

Company number: 5769622

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
EXMOOR ALES HOLDINGS LIMITED

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

**of**

**EXMOOR ALES HOLDINGS LIMITED (Company)**

**(adopted by special resolution passed on 9th June 2023)**

**1. PRELIMINARY**

1.1 The articles of association of the Company comprise:

- (a) the provisions set out in this document, as amended from time to time; and
- (b) the provisions of the Model Articles incorporated by reference in this document

No other regulations for the management of a company set out in any schedule to any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company.

1.2 Words and expressions used in the Articles are defined in Article 2.

Unless defined in Article 2 (and unless the context requires otherwise), other words or expressions contained in the Articles:

- (a) if incorporated by reference to the Model Articles, bear the same meaning as in the Model Articles; and
- (b) in any other case, bear the same meaning as in the Act.

1.3 A reference in the Articles to any statute or statutory provision includes a reference to any subordinate legislation made under it from time to time and shall, unless the context requires otherwise, include any statutory modification or re-enactment of any statute or statutory provision for the time being in force.

1.4 Any phrase in the Articles introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.5 Where for any purpose in the Articles an ordinary resolution of the Company is required, a special resolution shall also be effective.

## 2. **DEFINED TERMS**

In the Articles, unless the context requires otherwise:

**Act** means the Companies Act 2006;

**Acting in Concert** has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

**Adoption Date** means the date of adoption of these Articles; alternate director has the meaning given in Article 25; appointor has the meaning given in Article 25;

**Articles** means the Company's articles of association as described in Article 1.1 (and a reference to an Article is a reference to a provision of the Articles);

**Asset Sale** means the disposal by the Company of all or substantially all of its undertaking and assets;

**associated** in relation to companies means that one is a subsidiary of the other or both are subsidiaries of the same body corporate;

**Available Profits** the profits available for distribution within the meaning of Part 23 the Act;

**bankruptcy** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**Beneficial Owner** means a person whose Shares are held on trust by NomineeCo;

**chairman** has the meaning given in Article 13;

**chairman of the meeting** has the meaning given in Article 54;

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

**Conflict Matter** means a matter authorised as provided in Article 16 or permitted under Article 17;

**Controlling Interest** means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**director** means a director of the Company, and includes any person occupying the position of director, by whatever name called;

**distribution recipient** means, as regards a share in respect of which a dividend or other sum is payable:

- (a) the holder of the share;
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree;

**document** includes, unless otherwise specified, any document sent or supplied in electronic form;

**electronic form** has the meaning given in section 1168 of the Act;

**electronic means** has the meaning given in section 1168 of the Act;

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

**Exit** means a Share Sale or an Asset Sale;

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

**Founder** means Jonathan Price;

**Founder Directors** means the Founder or another director appointed at his request and **Founder Director** shall be construed accordingly;

**fully paid** in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

**hard copy form** has the meaning given in section 1168 of the Act;

**holder** in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

**Issue Price** means in respect of any share, the subscription price paid (or agreed to be paid) in respect of that share, including any share premium;

**Instrument** means a document in hard copy form;

**Interest Rate** means two percent above the base rate of Lloyds Bank PLC from time to time;

**member** has the meaning given in section 112 of the Act;

**Model Articles** means the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008 as in force on the date of adoption of the Articles (and a reference to a **Model Article** is a reference to a provision of the Model Articles);

**NomineeCo** means Crowdcube Nominees Limited (company number 09820478) or a Permitted Transferee of such Nominee;

**ordinary resolution** has the meaning given in section 282 of the Act;

**Ordinary Share** has the meaning set out in Article 29; paid means paid or credited as paid;

**participate**, in relation to a directors' meeting, has the meaning given in Article 11;

**partly paid** in relation to a share means that part of that share's nominal value or any premium at which it was issued has not been paid to the Company;

**Preference Share** has the meaning set out in Article 29; proxy notice has the meaning given in Article 60;

**relevant officer** means any director or other officer or former director or other officer of the Company or an associated company but excluding any person engaged by the Company or an associated company as auditor;

**shares** means shares in the Company;

**Share Sale** means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;

**special resolution** has the meaning given in section 283 of the Act; subsidiary has the meaning given in section 1159 of the Act;

**Transmittee** means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law; working day has the

meaning given in section 1173 of the Act; and writing means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

3. **LIABILITY OF MEMBERS**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

4. **DIRECTORS' POWERS AND RESPONSIBILITIES**

Subject to the Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

5. **MEMBERS' RESERVE POWER**

5.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

5.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

6. **DIRECTORS MAY DELEGATE**

6.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:

- (a) to such person or to a committee of such persons;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions as they think fit.

6.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

6.3 The directors may revoke any delegation in whole or part or alter its terms and conditions.



**7. COMMITTEES**

- 7.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.
- 7.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

**8. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 8.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 9.
- 8.2 If and for so long as the Company only has one director, the general rule does not apply and the director may take decisions (provided he is an Eligible Director in relation to the matter in question) and may exercise all of the other powers and discretions given to the directors by the Articles and the Companies Acts which are capable in law of being exercised by a sole director.

**9. UNANIMOUS DECISIONS**

- 9.1 A decision of the directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 9.2 Such a decision may take the form of a resolution in writing, signed by each Eligible Director (whether on the same or one of several copies) or to which each Eligible Director has otherwise indicated agreement in writing.
- 9.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a directors' meeting.

**10. CALLING A DIRECTORS' MEETING**

- 10.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 10.2 Notice of any directors' meeting must indicate:
- (a) its proposed date and time;
  - (b) where it is proposed to take place; and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

- 10.3 Notice of a directors' meeting must be given to each director but need not be in writing.
- 10.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company before or not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **11. PARTICIPATION IN DIRECTORS' MEETINGS**

- 11.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
- (a) the meeting has been called and takes place in accordance with the Articles; and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 11.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 11.3 If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, at the place where the chairman (or other director chairing the meeting) is.
- 11.4 If at any time at any meeting of the directors or of any committee of the directors at which a quorum is present all directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) than such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 11.5 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The directors will try to meet at least quarterly.

**12. QUORUM FOR DIRECTORS' MEETINGS**

- 12.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.2 The quorum for directors' meetings shall be one Eligible Director if the Company has only one director and two Eligible Directors if the Company has more than one director provided always that a Founder Director must be present.
- 12.3 If a quorum is not present within half an hour of the time appointed for the directors' meeting or ceases to be present, the directors present shall adjourn the directors' meeting to a specified place and time not less than 3 business days after the original date. It shall not be necessary to give a notice of an adjourned directors' meeting or of any business to be transacted at an adjourned directors' meeting. If a quorum is not present within half an hour from the time appointed for resumption of the directors' meeting, those present shall be deemed to be a quorum provided at least one is a Founder Director.

**13. CHAIRING DIRECTORS' MEETINGS**

- 13.1 The chair of directors' meetings shall be the Founder and, in his absence, (subject to these Articles) the directors may appoint a director to chair their meetings.
- 13.2 The person so appointed for the time being is known as the chairman.
- 13.3 The directors may terminate the chairman's appointment at any time.
- 13.4 If:
- (a) the directors have not appointed a chairman;
  - (b) the chairman is unwilling to chair the meeting or is not participating in a directors' meeting within ten minutes of the time at which it was to start; or
  - (c) the chairman is not an Eligible Director in respect of any matter to be discussed at the meeting,
- the directors participating in the meeting must appoint one of themselves (who is an Eligible Director in respect of the matters to be discussed at the meeting) to chair it.

**14. VOTING AT DIRECTORS' MEETINGS: GENERAL RULES**

- 14.1 Subject to the Articles, a decision is taken at a directors' meeting by a majority of the votes of the Eligible Directors who are participating and each Eligible Director participating in a directors' meeting has one vote.
- 14.2 Subject to Article 14.3, if a question arises at a meeting of directors (or of a committee established by the directors) as to the right of a director (or committee member) to participate in the meeting (or part of the meeting) for voting or quorum purposes or otherwise in accordance with the Articles, the question may, before the conclusion of the meeting, be referred to the chairman (or other person chairing the meeting) whose ruling in relation to any person other than himself is to be final and conclusive.
- 14.3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman (or other person chairing the meeting), the question is to be decided by a decision of the directors (or committee members) at that meeting, for which purpose the chairman (or other person chairing the meeting) is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 14.4 If any Eligible Director is not present at any meeting of the Board (in person or by a duly appointed alternate) any other Eligible Director(s) present at such meeting and appointed at the request of the same member as the absent Eligible Director shall be entitled to cast the vote of such absent Eligible Director.
- 14.5 The directors appointed at the request of a member who has been notified by the other members pursuant to these Articles or any other arrangements or agreement made between all of the members that it is required to transfer the shares held by it in the Company shall not, from the time that member is deemed to have received such notification until the time its shares are transferred, be entitled to vote at any meeting of the directors or any committee of the directors and any requirement contained in these Articles for a certain number of directors to be present at a meeting of the directors or any committee of the directors to constitute a quorum shall be met without the attendance or presence of a director(s) appointed by a member who has received such notification notwithstanding that a particular number or certain type of director is normally required in order to constitute a quorum.

**15. CHAIRMAN'S CASTING VOTE AT DIRECTORS' MEETINGS**

If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

16. **DIRECTORS' CONFLICTS: SITUATIONAL CONFLICTS**

16.1 The directors may, in accordance with this Article and the Act, authorise any matter which would or might, if not authorised, involve a director breaching the duty to avoid conflicts of interest in section 175 of the Act.

16.2 Any such matter shall be proposed in writing for consideration by the directors in accordance with any procedures for the time being established for the purpose by the directors or in such other manner as the directors may approve.

16.3 An authorisation pursuant to Article 16.1:

(a) will be subject to any restrictions or conditions expressly imposed by the directors at the time of authorisation or subsequently; and

(b) may be varied or terminated by the directors at any time.

Nothing in this Article will affect anything done by a director in accordance with the terms of an authorisation prior to any such variation or termination.

16.4 No authority under this Article is required in respect of a conflict of interest arising in relation to a transaction or arrangement with the Company, but this is without prejudice to a director's obligation to declare any interest pursuant to the Act and the Articles.

16.5 Nothing in this Article affects any power of the Company to authorise any matter which would or might, if not authorised, involve a director breaching the duty to avoid conflicts of interest in section 175 of the Act.

17. **DIRECTORS' CONFLICTS: TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY**

Provided that he has disclosed to the directors the nature and extent of any direct or indirect interest, to the extent required by section 177 or section 182 of the Act (as appropriate), a director:

(a) may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;

(b) may hold any other office or employment with the Company (except that of auditor) in conjunction with the office of director, and may act by himself or through his firm in a professional capacity for the Company, in any such case on such terms as to remuneration and otherwise as the directors may decide, either

in addition to or instead of any remuneration provided for by any other Article; and

- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

## 18. **DIRECTORS' CONFLICTS: GENERAL PROVISIONS**

- 18.1 Subject to the Articles (and to the terms of any authorisation given as provided in Article 16), a director shall not by reason of his office be liable to account to the Company for any remuneration, profit or other benefit derived as a result of a Conflict Matter. No transaction or arrangement shall be liable to be avoided on the grounds of a director having an interest or benefit authorised or permitted as provided in the Articles.
- 18.2 In relation to any Conflict Matter, the general duties that a director owes to the Company under the Act will not be infringed by anything done (or omitted to be done) by the director concerned in accordance with the Articles.
- 18.3 The director may, for as long as he reasonably believes a Conflict Matter subsists.
  - (a) absent himself from meetings of the directors or from the discussion of any matter at a meeting or in respect of any other proposed decision of the directors; and
  - (b) make such arrangements as he sees fit for relevant board papers and other information not to be sent to him.
- 18.4 Where the director obtains (otherwise than as a director or employee of the Company) in relation to a Conflict Matter information in respect of which he owes a duty of confidentiality to another person he shall not be obliged to disclose such information or use it for the benefit of the Company (in circumstances in which he would otherwise be so obliged)
- 18.5 Subject to the Articles, a director may vote at any meeting of the directors (or committee established by the directors) and take part in any other decision of the directors despite the fact that the decision concerns or relates to a matter in which he has, directly or indirectly, an interest or duty which conflicts, or possibly may conflict, with the interests of the Company provided that the director has, as appropriate and to the extent required:
  - (a) received an authorisation as provided in Article 16 (and the terms of the authorisation do not provide otherwise); or
  - (b) made a disclosure in accordance with Article 17.

**19. RECORDS OF DECISIONS TO BE KEPT**

The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded:

- (a) of every unanimous or majority decision in whatever form taken by the directors; and
- (b) in the case of a sole director, of every decision in whatever form that would have been taken by unanimous or majority decision if the Company had more than one director.

**20. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

**21. METHODS OF APPOINTING DIRECTORS**

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

- (a) by ordinary resolution; or
- (b) by a decision of the directors.

21.2 In any case where, as a result of death or bankruptcy, the Company has no members and no directors, the Transmittree(s) of the last member to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a person to be a director. For these purposes, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

**22. TERMINATION OF DIRECTORS' APPOINTMENT**

A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;

- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- (f) notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.

## 23. **DIRECTORS' REMUNERATION**

23.1 Directors may undertake any services for the Company that the directors decide and, on such terms, and conditions as the directors think fit.

23.2 Directors are entitled to such remuneration as the directors determine:

- (a) for their services to the Company as directors; and
- (b) for any other service which they undertake for the Company.

23.3 Subject to the Articles, a director's remuneration may:

- (a) take any form; and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

23.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

## 24. **DIRECTORS' EXPENSES**

The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- (a) meetings of directors or committees established by the directors;
- (b) general meetings; or
- (c) separate meetings of the holders of any class of shares or of debentures of the Company,



or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

**25. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

25.1 Any director (appointor) (other than an alternate director) may appoint as an alternate director any other director, or any other person approved by a decision of the directors, to:

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate director's appointor.

25.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors and has immediate effect (subject to any necessary approval and unless otherwise specified).

25.3 The notice must.

- (a) identify the proposed alternate director; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate director that he is willing to act as the alternate director of the director giving the notice.

**26. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

26.1 Except as the Articles specify otherwise, alternate directors:

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

26.2 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration (if any) of the alternate director's appointor as such appointor may direct by notice in writing made to the Company. An alternate director is however entitled to the payment by the Company of such expenses as might properly be paid to him if he were a director.

**27. ALTERNATE DIRECTORS AND DECISIONS OF THE DIRECTORS**

- 27.1 Subject to the Articles, an alternate director may act as alternate director for more than one director and has the same rights in relation to any decision of the directors as the alternate director's appointor.
- 27.2 Subject to the Articles, an alternate director is entitled to take part for all purposes (including quorum and voting purposes) in a decision of the directors in respect of which his appointor:
- (a) is not taking part; and
  - (b) is an Eligible Director.
- 27.3 If an alternate director's appointor is not an Eligible Director in relation to a decision of the directors, this does not preclude the alternate director from taking part on behalf of another appointor who is (and on his own behalf if he is) an Eligible Director in relation to that decision.
- 27.4 An alternate director is not entitled to take part in a decision of the directors if he (whether a director or not) would not qualify as an Eligible Director in relation to that decision.
- 27.5 No person taking part in a decision of the directors may (whether in his capacity as director or alternate director) be counted as more than one director for the purposes of determining whether the quorum requirement is satisfied in relation to that decision.
- 27.6 Subject to the Articles, an alternate director who acts as alternate director for more than one director has one vote for each appointor, in addition to his own vote if he is also a director.

**28. TERMINATION OF ALTERNATE DIRECTORSHIP**

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

- (a) when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director;
- (c) on the death of the alternate director's appointor; or

- (d) when the appointment as a director of the alternate director's appointor terminates.

## 29. **SHARES**

29.1 The share capital of the Company at the date of these Articles is £368,322 divided into:

- (a) 1,733,220 Ordinary Shares of £0.10 each (Ordinary Shares); and
- (b) 195,000 Preference Shares of £1.00 each (Preference Shares),

in each case having the rights and restrictions as set out in these Articles.

29.2 In addition to the other rights and restrictions set out in these Articles, the rights and restrictions as to income, voting, directors and variation attached to the Ordinary Shares are as follows:

- (a) Income

the Ordinary Shares shall entitle their holders to payment of dividends or other distributions declared in accordance with these Articles;

- (b) Voting

the Ordinary Shares shall entitle their holders to participate in general meetings of the members and exercise all other voting rights bestowed on members pursuant to the Companies Acts and these Articles (including as to written resolutions); and

- (c) Variation

the rights attached to the Ordinary Shares shall not be deemed to be varied or abrogated by the creation of any new shares ranking in priority to or *pari passu* with, or subsequent to, such shares.

29.3 In addition to the other rights and restrictions set out in these Articles, the rights and restrictions as to income, voting, management and variation attached to the Preference Shares are as follows:

- (a) Income

the Preference Shares shall entitle the holder to payment of dividends or other distributions declared in accordance with these Articles;

(b) Voting

the Preference Shares shall not carry any entitlement to receive notice of, or to attend and vote at any general meeting of the Company or confer any right to exercise any other voting rights bestowed on members pursuant to the Companies Acts and these Articles (including as to written resolutions and the circulation thereof); and

(c) Variation

the rights attached to the Preference Shares shall not be deemed to be varied or abrogated by the creation of any new shares ranking in priority to or *par passu* with, or subsequent to, such shares.

30. **REDEMPTION OF PREFERENCE SHARES**

30.1 In this Article, the following definitions apply:

**Quotation** means:

- (i) the admission of all or any of the issued equity share capital of the Company to the Official List of London Stock Exchange plc and such admissions becoming effective; or
- (ii) the granting of permission for the introduction of all or any of the issued equity share capital of the Company to the Alternative Investment Market of London Stock Exchange plc; or
- (iii) any equivalent admission to, or permission to deal on, any other recognised investment exchange (as defined in section 285 Financial Services and Markets Act 2000) becoming unconditionally effective in relation to all or any of the issued equity share capital of the Company.

30.2 The Preference Shares shall, subject to the Act, be redeemed as follows:

30.2.1 the Company shall redeem all the Preference Shares then in issue immediately prior to an Exit or a Quotation;

30.2.2 the Company may, at any time on not less than 25 Business Days' notice in writing to the holders of Preference Shares, redeem such total number of Preference Shares as is specified in such notice; and

- 30.2.3 if any Preference Shares have not been redeemed prior to the tenth anniversary of the date of adoption of these Articles (or such other date as may be agreed between the holders of Preference Shares and the Company) the Company shall be deemed to have served a Company Redemption Notice in respect of such Preference Shares.
- 30.3 Where Preference Shares are to be redeemed in accordance with Article 30.2, the Company shall give to the holders of the Preference Shares failing to be redeemed prior notice in writing of the redemption (Company Redemption Notice). The Company Redemption Notice shall specify the particular Preference Shares to be redeemed and the date fixed for redemption (which, in the case of a redemption pursuant to Article 30.2.1, shall be the expected date for redemption) and shall be given not less than 20 nor more than 28 Business Days prior to the date fixed for redemption. In the case of a redemption pursuant to Article 30.2.1, the Company Redemption Notice shall be conditional on such Sale or Quotation occurring within one month of the date fixed for redemption, failing which the Company Redemption Notice shall be revoked.
- 30.4 Notwithstanding Article 30.2, the holders of the Preference Shares may require the Company, by serving on it a notice (**Shareholder Redemption Notice**), to redeem such amount of Preference Shares as is specified in the Shareholder Redemption Notice if, at any time:
- 30.4.1 the Company has not paid the Preference Dividend within 56 Business Days of the due date (irrespective of whether such dividend would be unlawful);
- 30.4.2 the Company has not redeemed any Preference Shares in accordance with the requirements of this Article within 56 Business Days of the due date (irrespective of whether such redemption would be unlawful); or
- 30.4.3 there has been proposed a resolution for the winding-up of the Company, a resolution for a reduction in the capital of the Company or a resolution varying any of the rights attaching to the Preference Shares.
- 30.5 The holders of the Preference Shares shall be entitled to withdraw the Shareholder Redemption Notice if they serve the Company with written notice to that effect before the redemption takes place.
- 30.6 Where a Shareholder Redemption Notice has been duly given, the Company shall be obliged, subject to having sufficient available profits with which to redeem the same, to redeem the Preference Shares specified in the Shareholder Redemption Notice on the first Business Day following the receipt of such notice (which day shall be the date fixed for redemption).

- 30.7 If the Company is unable, because of having insufficient available profits, to redeem in full the relevant number of Preference Shares on the date fixed for redemption, the Company shall redeem as many of such Preference Shares as can lawfully and properly be redeemed and the Company shall redeem the balance as soon as it is lawfully and properly able to do so.
- 30.8 If the Company is at any time redeeming less than all the Preference Shares from time to time in issue, the number of Shares to be redeemed shall (subject to any contrary requirement in a Shareholder Redemption Notice) be apportioned between those holders of the Preference Shares then in issue pro rata according to the number of Preference Shares held by them respectively at the date fixed for redemption.
- 30.9 On the date fixed for redemption, each of the holders of the Preference Shares falling to be redeemed shall be bound to deliver to the Company, at the Company's registered office, the certificate(s) for such Preference Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) in order that the same may be cancelled. Upon such delivery, the Company shall pay to the holder (or, in the case of any joint holders, to the holder whose name stands first in the Company's register of members in respect of such Shares) the amount due to it in respect of such redemption against delivery of a proper receipt for the redemption monies.
- 30.10 If any certificate delivered to the Company pursuant to Article 30.9 includes any Preference Shares not falling to be redeemed on the date fixed for redemption, a new certificate in respect of those Shares shall be issued to the holder(s) thereof as soon as practicable thereafter (and, in any event, within 20 Business Days thereafter).
- 30.11 There shall be paid on the redemption of each Preference Share an amount equal to:
- 30.11.1 100% of the Issue Price thereof; and
- 30.11.2 all accruals and/or unpaid amounts of Preference Dividend in respect thereof, calculated down to and including the date of actual payment and such aggregate amount shall, subject to the Company having available profits or other monies which may be lawfully applied for such redemption, at that time become a debt due from and immediately payable by the Company to the holders of such Preferences Shares. If and to the extent that the debt so constituted is not paid in full on the due date, the unpaid amount shall carry interest at the Interest Rate in respect of the period from and including the due date down to and including the date of actual payment.

- 30.12 If the Company is unable to pay the amounts referred to in Article 30.11 in full on a date fixed for redemption by reason of having insufficient available profits or not having other monies which may be lawfully applied for such redemption, then the amount so unpaid shall be increased by an amount equal to the interest which would have accrued had interest on the unpaid amount been charged at the Interest Rate in respect of the period from and including the due date down to and including the date of actual payment and shall be paid as soon thereafter as, and to the extent that, available profits or other monies that may lawfully be applied for such redemption have arisen.
- 30.13 If the Company fails or is unable to redeem any of the Preference Shares in full on the date due for redemption for any reason whatsoever, all available profits (or other monies which may lawfully be applied for the purpose of redeeming Shares) shall be applied in the order of priority specified in Article 30.2.3.

**31. COMPANY'S LIEN, CALLS AND FORFEITURE**

Model Articles 52 to 62 (inclusive) and Model Article 73 shall apply to the Company with the following adaptations.

- (a) Model Article 52 shall apply as if the words 'partly paid' were deleted and replaced by the words 'not fully paid'; and
- (b) references in those Model Articles to 'the company secretary' shall be deemed to be followed by the words '(if any)'.

**32. POWER TO ISSUE AND ALLOT SHARES**

- 32.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 32.2 The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.
- 32.3 The directors are prohibited from exercising any power of the Company to allot shares or to grant rights to subscribe for or to convert any security into shares in the Company pursuant to section 550 of the Act. Any such power to which section 549(1) of the Act applies must be exercised in accordance with section 551 of the Act.
- 32.4 In accordance with section 567 of the Act, all of the requirements of sections 561 and 562 of the Act are excluded generally in relation to the allotment of or grant of rights to subscribe for or to convert any securities into, shares in the Company.

**33. PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES**

33.1 The Company may pay any person a commission in consideration for that person:

- (a) subscribing, or agreeing to subscribe, for shares; or
- (b) procuring, or agreeing to procure, subscriptions for shares.

33.2 Any such commission may be paid:

- (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other; and
- (b) in respect of a conditional or an absolute subscription.

**34. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except to the extent provided in the Articles or as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

**35. CERTIFICATES TO BE ISSUED EXCEPT IN CERTAIN CASES**

35.1 The Company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds.

35.2 Every certificate must specify:

- (a) in respect of how many shares, and of what class, it is issued;
- (b) the nominal value of those shares;
- (c) the amount paid up on them; and
- (d) any distinguishing numbers assigned to them.

35.3 No certificate may be issued in respect of shares of more than one class.

35.4 If more than one person holds a share, only one certificate may be issued in respect of it.

35.5 Certificates must:

- (a) have affixed to them the Company's common seal; or
- (b) be otherwise executed in accordance with the Companies Acts



36. **REPLACEMENT SHARE CERTIFICATES**

36.1 If a certificate issued in respect of a member's shares is:

- (a) damaged or defaced; or
- (b) said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares.

36.2 A member exercising the right to be issued with such a replacement certificate:

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

37. **SHARE TRANSFERS**

37.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

- (a) the transferor; and
- (b) (unless the share is fully paid) the transferee.

37.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

37.3 The Company may retain any instrument of transfer which is registered.

37.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

37.5 No share may be transferred unless in accordance with Schedule 1.

37.6 The directors:

- (a) must refuse to register the transfer of a share which is not permitted by these Articles;
- (b) may refuse to register the transfer of a share:
  - (i) if the share is not fully paid;

- (ii) unless the certificate for the share and other evidence satisfactory to the directors of the right to make the transfer is produced to them;
- (iii) unless the transfer is duly stamped (if applicable); or
- (iv) if otherwise entitled to do so pursuant to the Articles.

If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

37.7 Subject to Article 37.6 and except as required by law, the directors shall register the transfer of a share made in accordance with the Articles.

37.8 Subject to the provisions of this Article 37, shares or any interest in shares may not at any time be transferred to any person without the prior written consent of members holding in aggregate at least 91 per cent in nominal value of the issued shares for the time being in the Company.

### 38. **TRANSFER OF SHARES**

38.1 If title to a share passes to a Transmittree, the Company may only recognise the Transmittree as having any title to that share.

38.2 Nothing in the Articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

### 39. **TRANSMITTEES' RIGHTS**

39.1 A Transmittree who produces such evidence of entitlement to shares as the directors may properly require:

- (a) may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
- (b) subject to the Articles and pending any transfer of the shares to another person, has the same rights as the holder had.

39.2 Transmittrees do not have the right to attend or vote at a general or class meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

40. **EXERCISE OF TRANSMITTEES' RIGHTS**

- 40.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 40.2 If the Transmitttee wishes to have a share transferred to another person, the Transmitttee must execute an instrument of transfer in respect of it.
- 40.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the Transmitttee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

41. **TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a member in respect of shares and a Transmitttee is entitled to those shares, the Transmitttee (or other person to whom the shares are transferred pursuant to Article 39.1) is bound by the notice if it was given to the member before the name of the Transmitttee (or such other person) has been entered in the register of members.

42. **PROCEDURE FOR DECLARING DIVIDENDS**

- 42.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 42.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 42.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 42.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- 42.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 42.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 42.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful

payment of an interim dividend on shares with deferred or non-preferred rights.

#### **43. CALCULATION OF DIVIDENDS**

- 43.1 The rights as regards income attaching to each class of Shares shall be as set out in this Article.
- 43.2 In relation to the Preference Shares the Board shall be entitled to recommend a dividend of up to 6% per annum of the Issue Price (being the price paid for the relevant Share by the shareholder) per Preference Share (excluding any associated tax credit) which shall be paid at such time and in such manner as the Board recommends.
- 43.3 Subject to the Board recommending payment of the same, any available profits which the Company may determine to distribute in addition to those distributed under Article 43.2 in respect of any financial year shall be distributed amongst the holders of the Ordinary Shares according to the amount paid up or credited as paid up on each such Share.
- 43.4 The Company shall procure (so far as it is able) that each of its subsidiaries and each of its subsidiary undertakings which has available profits shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of the Preference Dividend and the redemption of any Preference Shares on their due date for redemption.

#### **44. LIQUIDATION PREFERENCE**

- 44.1 The rights as regards return of capital attaching to each class of shares shall be as set out in this Article.
- 44.2 On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any shares), the surplus assets of the Company remaining after the payment of its liabilities (including for the avoidance of doubt any debts arising from non-payment of the Preference Dividend) shall be applied in the following order of priority:
  - 44.2.1 first, in paying to each holder of Preference Shares in respect of each Preference Share of which it is the holder, an amount equal to (i) 100% of the Issue Price thereof; and (ii) the aggregate amount of any accruals and/or unpaid amounts of Preference Dividend (to be calculated down to and including the date of the return of capital and to be payable irrespective of whether such dividend would be unlawful by reason of there being insufficient available profits); and

44.2.2 secondly, the balance of such assets (if any) shall be distributed amongst the holders of the Ordinary Shares according to the amount paid up or credited as paid up on each such Share.

**45. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

**46. NO INTEREST ON DISTRIBUTIONS**

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- (a) the terms on which the share was issued; or
- (b) the provisions of another agreement between the holder of that share and the Company.

**47. UNCLAIMED DISTRIBUTIONS**

47.1 All dividends or other sums which are:

- (a) payable in respect of shares; and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

47.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

47.3 If:

- (a) 12 years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum, and it ceases to remain owing by the Company.

#### 48. **NON-CASH DISTRIBUTIONS**

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

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

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

#### 49. **WAIVER OF DISTRIBUTIONS**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share in whole or in part by giving the Company notice in writing to that effect (executed as a deed, unless the waiver is made for valuable consideration), but if:

- (a) the share has more than one holder; or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and executed, by all the holders or persons otherwise entitled to the share.

50. **AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

50.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve or any other reserve; and
- (b) appropriate any sum which they so decide to capitalise (capitalised sum) to the persons who would have been entitled to it if it were distributed by way of dividend (persons entitled) and in the same proportions.

50.2 Capitalised sums must be applied:

- (a) on behalf of the persons entitled; and
- (b) in the same proportions as a dividend would have been distributed to them.

50.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

50.4 A capitalised sum which was appropriated from profits available for distribution may be applied:

- (a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled; or
- (b) in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

50.5 Subject to the Articles, the directors may:

- (a) apply capitalised sums in accordance with Articles 50.3 and 50.4 partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments), and

- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article.

**51. MEMBERS CAN CALL GENERAL MEETINGS IF NO DIRECTORS**

If the Company has no directors, then any member may call a general meeting (or instruct the company secretary (if any) to do so) solely for the purpose of appointing one or more directors and any reasonable expenses incurred by a member in calling any such meeting shall be reimbursed by the Company.

**52. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

52.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

52.2 A person is able to exercise the right to vote at a general meeting when:

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

52.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

52.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

52.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

**53. QUORUM FOR GENERAL MEETINGS**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum provided that no quorum shall be present without the Founder.



**54. CHAIRING GENERAL MEETINGS**

54.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

54.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

(a) the directors present; or

(b) (if no directors are present), the meeting,

must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

54.3 The person chairing a meeting in accordance with this Article is referred to as the chairman of the meeting.

**55. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-DIRECTORS**

55.1 Directors may attend and speak at general meetings, whether or not they are members.

55.2 The chairman of the meeting may permit other persons who are not:

(a) members of the Company; or

(b) otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

**56. ADJOURNMENT AND POSTPONEMENT**

56.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

56.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

(a) the meeting consents to an adjournment; or

(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the

meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 56.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 56.4 When adjourning a general meeting, the chairman of the meeting must
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 56.5 It shall not be necessary to give any notice of an adjourned general meeting or of any business to be transacted at an adjourned meeting.
- 56.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.
- 56.7 If the directors in their absolute discretion consider that it is impractical or unreasonable for any reason to hold any general meeting convened by them at the time or place specified in the notice of meeting, they may at any time before the time appointed for holding that meeting (original meeting) postpone it to another time and/or place, in which case:
- (a) the directors shall take reasonable steps to notify those members who were entitled to notice of the original meeting of the time and place of the postponed meeting;
  - (b) no further notice of the postponed meeting or of any business to be transacted at the postponed meeting shall otherwise be required; and
  - (c) no business may be transacted at the postponed meeting which could not properly have been transacted at the original meeting

If a general meeting is postponed in accordance with this Article, the appointment of a proxy will be valid if it is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the postponed meeting. The directors may further postpone in accordance with this Article any meeting postponed under this Article.

**57. VOTING: GENERAL**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

**58. ERRORS AND DISPUTES**

58.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

58.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

**59. DEMANDING A POLL**

59.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote; or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

59.2 A poll may be demanded by:

- (a) the chairman of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution;
- (d) a person or persons representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution; or
- (e) a person or persons holding shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

59.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the chairman of the meeting consents to the withdrawal.

A demand which is withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

59.4 Polls must be taken at the general meeting at or in respect of which they are demanded and in such manner as the chairman of the meeting directs.

59.5 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

## 60. **CONTENT AND DELIVERY OF PROXY NOTICES**

60.1 Proxies may only validly be appointed by a notice in writing (proxy notice) which:

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the general meeting (or adjourned meeting) at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting to which they relate,

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their absolute discretion, accept the proxy notice at any time before the meeting.

60.2 The Company may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.

60.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

60.4 Unless a proxy notice indicates otherwise, it must be treated as:

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **61. EFFECT OF PROXY NOTICE**

- 61.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 61.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 61.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 61.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **62. AMENDMENTS TO RESOLUTIONS**

- 62.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 62.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

- 62.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that resolution.

63. **RESTRICTIONS ON MEMBERS' RIGHTS**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any written resolution of the Company unless all amounts due and payable to the Company in respect of that share have been paid.

64. **CLASS MEETINGS**

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

65. **MEANS OF COMMUNICATION**

- 65.1 Subject to the Articles, any document or information sent or supplied by the Company:

- (a) under the Articles or pursuant to the Companies Acts; or
- (b) pursuant to any other rule or regulation to which the Company may be subject (and if permitted by such rule or regulation),

may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by the Company (including, without limitation, by making documents or information available on a website).

- 65.2 Subject to the Articles, any document or information sent or supplied to the Company under the Articles or pursuant to the Companies Acts may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied to the Company.

- 65.3 References in the Articles to documents or information being sent or supplied by or to the Company include references to documents or information being sent or supplied by or to the directors acting on behalf of the Company.

66. **DEEMED RECEIPT**

- 66.1 Any document or information sent or supplied by the Company shall be deemed to have been received by the intended recipient.

- (a) if delivered by hand to an address in the United Kingdom, on the day of delivery to such address (or, if not a working day, on the next working day);
- (b) if sent by first-class post to an address in the United Kingdom and the Company is able to show that it was properly addressed, prepaid and posted, 24 hours after it was posted;
- (c) if sent by airmail to an address outside the United Kingdom and the Company is able to show it was properly addressed, pre-paid and despatched, 72 hours after it was despatched;
- (d) if sent or supplied by electronic means and the Company is able to show that it was properly addressed, 12 hours after it was sent; and
- (e) if sent or supplied by means of a website:
  - (i) when the material was first made available on the website; or
  - (ii) if later, when the recipient received (or is deemed pursuant to this Article 66.1 to have received) notice of the fact that the material was available on the website.

66.2 For the purposes of Article 66.1:

- (a) in calculating a period of hours, no account shall be taken of any part of a day that is not a working day;
- (b) a document or information is properly addressed if it is sent or supplied to an address to which the Company may send or supply documents or information in accordance with the Act; and
- (c) the Company shall not be required to investigate or prove actual receipt by an intended recipient of any document or information (including any document or information sent or supplied by electronic means).

66.3 A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and of the purposes for which it was called.

## 67. **COMMUNICATIONS WITH CERTAIN RECIPIENTS**

67.1 The Company shall be entitled not to send or supply notices (including any notification required by the Act that a document or information is available on

a website) to a member whose registered address is not within the United Kingdom, unless:

- (a) the member has provided the Company with a postal address within the United Kingdom at which notices may be sent or supplied to him; or
- (b) the member has provided the Company with an address to which notices may be sent or supplied to him by electronic means and the directors, in their absolute discretion, agree to use electronic means to supply notices to the member.

67.2 Subject to the Articles, in the case of joint holders of a share:

- (a) the sending or supply of any document or information to any one of the joint holders shall be deemed to be sufficient sending or supply to all the joint holders; and
- (b) where, for the purposes of the company communications provisions of the Act or of the Articles anything is to be agreed or specified by a holder, the agreement or deemed agreement or specification by any one of the joint holders shall be deemed to be sufficient agreement or specification by all the joint holders.

67.3 Subject to the Articles, any notice or other document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

67.4 A director may agree with the Company that notices or other documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than the time periods set out in Article 66.

## 68. **FAILURE TO NOTIFY CONTACT DETAILS**

68.1 If:

- (a) the Company sends two consecutive documents to a member over a period of at least 12 months; and
- (b) each of those documents is returned undelivered, or the Company receives notification that it has not been delivered,

that member ceases to be entitled to receive notices (including any notification required by the Act that a document or information is available on a website) from the Company.



68.2 A member who has ceased to be entitled to receive notices from the Company becomes entitled to receive them again by providing the Company with:

- (a) a new address to be recorded in the register of members (or, in the case of a member whose registered address is not within the United Kingdom, an address complying with Article 67.1); or
- (b) if the member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively.

69. **COMPANY SECRETARY**

The directors may appoint a person to act as the secretary of the Company for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them (with or without replacement).

70. **COMPANY SEALS**

70.1 Any common seal may only be used by the authority of the directors.

70.2 The directors may decide by what means and in what form any common seal is to be used.

70.3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

70.4 For the purposes of this Article, an authorised person is:

- (a) any director of the Company;
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

70.5 The Company may execute deeds and other documents otherwise than under the common seal provided that execution is in accordance with the Companies Acts.

71. **NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the

Company's accounting or other records or documents merely by virtue of being a member.

**72. PROVISIONS FOR EMPLOYEES ON CESSATION OF BUSINESS**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

**73. INDEMNITY AND FUNDING**

73.1 Subject to Article 73.2, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the directors may exercise the power of the Company to:

- (a) indemnify any relevant officer out of the assets of the Company against:
  - (i) any liability incurred by that relevant officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
  - (ii) (n) any liability incurred by that relevant officer in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
  - (iii) (Hl) any other liability incurred by that relevant officer as an officer of the Company or an associated company;
- (b) provide any relevant officer with funds to meet expenditure incurred or to be incurred by such relevant officer:
  - (i) in defending any criminal or civil proceedings or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company or an associated company; or
  - (ii) (11) in connection with any application for relief (within the meaning of section 205(5) of the Act),

or to do anything to enable a relevant officer to avoid incurring such expenditure.

- 73.2 This Article does not authorise any indemnity, provision of funds or other matter which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

74. **INSURANCE**

The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by a relevant officer in connection with their duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or any associated company.

## SCHEDULE 1 TRANSFER PROVISIONS

### 1. DEFINED TERMS

In this Schedule the following words and expressions shall have the following meaning:

**Acting in Concert** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

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

**Civil Partner** means in relation to a member, a civil partner (as defined in the Civil Partnership Act 2004) of the member;

**Controlling Interest** means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**Encumbrance** means any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

**Fair Value** is as determined in accordance with Paragraph 10;

**Family Trust(s)** means trust(s) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than a member who is an individual and/or Privileged Relations of that member;

**Insolvency Event** means:

- (a) in relation to a body corporate:
  - (i) it has an administration order granted against it;
  - (ii) it has an administrator or administrators appointed over it;
  - (iii) it has an administrative receiver, receiver or manager, fixed charge receiver or any other type of receiver, manager, interim manager or interim

trustee appointed over the whole or any part of its assets and/or undertaking;

- (iv) it resolves to be wound up voluntarily (other than as part of a genuine solvent reconstruction/amalgamation);
  - (v) it is placed into liquidation; or
  - (vi) it is dissolved or removed from the Register of Companies.
- (b) in relation to a person other than a body corporate:
- (i) it has a receiver or manager, fixed charge receiver or any other type of receiver, manager, interim manager or interim trustee appointed over the whole or any part of its assets; or
  - (ii) (n) it has a bankruptcy order made against it;
  - (iii) in relation to a person whether a body corporate or not it becomes subject to any proceedings analogous to those listed in sub-paragraphs (a)(i) to (vi) (inclusive) or (b)(i) to (n) inclusive in any jurisdiction outside of England and Wales;

**Group** in relation to a member that is an undertaking means that undertaking and its subsidiary undertaking(s) (if any) from time to time; Member Loans means any loan from a member to the Company;

**Member Units** means a member's Shares and Relevant Proportion of such member's Member Loans (if any);

**Permitted Transferee** means:

- (a) in relation to a member who is an individual, any of his Privileged Relations, Trustees or Qualifying Company;
- (b) in relation to a member which is an undertaking means any member of the same Group; or
- (c) in relation to NomineeCo, means another trust company.

**Privileged Relation** in relation to a member who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);

**Qualifying Company** means a company in which a member or Trustee(s) hold the whole of the share capital and which they control;

**Relevant Proportion** means in relation to a member's Members Loan the ratio, expressed as a percentage of (a) that member's Ordinary Shares which are to be transferred, to (b) the aggregate amount of that member's Ordinary Shares;

**Shares** means the Ordinary Shares and Preference Shares; and

**Transfer Notice** has the meaning set out in Paragraph 4.1; and

**Trustees** means the trustee(s) of a Family Trust.

## 2. **TRANSFER OF SHARES – GENERAL**

- 2.1 Reference to the transfer of a Share in these Paragraphs includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 2.2 If a member transfers or purports to transfer a Share otherwise than in accordance with these Paragraphs, he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.
- 2.3 The directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any members' agreement in force between some or all of the members and the Company.

## 3. **PERMITTED TRANSFERS**

- 3.1 A member (**Original Member**) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 3.2 Shares previously transferred as permitted by Paragraph 3.1 may be transferred by the transferee to the Original Member or any other Permitted Transferee of the Original Member without restriction as to price or otherwise.
- 3.3 Where, upon death of a member, the persons legally or beneficially entitled to any Shares are Permitted Transferees of that deceased member, the legal representative of the deceased member may transfer any Share to those Permitted Transferees without restriction as to price or otherwise.
- 3.4 If a Permitted Transferee ceases to be a Permitted Transferee of the Original Member, the Permitted Transferee must not later than five working days after the date on which the Permitted Transferee so ceases, transfer the Shares held

- by it to the Original Member or another Permitted Transferee of the Original Member without restriction as to price or otherwise, failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 3.5 On the death, bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five working days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Member if still living (and not bankrupt or in liquidation) or, if so, directed by the Original Member, to any Permitted Transferee of the Original Member. If the transfer is not executed and delivered within five working days of such period or if the Original Member has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice (pursuant to Paragraph 4).
- 3.6 A Beneficial Owner shall be entitled at any time to transfer his entire beneficial interest in the Shares held on trust for him by NomineeCo without restriction to any person, provided that the legal title in such Shares continues to be held by NomineeCo and the transferee is (or becomes prior to the completion of the transfer) a member of the crowdfunding platform operated by Crowdcube Capital Limited.
4. **TRANSFER OF SHARES – PRE-EMPTION**
- 4.1 If one or more member wishes to transfer its Member Units to a bona fide third party who is not a Permitted Transferee of the relevant member(s) on arms' length terms, or any interest in them otherwise than pursuant to Paragraph 3, the member(s) (Transferor) shall give a notice in writing to the Board (Transfer Notice) stating:
- (a) the number of Member Units they wish to transfer, (which must be all but not some only of the Transferors' Member Units) (Transfer Shares);
  - (b) whether or not the transfer shall be subject to a condition that unless buyers are found for all the Transfer Shares, none shall be sold (a Total Transfer Condition);
  - (c) details of the third party offer for the Transfer Shares (which must be a bona fide third party offer), and

- (d) the price for which they wish to sell the Transfer Shares which must be the price at which the Transferor(s) have agreed to sell the Transfer Shares to such third party and which must set out the price being offered for any Ordinary Shares, Preference Shares (valued in accordance with Paragraph 9.2) and Member Loans (valued in accordance with Paragraph 9.2) (Transfer Price).

4.2 Once a Transfer Notice is issued it shall be irrevocable.

4.3 As soon as possible following the receipt of the Transfer Notice (or, in the case of the Fair Value being determined pursuant to any other applicable Paragraph) the Board shall send a notice in writing (Sale Notice) to all the other member(s) (except any other Transferor(s)) (Relevant Members) offering for sale to each Relevant Member at the Transfer Price, such Relevant Member's pro rata entitlement of the Transfer Shares being the proportion that such Relevant Member's Shares bear to all the Shares held by the Relevant Members (its Transfer Proportion).

4.4 The Sale Notice shall set out:

- (a) the number of Transfer Shares offered in total, and the number offered to the Relevant Member (determined in accordance with Paragraph 4.3 above);
- (b) the Transfer Price;
- (c) the closing date of the offer (Closing Date) being 20 working days after the date of the Sale Notice;
- (d) whether or not the transfer shall be subject to a Total Transfer Condition; and
- (e) that acceptance is irrevocable.

4.5 Relevant Member may accept the offer for all but not some only of the Transfer Shares offered to it or reject it by giving written notice to the Board on or before the Closing Date, such notice to also include the number of Transfer Shares the Relevant Member wishes to acquire over and above its Transfer Proportion (if any) Each acceptance is unconditional and irrevocable A Relevant Member who offers to purchase a stated number of Transfer Shares is also to be deemed to have offered to purchase a lesser number of Transfer Shares allocated to it under this Paragraph 4. If no acceptance is received by the Closing Date, the Relevant Member will be deemed to have rejected that offer.

4.6 If there are insufficient Transfer Shares to satisfy acceptances from all Relevant Members, the Transfer Shares will be apportioned between the Relevant Members in their Transfer Proportions Fractional entitlements shall be



rounded to the nearest whole number. If such an apportionment would result in a greater number of Shares being transferred to a Relevant Member than is specified in its acceptance, the excess must be reallocated amongst the other Relevant Members who have lodged acceptances, as nearly as may be in proportion to their Transfer Proportions This Paragraph 4.6 applies to such reallocation and if necessary the process must be repeated until all of the Transfer Shares have been allocated or the maximum number of Transfer Shares each Relevant Member wishes to accept is reached (whichever is reached first).

- 4.7 Within 5 working days of the Closing Date, the Board must, and the Parties shall procure that the Board shall, notify the Transferors and the Relevant Members who have accepted the offer of the number of Transfer Shares allocated to each such Relevant Member (Accepting Member). Where the Accepting Members have indicated that they are not willing to purchase all of the Transfer Shares, then (except where the proposed sale arises by virtue of the operation of Paragraph 5 when the Transferor shall be compelled to transfer such number of Shares as have been allocated to Accepting Members and may not elect to transfer to third parties), the Transferor may either:
- (a) withdraw the Transfer Notice;
  - (b) elect to sell either all the Transfer Shares or the Transfer Shares not taken up by the Relevant Members, to a third party under Paragraph 4.11.1; or
  - (c) elect to sell to the Accepting Members the number of Transfer Shares which they have indicated they are willing to purchase and sell and transfer the balance of Transfer Shares under Paragraph 4.11.2.
- 4.8 Completion of the transfer of the Transfer Shares to Accepting Members must take place within ten working days of the Closing Date. At completion:
- (a) the Transferors must deliver the share certificates for the Transfer Shares to the Accepting Member(s) along with a duly executed stock transfer form as assignments (or equivalent) in respect of the same and if necessary;
  - (b) the Accepting Member(s) shall pay by cash in cleared funds to the Transferors or the Transferors' solicitors the Transfer Price for the relevant number of Transfer Shares.
- 4.9 In the event that any Transferor fails to comply with Paragraph 4.8 above, that Transferor irrevocably:

- (a) appoints any director to be its attorney to execute and deliver a transfer and/or assignment of the Transfer Shares to the Accepting Member(s); and
  - (b) authorises the Company to receive the proceeds of the sale of the Transfer Shares in trust for the Transferor and give a valid receipt to the Accepting Member(s) in respect of such amount.
- 4.10 Any sale of Transfer Shares pursuant to this Paragraph shall be deemed to include warranties by the Transferor that they are free from any Encumbrance and shall be sold together with all rights attaching thereto (including dividends declared but not yet paid on the date on which the transfer is to take place).
- 4.11 In the event that not all the Transfer Shares are allocated to purchasers under this Paragraph 4, the Transferor shall:
  - 4.11.1 in the event that the Transfer Notice contained a Total Transfer Condition, be entitled to:
    - (a) sell all (but not some only) of the Transfer Shares to a third party; or
    - (b) elect to sell those Transfer Shares not taken up by Relevant Members to a third party and to sell those Transfer Shares taken up by Relevant Members to such Relevant Members on the same date as the transfer to the third party;
  - 4.11.2 in the event that the Transfer Notice did not contain a Total Transfer Condition, be entitled to sell to a third party, any of the Transfer Shares not allocated to Accepting Members,
 

provided that in each case, the sale must be to a bona fide third party on terms no more favourable to the Transferor than those offered under the Sale Notice and provided always that such sale is completed within three months of the date of Transfer Notice. Any such transfer of shares to a bona fide third party shall be subject to the provisions of Paragraphs 6, 7, 8 and 9.

## 5. **MANDATORY SHARE TRANSFERS**

- 5.1 An event of default occurs in relation to a member or Permitted Transferee (the Defaulting Member) if:
  - 5.2 they fail to comply with Paragraph 2.3;
    - 5.2.1 the member is subject to an Insolvency Event;

- 5.2.2 a member breaches the provisions of these Paragraphs that relate to the transfer of shares; or
- each an Event of Default
- 5.3 Where an Event of Default occurs the Defaulting Member and all its Permitted Transferees (to whom it has transferred Shares) shall be deemed to have served a Transfer Notice and offered their Member Units (Mandatory Transfer Shares) for sale in accordance with Paragraph 4 above save that:
- (a) the Mandatory Transfer Shares shall be offered to the other Members (other than the Defaulting Members) only, who shall be the Relevant Members for the purpose of this Paragraph 5;
  - (b) the Transfer Price of the Defaulting Member's Mandatory Transfer Shares shall be.
    - (i) in relation to any Ordinary Shares, 75% of Fair Value; and
    - (ii) in relation to any Member Loans and/or Preference Shares in accordance with Paragraph 9.2;
  - (c) the Defaulting Member shall not be permitted to withdraw the Transfer Notice for any reason; and
  - (d) in the event that there are not Accepting Members for all Mandatory Transfer Shares (Mandatory Transfer Shares Balance):
    - (i) the Defaulting Member shall not be permitted to transfer any part of its Mandatory Transfer Shares to a third party under Paragraph 4.11 without the written consent of the Founder (except where he is the Defaulting Member); and
    - (ii) the Board shall be entitled to resolve that the Company (subject to the 2006 Act) and/or some other persons or bodies corporate specified by the Board (Specified Person(s)) shall purchase some or all the Mandatory Transfer Shares Balance.

## 6. **DRAG ALONG AND TAG ALONG OFFERS**

- 6.1 If having complied with the provisions of Paragraph 4:
- 6.1.1 members holding in aggregate not less than 50 per cent of the Ordinary Shares in issue wish to transfer Member Units (including such Ordinary Shares) for cash to a bona fide third party who is not an Associate of the

relevant member(s) on arms' length terms (a Third Party Purchaser) pursuant to agreed terms; or

6.1.2 a member or members wish to transfer Member Units to a Third Party Purchaser who, together with any person Acting in Concert, would as a result of such purchase acquire a Controlling Interest in the Company, such members (the Selling Members and in each case the Shares comprised in such Member Units being Offer Shares) may only transfer such Member Units to such Third Party Purchaser provided that as a condition the Selling Members must either:

- (a) exercise an option (the Drag Along Option) to require that the other members (the Dragged Members and each being a Dragged Member) transfer all but not some only of their Member Units (the Dragged Shares) at the same time as the Selling Members to the Third Party Purchaser (or as it shall direct) in accordance with Paragraph 7; or
- (b) procure that the Third Party Purchaser makes an offer in writing (Tag Offer Notice) to the other member(s) (Tag Offer Recipients) to acquire such of their Member Units (Tag Shares) as the Tag Offer Recipient(s) wishes to transfer (the Tag Offer) and completes such Tag Offer in accordance with Paragraph 8.

## **7. DRAG ALONG PROCEDURE**

7.1 The Selling Member(s) may exercise the Drag Along Option by giving written notice (the Drag Notice) to the Dragged Members and the Company setting out:

- 7.1.1 details of the Third Party Purchaser;
- 7.1.2 the price being paid by the Third Party Purchaser to the Selling Members for their Member Units, showing the amount being paid in respect of the Offer Shares (any Preference Shares being valued in accordance with Paragraph 9.2) and the amount in respect of the Members Loans (valued in accordance with Paragraph 9.2);
- 7.1.3 the price to be offered for the Dragged Shares, which must be an aggregate sum equal to the amount per Ordinary Share set out in Paragraph 7 1.2 and the value of any Preference Share and Member Loans held by the Dragged Member (in each case valued in accordance with Paragraph 9.2);
- 7.1.4 the date of transfer (which must be the same date as the Selling Member is selling to the Third Party Purchaser and which must be a date no less

than 20 working days and no more than 50 working days after the date of the Drag Notice).

- 7.2 Completion of the sale of the Offer Shares and the Dragged Shares shall take place on the date set out in the Drag Notice unless the Dragged Member(s), the Selling Members and the Third Party Purchaser agree otherwise at which time:
- 7.2.1 each member must deliver to the Company duly executed transfers or assignments (as applicable) in respect of all its Member Units executed in favour of the Third Party Purchaser and all relevant certificates of title in respect of such Member Units; and
- 7.2.2 the Third Party Purchaser shall deliver a bankers draft or other form of irrevocable payment to each member in respect of their Member Units.
- 7.3 All Member Units transferred pursuant to this Paragraph 7 shall be deemed to be transferred with a warranty that they are free from any right of pre-emption, option, lien, charge, equity or other encumbrance and shall be sold together with all rights attaching thereto (including dividends declared but not paid on the date on which the transfer is to take place).

## 8. **TAG ALONG PROCEDURES**

- 8.1 A Selling Member may exercise the Tag Along Option by procuring that the Third Party Purchaser makes a Tag Offer to the Tag Offer Recipients and completes such Tag Offer in accordance with this paragraph.
- 8.2 The Tag Offer Notice must:
- 8.2.1 set out details of the Third Party Purchaser;
- 8.2.2 specify the price being offered by the Third Party Purchaser to the Selling Members for their Member Units, showing the amount being paid in respect of the Offer Shares (any Preference Shares being valued in accordance with Paragraph 9.2) and the amount in respect of the Members Loans (valued in accordance with Paragraph 9.2);
- 8.2.3 the price to be offered for the Tag Shares, which must be an aggregate sum equal to the amount per share set out in Paragraph 8.2.2 and the value of any Preference Shares and Member Loans held by the Tag Offer Recipient (in each case valued in accordance with Paragraph 9.2);
- 8.2.4 be capable of acceptance for a period of not less than 20 working days after the Tag Offer Notice is received by the other member(s); and
- 8.2.5 specify a date for completion of the sale and purchase of any Tag Shares for which acceptances are received, which must be the same date as the

Selling Member is selling to the Third Party Purchaser and which must be a date no less than 20 working days after the date of the Tag Offer Notice and no more than 50 working days after the date of the Tag Offer Notice (Tag Completion Date).

- 8.3 No transfer in favour of a Third Party Purchaser or its nominee shall be made unless the provisions of Paragraph 4 have been complied with and insofar as the Tag Offer has been made and accepted, completion has taken place and the price has been paid.
- 8.4 Completion of the sale of Tag Shares subject to the Tag Offer for which acceptances are received, together with those of the Selling Member(s), shall take place on the date set out in the Tag Offer Notice at which time.
- (a) each relevant selling member must deliver to the Company, duly executed transfers or assignments (as applicable) in respect of all its Tag Shares being transferred for which it has delivered acceptances executed in favour of the Third Party Purchaser and all relevant certificates of title in respect of such Tag Shares;
  - (b) the Third Party Purchaser shall deliver a bankers draft or other form of irrevocable payment to each member for the cash consideration payable under this Paragraph 8 for the Tag Shares being transferred to it.
- 8.5 All Tag Shares transferred pursuant to this Paragraph 8 shall be deemed to be transferred with a warranty that they are free from any right of pre-emption, option, lien, charge, equity or other encumbrance and shall be sold together with all rights attaching thereto (including dividends declared but not paid) on the date on which the sale is to take place.
- 8.6 A member is not permitted to require a Tag Offer to be issued in the event that a valid Drag Notice has been issued in accordance with Paragraph 7 in respect of the proposed transfer (or part thereof).
9. **TERMS APPLICABLE TO ALL TRANSFERS**
- 9.1 Where a member is transferring Member Units in a manner permitted by these Paragraphs such member's Shares shall be transferred with full title guarantee and free from all Encumbrances.
- 9.2 Where:
- 9.2.1 a Member Loan is being transferred it shall be valued at its face value at the date of transfer, being an amount equal to the amount of principal and all accrued unpaid interest thereon;

- 9.2.2 Preference Shares are being transferred they shall be valued on the basis of nominal value plus an amount equal to any accrued dividend.
- 9.3 Save where all the Member Units being transferred are being transferred to a single holder, it shall be a condition precedent to each transfer of Member Units to a person who is not already a member that such person (New Member):
- (a) is approved, as to.
    - (i) identity (identity in this case including the identity of any direct and indirect members and the structure of their shareholdings and whether the proposed New Member is a competitor to any other member or the Company); and
    - (ii) relevant Business related experience and financial standing,
- by the directors (such approval not unreasonably to be withheld or delayed) and the directors shall be entitled, if reasonable in all the circumstances, to require restrictions on any subsequent change of control or ownership of any proposed New Member.
- 9.4 On any New Member, following the issue of a Drag Notice or Tag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company, a Drag Along Notice or Tag Along Notice (as applicable) shall be deemed to have been served on the New Member on the same terms as the previous Drag Along Notice or Tag Along Notice (as applicable) who shall then be bound to sell and transfer all Shares so acquired to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Member except that completion of the sale of the Shares may take place immediately on the Drag Along Notice or Tag Along Notice being deemed served on the New Member.
- 9.5 If any transferring member fails to comply with its obligations under Paragraphs 4, 5, 6, 7 and 8 within 5 (five) working days of the date of transfer (which for the purposes of this Paragraph shall be deemed to be the Transfer Date), the transferring member hereby appoints each director (other than itself) by way of security for the performance of its obligations under the said paragraph to act as its attorney (**Attorney**) on its behalf to do all things and execute all documents and instruments necessary to effect the relevant transfer in accordance with this agreement and the transferring member hereby appoints the Company to hold the purchase money in trust for the transferring member. The receipt by the Company of the purchase money shall be a good discharge to the purchaser of Shares and after the relevant transfer

has been recorded in the Register of members of the Company in exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person. It shall be no impediment to registration of Shares that no share certificate or other certificate of title has been produced.

- 9.6 Each transferring member undertakes to ratify whatever any Attorney shall lawfully do or cause to be done in accordance with such power of attorney and to indemnify and keep indemnified the Attorney from all claims, expenses, damages and losses which the Attorney may suffer or incur as a result of the lawful exercise by him or it of the powers conferred under such power of attorney.

## 10. VALUATION OF MEMBER UNITS

- 10.1 Where the Fair Value of Member Units (**Sale Units**) is required to be calculated pursuant to these Paragraphs, if no price is agreed between the seller and the Board then, upon service of the Transfer Notice the Board shall appoint an expert valuer in accordance with Paragraph 10.2 (**Expert Valuer**) to certify the Fair Value of the Sale Units or if the Fair Value has been certified by Expert Valuer within the preceding 12 weeks, such certified Fair Value shall apply.
- 10.2 The Expert Valuer will be the Auditors unless this is not agreed by the seller and the Board in which case it will be an independent firm of Chartered Accountants to be agreed between the Board and the seller or failing agreement within 10 working days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and appointed by the Company.
- 10.3 The Fair Value of the Sale Units shall be determined by the Expert Valuer on the following assumptions and bases:
- (a) valuing the Sale Units as on an arms' length sale between a willing seller and a willing buyer;
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Units are capable of being transferred without restriction;
  - (d) valuing the Shares comprised in the Sale Units as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent;
  - (e) valuing any Member Loans comprised in the Sale Units, in accordance with Paragraph 9.2; and



- (f) reflect any other factors which the Expert Valuer reasonably believe should be taken into account.

10.4 The Expert Valuer shall be requested to determine the Fair Value within 20 working days of its appointment and to notify the Board and the Seller of its determination. The Expert Valuer shall act as experts and not as arbitrators and its determination shall be final and binding on the parties (in the absence of fraud or manifest error). The cost of obtaining the certificate shall be paid by the Company unless the Fair Value certified by the Expert Valuer is less than the price (if any) offered by the directors to the seller for the Sale Unit before Expert Valuer was instructed in which case the Seller shall bear the cost.