 23.5. A decision of the Directors shall be validly taken when all Directors (or all eligible Directors provided they would constitute a valid quorum at that time for meetings of the Board) indicate to each other by any means that they share a common view on a matter and such decision may take the form of a resolution in writing where each such Director has signed one or more copies of it or to which each such Director has otherwise indicated his agreement in writing.
- 23.6. Provided he has declared the nature and extent of his interest in accordance with the Act, a Director is entitled to vote on any resolution of the Directors or of a committee of Directors concerning any contract, transaction, arrangement or proposal to which the Company is or is to be a party and in which he or a person connected with him within the meaning of section 252 of the Act has an interest and shall be counted in the quorum for the meeting of Directors in relation to such contract, transaction, arrangement or proposal.
- 23.7. Subject to Article 23.9, the Board may authorise any matter which would, if not so authorised, result in a Director infringing his duty under section 175 of the Companies Act 2006 to avoid a situation in which he has or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company.

- 23.8. Any authorisation of a matter under this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 23.9. Any authorisation given pursuant to Article 23.7 will only be effective if the Director in question (a) provides the Board with details of the matter in respect of which authorisation is being sought (including the nature and extent of his interest in such matter) (but not so that he is obliged to breach any duty of confidence he owes to any other person)) or in such other manner as the Board may from time to time direct and (b) is not required to be counted for quorum or voting purposes at the Board meeting or part of a Board meeting where such authorisation is given.
- 23.10. Subject to his declaring the nature and extent of the interest in accordance with Sections 184 or 185 of the Companies Act 2006 (save in the case of an interest falling within paragraph (a) below which shall not require to be so declared), a Director may have an interest of the following kind and may be counted as participating in the decision-making process for quorum or voting purposes:
- (a) where his interest cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (b) any interest arising as a result or consequence of the Director's appointment as a Founder Director or as an Investor Director or as the Angel Director);
  - (c) where the Director (or a person connected with him) is a Director or other officer of or employed by or otherwise interested (including by the holding of shares) in any Relevant Company;
  - (d) where the Director (or person connected with him) is a party to, or otherwise interested in any contract, transaction or arrangement with a Relevant Company or in which the Company is otherwise interested; or
  - (e) where the Director (or any person connected with him) acts (or any firm of which is a partner, employee or member acts) in a professional capacity for an Relevant Company (other than as Auditor) whether or not he is remunerated for such actions.
- 23.11. For the purposes of Article 23.10:
- (a) a "**Relevant Company**" shall mean;
    - (i) the Company;
    - (ii) any subsidiary or subsidiary undertaking of the Company;
    - (iii) any holding company of the Company or any subsidiary or subsidiary undertaking of any such holding company;
    - (iv) any body corporate promoted by the Company; or
    - (v) any body corporate in which the Company is otherwise interested; and
  - (b) a person is connected with a Director if he is connected to him in terms of Section 252 of the Companies Act 2006.

- 23.12. A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or any person connected with him) derives from any contract, transaction or arrangement or from any office, employment or position which has been approved by the Board pursuant to Article 23.6.

## **24. UNANIMOUS DECISION OF THE DIRECTORS AND WRITTEN RESOLUTIONS**

- 24.1. A decision of the directors is taken in accordance with this Article 24 when sufficient Eligible Directors indicate by any means that they share a common view on a matter.
- 24.2. Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing. A proposed directors' written resolution is adopted when each of the Eligible Directors who would have been entitled to vote on the resolution at a directors' meeting have signed at least one copy or duplicate copy of it.
- 24.3. A decision may not be taken in accordance with Article 24 if the Eligible Directors would not have formed a quorum had the matter been proposed as a resolution at a directors' meeting.
- 24.4. Unless the context otherwise requires, reference in these Articles to any meeting of the directors (or of any committee) includes any other proceedings or process by which any decision complying with Article 24 is reached.

## **25. NOTICES AND COMMUNICATIONS**

- 25.1. The Company may send, supply or give any document, information or notice to a Member by hard copy, electronic form or by making that document or information available on a website and giving notice of the availability of that document or information to the relevant Member (provided that Member has individually agreed (or is deemed to have agreed) to the Company sending or supplying documents or information generally or those documents or information in question to him by means of a website), in each case subject to the provisions of sections 1143 to 1148 and Schedule 5 of the Companies Act 2006.
- 25.2. A notice given by means of a website shall be deemed to have been sent, supplied or given when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 25.3. Any document, information or notice which is required to be sent or given to the Company shall be sent by hard copy or electronic form in each case, subject to the provisions of sections 1143 to 1148, Schedule 4 and Schedule 5 of the Companies Act 2006.
- 25.4. Proof that an envelope containing a document, notice or information was properly addressed, prepaid and posted shall be conclusive evidence that the document, notice or information was sent, supplied or given by post. A comprehensive transaction report or log generated by fax machine, suitably certified by or on behalf of the company, shall be conclusive evidence that a document, notice or information was sent, supplied or given by fax. A copy of a successful delivery report in relation to each recipient to whom an e-mail message was sent, suitably certified by or on behalf of the company, shall be conclusive evidence that the document, notice or information was sent, supplied or given by e-mail.

25.5. Any accidental failure on the part of the Company to send, or the non-receipt by any person entitled to, any notice of or other document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or proceeding. This Article shall have effect in place of the Company Communications Provisions relating to deemed delivery of notices, documents or information.

25.6. For the purposes of calculating the time when any notice, document or information sent or supplied by the Company is deemed to have been received by the intended recipient for the purposes of these articles (regardless of whether the period is expressed in hours or days) full account shall be taken of any day, and any part of a day, that is not a working day. This Article 25.6 shall have effect in place of the Company Communications Provisions regarding the calculation of the time when any such notice, document or information is deemed to have been received by the intended recipient

## 26. **INDEMNITY**

26.1. Subject to the Act, the Company:

26.1.1. shall, without prejudice to any other indemnity to which the person concerned may otherwise be entitled, indemnify every relevant officer out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him:

- (a) in relation to the actual or purported execution and discharge of the duties of such office; and
- (b) in relation to the Company's (or associated company's) activities in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act);

26.1.2. may provide any relevant officer with funds to meet his defence expenditure in respect of any civil or criminal proceedings or regulatory investigation or other regulatory action or in connection with any application for any category of relief permitted by the Act and may do anything to enable him to avoid incurring any such expenditure;

26.1.3. 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.

26.2. In this Article 26:

- (a) companies are “**associated**” if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- (b) a relevant officer means any director, secretary, auditor or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act);
- (c) a relevant loss means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.

26.3. The directors may exercise all the powers of the Company to purchase and maintain for every director or other officer insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may be lawfully insured against.

26.4. The directors may, on behalf of the Company, exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or in any other manner (whether similar to the foregoing or not), for any director or former director or any relation, connection or dependant of any director or former director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or with a predecessor in business of the Company or of any such subsidiary and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No director or former director shall be accountable to the Company or the members for any benefit permitted by this Article 26.4 and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

## 27. **SHARE CERTIFICATES ETC.**

The Company may in any manner permitted by the applicable provisions of Part 4 of the Act execute any share certificate, warrant or other document creating or evidencing any security allotted by the Company or any right or option to subscribe granted by the Company under the hand of two Directors or any one Director and the Company Secretary.

## 28. **SUBSIDIARY UNDERTAKINGS AND RESERVES**

28.1. The Board shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and its subsidiary undertaking so as to secure (but as regards its subsidiary undertakings only in so far as by the exercise of such rights or powers of control the Board can secure) that:

- (a) no Shares or other securities are issued or allotted by any such subsidiary and no rights are granted which might require the issue of any such Shares or securities otherwise than to the Company or to one of its wholly-owned subsidiaries; and
- (b) neither the Company nor any of its subsidiaries transfers or disposes of any Shares or securities of any subsidiary of the Company or any interest therein or any rights attached thereto otherwise than to the Company or one of its wholly-owned subsidiaries.

28.2. The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time, and to the extent that it may lawfully do so, declare and pay to the Company the dividends necessary to permit lawful and prompt payment by the Company of amounts payable to Members pursuant to these Articles.

## 29. **DATA PROTECTION**

29.1. Each of the Members and directors of the Company (from time to time) consent to the processing of their personal data by the Company, its Members and directors (each a “**Recipient**”) for the purpose of due diligence exercises, compliance with applicable

laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any Shares (or other investment or security) in the Company.

- 29.2. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a member of the same group as that Recipient (“**Recipient Group Companies**”) and to employees, directors and professional advisers of that Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Members and directors of the Company (from time to time) consent to the transfer of relevant personal data to persons acting on behalf of the 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.

### 30. **FORFEITURE AND SURRENDER**

- 30.1. A notice of intended forfeiture:

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of that Share or to a person entitled to it by reason of the holder’s death, bankruptcy or otherwise;
- (c) must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice;
- (d) must state how the payment is to be made; and
- (e) must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

- 30.2. If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

- 30.3. Subject to the Articles, the forfeiture of a Share extinguishes:

- (a) all interests in that Share, and all claims and demands against the Company in respect of it, and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.

- 30.4. Any Share which is forfeited in accordance with the Articles:

- (a) is deemed to have been forfeited when the directors decide that it is forfeited;

- (b) is deemed to be the property of the Company; and
- (c) subject to Article 9 (*Lien*) may be sold, re-allotted or otherwise disposed of as the directors think fit.

30.5. If a person's Shares have been forfeited:

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- (b) that person ceases to be a member in respect of those Shares;
- (c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- (d) that person remains liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

30.6. At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

30.7. If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

30.8. A statutory declaration by a director that the declarant is a director and that a Share has been forfeited 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.

30.9. A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

30.10. If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:

- (a) was, or would have become, payable, and

- (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

30.11. A member may surrender any Share:

- (a) in respect of which the directors may issue a notice of intended forfeiture;
- (b) which the directors may forfeit; or
- (c) which has been forfeited.

30.12. The directors may accept the surrender of any such Share.

30.13. The effect of surrender on a Share is the same as the effect of forfeiture on that Share.

30.14. A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

### 31. MISCELLANEOUS AMENDMENTS TO MODEL ARTICLES

31.1. The words “*make any rule*” in regulation 16 shall be deleted and substituted with the words “*make, vary, relax or repeal any rule*”.

31.2. In regulation 18(f), the words “*as a director*” shall be included after the words “*the director is resigning*”.

31.3. Regulation 19(3) shall be amended by the deletion of the word “*and*” at the end of Regulation 19(3)(a).

31.4. Regulation 20 shall be amended by the insertion of the words “*(including alternate directors) and the secretary*” before the words “*properly incur*”.

31.5. In regulation 24(2)(c), the words “*that the Shares are fully paid*” shall be substituted with the words “*the amounts paid up on them*”.

31.6. In regulation 25(2)(c), the words “*payment of a reasonable fee as the directors decide*” shall be substituted with the words “*payment of reasonable expenses*”.

### 32. PURCHASE OF OWN SHARES

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

32.1.1 £15,000; or

32.1.2 the nominal value of five per cent. (5%) of its fully paid share capital as at the beginning of the financial year.

32.2 If the share capital of the Company is not denominated in sterling, the value in sterling of the share capital shall be calculated, for the purpose of Article 32.1.2 at an appropriate spot rate of exchange prevailing on a day specified in the resolution authorising the purchase of shares