

DATED

2018

ARTICLES OF ASSOCIATION

of

Round Corner Brewing Ltd

Company number 10810613

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ROUND CORNER BREWING LTD

(ADOPTED BY SPECIAL RESOLUTION PASSED ON

2018)

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

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).

Alternate Director: has the meaning given in article 11.1.

Articles: means the articles of association of the Company for the time being in force.

A Shares: means the A ordinary Shares of £1 each in the capital of the Company and **A Members** are holders for the time being of the A Shares.

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

Bad Leaver: means a Leaver who is not a Good Leaver.

B Shares: means the B ordinary Shares of £1 each in the capital of the Company and **B Members** are holders for the time being of the B Shares.

Business Day: any day (except Saturdays and Sundays) when clearing banks are open for business in London.

Conflict: has the meaning given in article 7.1.

Date of Adoption: means the date of adoption of these Articles.

Deemed Transfer Notice: has the meaning given in article 18.2.

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

EIS: means the Enterprise Investment Scheme as established by sections 156-257 of the Income Tax Act 2007.

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

Expert: means either the auditors of the Company from time to time, or (if otherwise agreed by the directors and the Seller) an independent firm of chartered accountants

to be agreed between the directors and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice or Deemed 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 approved by the Company.

Fair Value: means, in relation to Shares, as determined in accordance with article 18.6.

Founders: means Columba Cryan and Colin Paige and **Founder** means either of them.

Good Leaver: means (i) a Founder who is a Leaver or (ii) an employee or director of the Company who is an A Member or a B Member who ceases to be a director or employee of the Company by reason of:

- (a) the Company terminating his service agreement by serving notice (in accordance with the terms of that contract) in circumstances where the Leaver is not in breach, nor has been in breach, of his contract as determined by a majority of the Shareholders of the Company;
- (b) permanent disability or permanent incapacity through ill health;
- (c) retirement at normal retirement age; or
- (d) dismissal by the Company which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful or constructive.

Intellectual Property: patents, rights to inventions, recipes, utility models, copyright, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

Investors: means each third party who invests in the Company and receives Ordinary Shares in the Company after the Date of Adoption.

Leaver: means any employee or director of the Company who is an A Member or a B Member who ceases to be either such an employee or such a director other than upon death.

Members: means the Ordinary Members, the A Members and the B Members and **Member** means any of them.

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

Ordinary Shares: means the ordinary Shares of £1 each in the capital of the Company and **Ordinary Members** are holders for the time being of the Ordinary Shares.

Privileged Relation: means in relation to a Member who is an individual (or a deceased or former Member who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).

Qualifying Member: means an A Member holding 40% (or more) of the number of issued A Shares for the time being.

SEIS: means the seed enterprise investment scheme relief available under Chapter 5 of ITA 2007 or such relief as it may be varied or replaced from time to time.

Seller: has the meaning given in article 18.2.

Shares: means collectively the Ordinary Shares, the A Shares and the B Shares and **Share** means any of them.

Transfer Notice: means a notice in accordance with article 20 that any Member desires to transfer his Shares.

Voting Shares: means the Ordinary Shares and the A Shares.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

- 1.6 Any phrase 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.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2) and 49 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 of the Model Articles shall be amended by:
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a);
and
 - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.10 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.11 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.12 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 1.13 Articles 31(1)(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".
- 1.14 The Articles replace all previous articles of the Company. In the event of any contradiction between the Articles and any shareholders or subscription agreement, such shareholders or subscription agreement shall prevail.

DIRECTORS

2. DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when the majority of Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

- 2.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

3. CALLING A DIRECTORS' MEETING

- 3.1 Any director may call a directors' meeting by giving not less than two Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors.

4. QUORUM FOR DIRECTORS' MEETINGS

- 4.1 Subject to article 4.3, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors, save that if there is only one director in office the quorum for such meeting (or part of a meeting) shall be one director.
- 4.2 Unless otherwise determined by ordinary resolution, the number of directors (other than Alternate Directors) shall not be subject to any maximum but shall not be less than one.
- 4.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's Conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

5. CASTING VOTE

- 5.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the directors appointed by the Founders shall have a casting vote, but this does not apply if in accordance with the Articles those directors are not to be counted as participating in the decision making process for quorum or voting purposes. If all directors appointed by the Founders have a casting vote in accordance with this article, those directors must vote in consensus for this to constitute a casting vote.

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 6.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;

- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

7. DIRECTORS' CONFLICTS OF INTEREST

7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this article 7 will be effective only if:

- (a) the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors for consideration at a meeting under the provisions of these Articles;
- (b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the Interested director; and
- (c) the matter was agreed to without his voting or would have been agreed to if the vote of the Interested director had not been counted.

7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

- (c) provide that the Interested director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the affairs of the Company where to do so would amount to a breach of that confidence; and
- (f) permit the Interested director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

7.4 Where the directors authorise a Conflict, the Interested director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested director, prior to such revocation or variation, in accordance with the terms of such authorisation.

7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

8. VOTING BY DIRECTORS

8.1 At a meeting of directors, for each resolution being proposed a director shall in respect of such resolution carry the right to one vote.

9. RECORDS OF DECISIONS TO BE KEPT

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

10. APPOINTMENT OF DIRECTORS

10.1 Any Qualifying Member shall be entitled (i) to be a director of the board of directors, or to appoint one nominee director to the board of directors, and (ii) to appoint a second director to the board of directors and to remove and replace such nominee

director and/or second director upon written notice to the board of directors, provided that such director shall have been previously approved by the board of directors such approval not to be unreasonably withheld or delayed.

- 10.2 Any director appointed to the board of directors in accordance with article 10.1 above shall immediately resign as a director should his appointing Qualifying Member cease to be a Qualifying Member.
- 10.3 The appointment of directors other than by Qualifying Members shall be in accordance with the Model Articles.
- 10.4 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(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 natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

11.1 Any director (**Appointor**) may appoint any other director, or any other person approved by resolution by the directors as an alternate (**Alternate Director**), 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.

11.2 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.

11.3 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 the proposed Alternate Director is willing to act as the Alternate Director of the director giving the notice.

12. RIGHTS, RESPONSIBILITIES AND TERMINATION OF ALTERNATE DIRECTORS

12.1 An Alternate Director may act as Alternate Director to more than one director and has the same rights in relation to any decision of the directors as the Alternate Director's Appointor.

12.2 Except as the Articles specify otherwise, Alternate Directors:

- (a) are deemed for all purposes to be directors;

- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointor; and
- (d) are not deemed to be agents of or for their Appointor,

and, in particular (without limitation), each Alternate Director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.

12.3 A person who is an Alternate Director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of article 12.3(a) and article 12.3(b).

12.4 A director who is also an Alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the directors (provided that his Appointor is an Eligible Director in relation to that decision).

12.5 An Alternate Director may be paid expenses and may be indemnified by the Company to the same extent as his Appointor but shall not be entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the remuneration of the Alternate Director's Appointor as the Appointor may direct by notice in writing made to the Company.

12.6 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 appointment of the Appointor as a director;
- (c) on the death of the Alternate Director's Appointor; or
- (d) when appointment of the Alternate Director's Appointor terminates.

13. SECRETARY

13.1 The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

14. OBSERVER

- 14.1 Investor(s) holding at least 10% of the number of Ordinary Shares in the Company shall from time to time have the right to nominate one person to be an observer, who shall be entitled to receive notice of all meetings of directors (and committees of the directors) of the Company and copies of all board papers as if he were a director of the Company and to attend, propose resolutions and speak at, but not vote at, any meeting of the directors (and committees of the directors) of the Company.

15. SEIS and EIS

- 15.1 Certain of the Investors wish to be eligible for relief under the SEIS and the EIS in respect of their investment in Ordinary Shares and accordingly the directors will endeavour, in so far as it is commercially reasonable and having regard to the best interests of the Company, to conduct the business activities of the Company in a manner consistent with the Company's status as a qualifying company for the purpose of relief under the SEIS and the EIS. The directors will cooperate with Investors whose shares may be eligible for the reliefs referred to above and will assist in providing whatever returns and certificates may reasonably be required to facilitate the Investor's claims for such relief.

SHARES

16. SHARE RIGHTS

- 16.1 Subject to the provisions of these Articles and the Act, the directors have general and unconditional authority, pursuant to section 551 of the Act, to exercise all powers of the Company to allot relevant securities for a period of five years from the date of adoption of these Articles, but this authority may be renewed, varied or revoked from time to time by the Company in general meeting. The maximum nominal amount of relevant securities which may be allotted under this authority shall be £15,000. The directors may before this authority expires make an offer or agreement which would or might require relevant securities of the Company to be allotted after it expires and may allot relevant securities in pursuance of that offer or agreement.
- (a) In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
 - (b) Subject to the other provisions of this article 16.1 and to section 551 of the Act, any equity securities shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
 - (c) No Shares may be issued to any person who is not already a Shareholder until such proposed allottee has executed and delivered to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar) document in force between the Shareholders in such form as they may require. The allotment may not be registered unless that deed has been executed and delivered to the Company's registered office by the proposed allottee.

16.2 Except as otherwise provided in the Articles the Ordinary Shares, the A Shares and B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

16.3 The rights attaching to the respective classes of Shares shall be as follows:

As regarding voting:

- (a) if the A Members hold at least 51% of the number of Shares in the Company, the Ordinary Shares and the A Shares shall each have one vote per share of the total votes at any general meeting of the Company (including at a poll at or following any general meeting), and on any resolution of the Members of the Company and to receive notice by circular of written resolutions and to vote on written resolutions in all respects as set out in the Articles.in proportion to the total number of Shares held by them respectively; or
- (b) If the A Members hold less than 51% of the number of Shares in the Company:
 - (A) first, the holders of the A Shares then in issue shall have 51% of the total votes at any general meeting of the Company (including at a poll at or following any general meeting), and on any resolution of the Members of the Company and to receive notice by circular of written resolutions and to vote on written resolutions in all respects as set out in the Articles, pro rata to the A Members in proportion to the number of A Shares held by each A Member respectively;
 - (B) second, after accounting for the votes of the A Members, the holders of the Ordinary Shares as a class shall have the remaining votes at any general meeting of the Company (including at a poll at or following any general meeting), and on any resolution of the Members of the Company and to receive notice by circular of written resolutions and to vote on written resolutions in all respects as set out in the Articles, pro rata to the Ordinary Members in proportion to the number of Ordinary Shares held by each Ordinary Member respectively.
- (c) The B Shares shall not confer on the holders thereof the right to vote at general meetings of the Company nor to receive notice by circular of written resolutions nor to vote on written resolutions in any respects.

16.3 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust, encumbrance or charge of any description over that share, and reference to a share includes a beneficial or other interest in a share.

16.4 No share shall be transferred unless the transfer is made in accordance with these Articles.

16.5 Subject to article 16.7, the directors shall forthwith register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

- 16.6 Any transfer of shares by way of a sale that is required to be made under these Articles shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.
- 16.7 The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between the Members in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 16.7, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

17. GOVERNANCE

- 17.1 Each Member shall procure that the Company or any of its subsidiaries (in respect of that entity's business) shall not without the prior written approval Members holding at least 65% of the Voting Shares from time to time carry out the following matters:
- (a) alter the rights of the common shares;
 - (b) create any new classes or series of shares;
 - (c) buy back and/or redeem any shares;
 - (d) list the Company's shares or other instruments issued by the Company on a stock exchange;
 - (e) enter into any transactions with related parties, including directors and shareholders other than as ordinary customers or pursuant to an employees' share schemes established by the Company;
 - (f) grant any loans (including loans to Members and or directors);
 - (g) dispose of any assets other than in the ordinary course of business;
 - (h) within two years from the Date of Adoption, pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent).

TRANSFER OF SHARES

18. OBLIGATORY TRANSFER OF SHARES

- 18.1 No transfer of Shares shall be made unless the following provisions of this article 18, article 19 and article 20 are complied with in respect of the transfer.
- 18.2 If any of the following events (**Obligatory Transfer Events**) happen to a holder of Ordinary Shares, A Shares or B Shares (in this article, the **Seller**), it shall be deemed to have served a Transfer Notice (**Deemed Transfer Notice**) immediately before any of the following Obligatory Transfer Events:

- (a) a bankruptcy order being made against a Seller, or an arrangement or composition being made with the Seller's creditors, or where the Seller otherwise takes the benefit of any statutory provision for the time being in force for the relief of such Seller's insolvent debtors, or if a Member that is a company either suffers or resolves to appoint a liquidator or administrator;
- (b) permanent disability of a Member who is employee, director or consultant of the Company such that such Member cannot make and/or communicate decisions as determined by a medical expert recommended by the British Medical Association and appointed by the Company whose costs shall be borne by the Company;
- (c) the Seller attempting to deal with or dispose of any Share otherwise than in accordance with these Articles;
- (d) a direction (by way of renunciation, nomination or otherwise) by a Member entitled to an allotment or transfer of Shares to the effect that all or any of the Shares be allotted, issued or transferred to some person other than himself;
- (e) a sale or other disposition of any beneficial interest in a Share (whether or not for consideration) by a member otherwise than in accordance with the Articles and whether or not made in writing;
- (f) a corporate member entering into liquidation (other than a member's voluntary liquidation for the purpose of reconstruction or amalgamation) or an administrative receiver or a receiver being appointed over any of its assets or an administration order being made against it;
- (g) Upon the death of a B Member (**Death**) where the B Shares held as at the date of Death have passed to a party not an existing Ordinary Member, A Member or B Member.

18.3 The Deemed Transfer Notice under article 18.2 shall be a notice to the directors of the Seller's intention to sell and the particulars of the Shares together with the price per share at which the Seller is willing to sell (**Proposed Price**).

18.4 Upon service of a Deemed Transfer Notice the Seller's Shares shall be offered for sale in the following order of priority:

- (a) Firstly, to A Members pro-rata to the number of Shares held by each A Member on the date of service of the Deemed Transfer Notice and in the event that the A Members are unable to or decline to buy-back the Seller's Shares any balance of the Seller's Shares shall then be offered;
- (b) Secondly, to Ordinary Members pro-rata to the number of Shares held by each Ordinary Member on the date of service of the Deemed Transfer Notice and in the event that the Ordinary Members are unable to or decline to buy-back the Seller's Shares any balance of the Seller's Shares shall then be offered;

- (c) Thirdly, to the Company and in the event that the Company is unable to or declines to buy-back the Seller's Shares any balance of the Seller's Shares shall then be offered;
- (d) Fourthly, if the Company and any Ordinary Members and A Member decline to accept the offer of Seller's Shares those shares may be accepted by other Members pro-rata to their Shares on the date of service of the Deemed Transfer Notice; and
- (e) Fifthly, to the extent there is a balance of Seller's Shares which have not been accepted pursuant to the offers made under articles 18.4(a), (b), (c) and (d) the Seller shall deemed to continue to serve Deemed Transfer Notice(s) at such interval(s) as the directors may determine at the Specified Price prevailing at the date of such further Deemed Transfer Notice(s) and the procedures set out in this article 18 shall continue to apply.

18.5 In the event that a Deemed Transfer Notice is served:

- (a) for a reason set out at articles 18.2 (a), (c), (d), (e) or (f) the Seller shall be entitled to the higher of par value or the Subscription Price Paid for the Seller's Shares to be paid in full within six weeks of service of a Deemed Transfer Notice;
- (b) for the reason set out at article 18.2 (b) or (g) the Seller shall be entitled to the higher of the Subscription Price Paid or Fair Value in respect of Seller's Shares in full within six months of service of a Deemed Transfer Notice.

18.6 Where an Obligatory Transfer Event under 18.2(b) or (g) has occurred the Specified Price shall be the Proposed Price if this is agreed by the Seller (or the Member's personal representative or administrators as the case may be) and the A Members or if no such agreement is reached the Fair Value. The Fair Value of the shares to be sold in the Company shall be the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions:

- (a) the value of the shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Seller's shares bear to the then total issued share capital of the Company (or if the Shares are to be valued following Death the Shares immediately prior to Death) taking into account the rights or restrictions applying to the Seller's shares (for the avoidance of doubt, with no premium or discount for the size of the Seller's shareholding, however with a premium or discount for voting or non-voting shares);
- (b) the sale is between a willing buyer and a willing seller on the open market;
- (c) the sale is taking place on the date that the Obligatory Transfer Event or Death occurred;
- (d) if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so;
- (e) the shares are sold free of all encumbrances;

- (f) the Expert takes into account factors he considers relevant.

If any problem arises in applying any of the assumptions set out in this article 18.6, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit.

- 18.7 The Expert shall be requested to determine the Fair Value within 28 Business Days of his appointment and to notify the Members in writing of his determination.
- 18.8 Subject to any confidentiality provisions, the Expert may have access to all accounting records and other relevant documents of the Company. The directors shall supply to the Expert any document the Expert requests.
- 18.9 The Expert shall act as an expert and not as an arbitrator. The Expert's determination shall be final and binding on the Members (in the absence of fraud or manifest error).
- 18.10 The professional costs of the Expert shall be paid by the Company
- 18.11 If the Seller (or in the event of death the personal representatives or administrators) fail to complete the transfer of shares as required under this article, the Company:
 - (a) is irrevocably authorised to appoint any person as agent to transfer the shares on the Seller's (or in the event of death the personal representatives or administrators) behalf and to do anything else that the Buyer may reasonably require to complete the sale; and
 - (b) may receive the purchase price in trust for the Seller (or in the event of Death the personal representatives or administrators), giving a receipt that shall discharge the Buyer.

19. PERMITTED TRANSFERS

- 19.1 An A Member who is an individual may freely transfer the Shares of which he is the holder to any other A Member as such Member determines in his sole discretion without prior notice.
- 19.2 Where a person is entitled to Shares in consequence of the death, bankruptcy or insolvency of an individual Member, he may transfer those Shares to any person or trustee to whom such individual Member, if not dead or bankrupt, would be permitted to transfer the same under article 19.1.
- 19.3 An Ordinary Member or an A Member (the **Original Shareholder**) may transfer all or any of his or its Shares to a Privileged Relation at any time.
- 19.4 Following a transfer to a Privileged Relation, such person (or the transmittee(s) of any such person), shall within 20 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder for such consideration as may be agreed between them; failing which a Transfer Notice shall be deemed to have been given in respect of such

Shares on the expiry of the period set out in this article 19.4 and the consideration shall be Fair Value. This article 19.4 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

19.5 Upon the death of an Ordinary Member or an A Member (**Death**) the Shares held as at the date of Death shall pass to his estate. The person who receives such Shares as a consequence of Death shall not be considered a Qualifying Member. For the avoidance of doubt, an existing Ordinary Member or an A Member who receives Shares upon the Death of another Ordinary Member or an A Member may be a Qualifying Member.

19.6 Any Investor may transfer all or any of its Ordinary Shares to a company in which the Investor, together with his Privileged Relations and any parents, siblings, aunts and uncles ("**Investor Extended Family**") hold the majority of the issued share capital and over which that Investor Extended Family exercises control (within the meaning of section 1124 of the CTA 2010).

20. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

20.1 In this article, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

20.2 Except where the provisions of article 19, article 24 or article 25 apply, any transfer of shares by a Member shall be subject to the pre-emption rights in this article.

20.3 A Member (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:

- (a) the number of Sale Shares;
- (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
- (c) the price (in cash) at which he wishes to sell the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the directors (**Transfer Price**)); and
- (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Members (**Minimum Transfer Condition**).

20.4 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.

20.5 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

- 20.6 As soon as practicable following the receipt of a Transfer Notice, the directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 20.7 The directors shall offer the Sale Shares to all Ordinary Members and A Members other than the Seller, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) for the maximum number of Sale Shares they wish to buy; and in the event that the Ordinary Members or A Members are unable to or decline to buy-back the Seller's Shares any balance of the Seller's Shares shall then be offered to all Members other than the Seller inviting them to apply in writing within the period from the date 10 Business Days after the offer to the date 28 Business Days after the offer (both dates inclusive) (the 28 Business Day Period, the **First Offer Period**) (the **Continuing Members**).
- 20.8 If:
- (a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Continuing Member who has applied for Sale Shares in the proportion which his existing holding of the number of shares bears to the total number of shares held by those Continuing Members who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Members who have applied for Sale Shares shall be determined by the directors). No allocation shall be made to a Continuing Member of more than the maximum number of Sale Shares which he has stated he is willing to buy.
 - (b) not all Sale Shares are allocated following allocations in accordance with article 20.8(a), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 20.8(a). The procedure set out in this article 20.8(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
 - (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Continuing Members in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 20.9.
- 20.9 At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares (if any) to all the Continuing Members, inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both

dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

20.10 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to each Continuing Member who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Members who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Members shall be determined by the directors). No allocation shall be made to a Continuing Member of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

20.11 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the Continuing Members in accordance with their applications. The balance (the **Second Surplus Shares**) shall be dealt with in accordance with article 20.16.

20.12 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the directors shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 20.8 to article 20.11, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

20.13 If:

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) allocations under article 20.8 to article 20.11 have been made in respect of some or all of the Sale Shares,

the directors shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Member to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least ten Business Days, but not more than thirty Business Days, after the date of the Allocation Notice).

20.14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares

allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

20.15 If the Seller fails to comply with article 20.14:

- (a) the chairperson of the Company (or, failing the chairperson, one of the other directors, or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
- (b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the directors may reasonably require to prove good title to those Sale Shares, to the Company.

20.16 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 20.12 then, subject to article 20.17 and within ten weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 20.16 shall continue to be subject to any Minimum Transfer Condition.

20.17 The Seller's right to transfer Sale Shares under article 20.16 does not apply if the directors reasonably consider that:

- (a) the transferee is subject to a county court judgment or a bankruptcy order;
or
- (b) the transferee is a person (or a nominee for a person) who is a competitor with the business of the Company; or
- (c) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (d) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the directors to enable it to form the opinion mentioned above.

20.18 The restrictions imposed by this article may be waived in relation to any proposed transfer of Sale Shares with the consent of Members who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this article.

20.19 The directors shall refuse to register any transfer of a Share unless such transfer is permitted under these Articles and in particular the directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any Share which would otherwise be permitted hereunder if it is a transfer to a person or entity that the directors consider to be a competitor of the Company.

21. LEAVERS

21.1 The provisions of this article shall apply to any Leaver and to any Leaver's Shares.

21.2 Within the period commencing on the relevant leaving date of the Leaver and expiring at midnight on the first anniversary of such date, the directors may immediately serve a notice on the Leaver notifying him that he is, with immediate effect, deemed to have served one or more Transfer Notices in respect of such number of his Leaver's Shares as is specified in the notice.

21.3 The provisions of article 18 shall apply to any such Transfer Notice, provided that for these purposes:

- (a) the Sale Shares shall comprise the above-mentioned Shares;
- (b) no third party buyer shall be specified in the Transfer Notice; and
- (c) the Sale Price:
 - (i) for a Bad Leaver shall be shall be the higher of par value or the subscription price paid for the Sale Shares; and
 - (ii) for a Good Leaver shall be shall be the higher of Fair Value or the subscription price paid for the Sale Shares.

21.4 If the Leaver fails to comply with any provision of article 21:

- (a) the chairperson (or, failing him, any other director or some other person nominated by a resolution of the directors) may, as agent and attorney on behalf of the Leaver:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Shares to the Company or the remaining Members s as appropriate;
 - (ii) receive the Sale Price and give a good discharge for it; and
 - (iii) (subject to the transfer being duly stamped) enter the transferee in the register of Members as the holders of the Shares purchased by them
- (b) The Company shall pay the Sale Price into a separate bank account in the

Company's name on trust (but without interest) for the Leaver until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together with such other evidence (if any) as the directors may reasonably require to prove good title to those Shares) to the Company.

- 21.5 The Seller hereby irrevocably appoints the Company to be his attorney to execute and do any such instrument or thing and generally to use his name for the purpose of giving the Company or its nominee the full benefit of article 21.

22. PURCHASE OF OWN SHARES

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

- (a) £15,000; and
- (b) the value of 5% of the Company's share capital.

23. ISSUES OF NEW SHARES

- 23.1 The directors may only exercise the Company's power to allot shares in accordance with this article 23.

- 23.2 Unless otherwise agreed by the majority vote of the directors or any issue pursuant to article 23.8 and subject to article 23.3, all unissued Shares which the directors propose to offer, allot, issue, grant options over or otherwise deal with or dispose of, shall first be offered to the existing Ordinary Members and A Members at such time in proportion to the total number of Shares held by them respectively and at the proposed issue price.

- 23.3 Each offer shall be made by notice specifying:

- (a) the total number of Shares being offered;
- (b) the proportionate entitlement of the Member to whom the offer is being made; and
- (c) the price per Share,

and shall require each Member to state in writing within a period (not being less than 28 Business Days) specified in the notice (for the purposes of this article 23, the **Offer Period**) whether he is willing to take any and, if so, what number of the said Shares up to his proportionate entitlement.

- 23.4 Members who accept an offer referred to in article 23.3 shall be entitled to indicate that they would accept, on the same terms, Shares that have not been accepted by other Members (for the purposes of this article 23, **Excess Shares**) and indicating the number of Excess Shares they would be willing to accept.

- 23.5 An offer, if not accepted within the Offer Period as regards any Shares, will be deemed to be declined and the relevant Shares shall be offered to the Members who have, within the Offer Period, indicated that they would accept Excess Shares.
- 23.6 Excess Shares shall be allotted pro rata to the aggregate number of Shares held by Members accepting Excess Shares provided that no such Member shall be allotted more than the maximum number of Excess Shares than such Member has indicated he is willing to accept.
- 23.7 To the extent that any Shares have not been accepted by existing Members pursuant to articles 23.3 and 23.4, such Shares shall be under the control of the directors, who may offer, allot, grant options over or otherwise deal with or dispose of them to such persons, at such times and on such terms and conditions as the directors may decide provided that no Share may be issued on terms which are more favourable than the terms on which they were offered to the Members.
- 23.8 The provisions of articles 23.1 to 23.7 shall not apply to the issue of shares, options or other convertible rights to employees and/or consultants of the Company or any subsidiary of the Company pursuant to a *bona fide* share incentivisation plan in respect of up to a maximum number of 5,000 B Shares.
- 23.9 The pre-emption provisions of Section 561(1) of the Act shall not apply to any allotment of the Company's equity securities.

24. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 24.1 The provisions of articles 24.2 to 24.6 shall apply if, in one or a series of related transactions, one or more Members propose to transfer any Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring more than 51% of the Shares in the Company.
- 24.2 Before making a Proposed Transfer, each Member proposing to transfer Shares shall procure that the Buyer makes an offer (**Offer**) to all of the other Members to purchase all of the Shares held by them for a consideration in cash per Share that is equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (**Specified Price**).
- 24.3 The Offer shall be given by written notice (**Offer Notice**), at least 30 Business Days (**Offer Period**) before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the purchase price and other terms and conditions of payment;
 - (c) the Sale Date; and

- (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 24.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with articles 24.2 and 24.3, the Members proposing to transfer Shares shall not be entitled to complete the Proposed Transfer and the directors shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 24.5 If the Offer is accepted in writing by any Member (**Accepting Member**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Members.
- 24.6 If any Accepting Member does not, at the time appointed for completion of the Proposed Transfer, deliver a duly executed stock transfer form in respect of the Offer Shares then the defaulting Accepting Member shall be deemed to have irrevocably appointed any director to be his agent or attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such Accepting Member) of the consideration payable for the Offer Shares. After the Buyer has been registered as the holder of such Offer Shares the validity of such proceedings shall not be questioned by any such person. Failure to produce a Share certificate shall not impede the registration of Shares under this article 24.

25. DRAG ALONG OPTION

- 25.1 If the holders of 51% of the Shares in issue for the time being (**Selling Members**) wish to transfer all of their interest in the Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Members may require all other Members (**Called Members**) to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 25.2 The Selling Members may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
 - (a) that the Called Members are required to transfer all their Shares (**Called Shares**) pursuant to this article 25;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of the transfer.
- 25.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Members have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Members may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 25.4 No Drag Along Notice shall require a Called Member to agree to any terms except those specifically set out in this article 25.
- 25.5 Completion of the sale of the Called Shares shall take place on such date as the Proposed Buyer may specify pursuant to article 25.2(d)(**Completion Date**). The Completion Date shall be such specified date unless the Proposed Buyer, all of the Called Members and the Selling Members agree otherwise in which case the Completion Date shall be the date agreed in writing by all of them.
- 25.6 On the Completion Date the Called Members shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Proposed Buyer against payment of the amounts they are due for their Shares pursuant to article 25.2(c).
- 25.7 If any Called Member does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Member shall be deemed to have irrevocably appointed any director to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such Member) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a Share certificate shall not impede the registration of Shares under this article 25.

DECISION MAKING BY MEMBERS

26. POLL VOTES

- 26.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 26.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

27. PROXIES

- 27.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 27.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

28. INTELLECTUAL PROPERTY

28.1 For the avoidance of doubt, all Intellectual Property Rights used in the Business created by any person at any time while acting on behalf of the Company will be treated as automatically owned and controlled by the Company and any rights of any person to any Intellectual Property Rights currently in existence are automatically fully assigned to the Company.

29. BEST INTERESTS OF THE COMPANY

29.1 Each Shareholder is to use his reasonable endeavours to promote (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) the success of and develop the business of the Company, in each case for the benefit of its Shareholders as a whole.

30. WINDING UP

30.1 Following the passing of a resolution for the winding-up of the Company, the Shareholders are to fully co-operate in the winding up and agree a suitable basis for dealing with the interests and assets of the Company and shall endeavour to ensure that:

- (a) all existing contracts of the Company are performed so far as resources permit;
- (b) no new contractual obligations are entered into by the Company; and
- (c) the Company is wound up as soon as practicable.

ADMINISTRATIVE ARRANGEMENTS

31. ACCESS TO INFORMATION

31.1 If any Founder is not also a director of the Company at any time:

- (a) at the request of such Founder, the Company shall provide the Founder with a report, in reasonable detail, on the Company's activities and progress no less often than every three months; and
- (b) such Founder may attend any board meeting of the Company, which such Founder may request be held no less often than every two months.

32. MEANS OF COMMUNICATION TO BE USED

32.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the

United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

- 32.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

33. INDEMNITY

- 33.1 Subject to article 33.2 but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the activities of the Company (or any activities of an associated Company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (or any affairs of an associated Company); and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 33.1(a) and otherwise may

take any action to enable any such relevant officer to avoid incurring such expenditure.

33.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

33.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated Company (including any Company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

34. INSURANCE

34.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

34.2 In this article:

- (a) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated Company (including any Company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated Company or any pension fund or employees' share scheme of the Company or associated Company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

35. DATA PROTECTION

35.1 Each of the Members and directors (from time to time) consents to the processing of his personal data by the Company, its Members and directors (each a **Recipient**) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

- 35.2 The personal data that may be processed for such purposes under this article 35 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to employees, directors and professional advisers of that Recipient.
- 35.3 Each of the Members and directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.