

Company No 08339960

## Written Resolutions

of

BorrowMyDoggy Limited (the "Company")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following special resolutions (together the "**Resolutions**") were duly passed on 15 January, 2014 by written resolution of the shareholders of the Company

### Special Resolutions

- 1 THAT the regulations in the form of the document attached and labelled "A" for the purposes of identification be and are hereby adopted as the new articles of association of the Company in substitution for and to the exclusion of all other articles of association of the Company
- 2 THAT the restrictions contained in Articles 5 4 (inclusive) of the Articles shall not apply in respect of the proposed transfers of 82,604 ordinary shares of £0 0001 each in the capital of the Company, from Leslie James Cochrane (as "**Seller**") to Dan Mountain or, if the shares are sold to any other person in agreement with the CEO on or before 15th of April, 2014, then to such other person (in each case, as "**Buyer**"), pursuant to the terms of a Share Purchase Agreement entered into between the Seller and Buyer



Rikke Roselund Jacobsen

Director

21/1 - 14

Date

TUESDAY



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04/02/2014  
COMPANIES HOUSE

15<sup>th</sup> January 2014

**Company Number 08339960**

**The Companies Act 2006**

**Private Company Limited by Shares**

## **New Articles of Association**

**of BorrowMyDoggy Limited**

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Company Number 08339960

The Companies Act 2006

Private Company Limited by Shares

New Articles of Association

of

BorrowMyDoggy Limited

(Adopted by Special Resolution passed on the 15<sup>th</sup> of January 2014) (the "**Articles**")

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## **1. Preliminary**

### **1.1 Model Articles**

These Articles adopt the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) (the "**Model Articles**"), but only insofar as these Articles do not exclude or modify the Model Articles. Articles 13, 14, 16, 26(5), 44(4), 46(4) of the Model Articles shall not apply to the Company

### **1.2 Interpretation**

In these Articles the following words and expressions shall have the respective meanings set out below

"**Act**" means the Companies Act 2006,

"**Adoption**" means the date of adoption of these Articles by the Company,

"**Affiliate**" means in respect of any undertaking, any of its group undertakings,

"**Associate**" means in respect of any person being an individual (the "**Principal Person**")

- (i) any Privileged Relation of, or other person connected with, the Principal Person,
- (ii) any trust of which the Principal Person or any person within (i) above, is the settlor or a beneficiary,
- (iii) any trust of which the Principal Person or any person within (i) above, is the settlor or a beneficiary,
- (iv) any Affiliate of an Associated Company, and
- (v) any other person who the Board (acting reasonably and in good faith) determines to be closely associated with the Principal Person

"**Arrears**" means in relation to any Share, all accruals, deficiencies and arrears of any dividend in respect of such Share

**"Bad Leaver"** means a person whose engagement as a director or employee of, or consultant to, a member of the Company's Group terminates (or where notice to terminate such engagement has been given) in circumstances that would allow such engagement to be lawfully terminated by reason of the fraud, dishonesty or gross misconduct of such person, or other circumstance by reason of which such person to be summarily dismissed

**"Board"** means the directors (or a quorum of such directors present at a meeting of the board of directors)

**"Business Sale"** means the sale or transfer of the whole or substantially the whole of the business and assets of the Company

**"Control"** means a person shall **"Control"** an undertaking, if such undertaking is a subsidiary undertaking of such person (or would be if such person (in aggregate with all his Connected persons) were considered an 'undertaking' for such purposes only)

**"Controlling Interest"** means the possession, directly or indirectly, of interests in Shares conferring the right to exercise not less than 75% in number of all votes as may be exercisable at a general meeting of the members of the Company

**"Deferred Shares"** means the non-voting deferred shares of £0 0001 each in nominal value having the rights set out in these Articles

**"Founder"** means each of Leslie James Cochrane and Rikke Rosenlund Jacobsen

**"Holder"** or **"Shareholder"** means in relation to any Shares, the member whose name is for the time being entered in the register of members of the Company as the holder of the Shares

**"Independent Expert"** means an accountant or other expert (acting as expert and not as an arbitrator) nominated by the Company and who the Board has determine to be independent

**"Investor"** means each and any of Simon La Fosse, Jonathan McKay and Dan Mountain

**"Leaver"** any person who ceases to be a director or employee of, or a consultant to, the Company or any other member of the Company's Group (and who does not thereafter continue as either a director or employee of, or a consultant to, any member of the Company's Group)

**"Liquidation Event"** means a return of assets by the Company on a liquidation or capital reduction or otherwise (including following a Business Sale)

**"Ordinary Shares"** means ordinary shares of £0 0001 each in nominal value having the rights set out in these Articles

**"Permitted Transfer"** means a transfer of Shares permitted by Article 7

**"Permitted Transferee"** means a person to which Shares may be transferred pursuant to a Permitted Transfer

**"Privileged Relation"** means in relation to any individual the spouse or civil partner (as defined in the Civil Partnership Act 2004) or widow of such individual and the decedents (including step and adopted children) of such individual

**"Relevant Date"** means the later of either 3 February 2014 or the last date on which the Selling Founder sells shares (if any) to Dan Mountain or any other buyer on or before 15<sup>th</sup> of April 2014

pursuant to the exercise of the put options granted by such person to the Selling Founder on or about the date of Adoption

**"Sale"** means a Business Sale or Share Sale

**"Sale Consideration Price"** means in respect of any Share, such amount (if any) as would be paid in respect of such Share upon the proceeds of the relevant Share Sale being applied in accordance Article 3.3

**"Sale Consideration Price"** means for the avoidance of doubt, the Sale Consideration Price in respect of a Share may be nil

**"Shares"** means Ordinary Shares (and all other classes of share other than Deferred Shares (if any)) comprised in the capital of the Company from time to time

**"Share Sale"** means a sale or other transfer of the whole or any part of the issued share capital of the Company to any person (or any merger or scheme of arrangement resulting in any person holding shares in the capital of the Company) and resulting in that person (together with all persons (if any) acting in concert (within the meaning given in the City Code on Takeovers and Mergers) with such person) acquiring a Controlling Interest in the Company

**"Subscription Price"** means in respect of any Share, the amount paid up or credited as paid up thereon

**"Vested"** means Shares which have become fully vested and to which a Founder is entitled, either

- (a) in such proportion as calculated during the Vesting Period on a straight line, monthly basis based upon dividing the total number of Shares held by a Founder at the commencement of the Vesting Period, by 36 and accruing an amount of such Shares as equals a 36<sup>th</sup> for each completed month of the Vesting Period during which a Founder is not a Leaver, or
- (b) in relation to all Shares held where a Founder becomes a Leaver as a result of a transaction (or series of linked transactions) involving a change of Control of the Company

**"Vesting Period"** means a period of three years commencing on 1 December 2012 with regard to certain rights and restrictions applicable to the Founders' Shares

### 1.3 Construction of certain references

In these Articles, where the context admits

- (a) words and phrases the definitions of which are contained or referred to in the Act shall have the meanings thereby respectively attributed to them,
- (b) any question as to whether a person is **"connected"** with another shall be determined in accordance with section 993 and section 994 of the Income Tax Act 2007 (subject to the deletion of the words from "But" to "arrangements" in sub-section (4) of the said section 993),
- (c) references to the singular shall include the plural and vice versa and references to the masculine, the feminine and the neuter shall include each other such gender,

- (d) except where otherwise stated in these Articles, **"person"** includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality,
- (e) **"company"** includes any body corporate, and
- (f) for the purposes of the definition of a **"Compulsory Transfer Event"** every reference to an English legal term is deemed to include reference to any analogous legal term in any other jurisdiction

## **2. Preliminary Matters**

- 2 1 The Company is a private company within the meaning of the Act and its registered office shall be situated in England & Wales
- 2 2 The liability of each member is limited to the amount, if any, unpaid on the shares held by him
- 2 3 The share capital of the Company is comprised of Ordinary Shares and from time to time Deferred Shares No limit shall apply to the amount of the Company's share capital

## **3. Distributions**

### **3 1 Liquidation Event**

On a Liquidation Event, the assets of the Company remaining after the payment of its liabilities shall be applied amongst, and distributed to, the Shareholders pro rata as to the number of Shares held each Shareholder Further to such payment, in relation to Deferred Shares, following a distribution pursuant to this Article 3 1 of not less than £1,000,000 per Ordinary Share, an amount equal to 1p per Deferred Share

### **3 2 Business Sale**

As soon as practicable after the receipt of the consideration payable to the Company in respect of a Business Sale, the Company shall distribute the assets of the Company after payment of its liabilities in accordance with Article 3 1

### **3 3 Share Sale**

On a Share Sale, the proceeds of such Share Sale (the **"Sale Proceeds"**) shall be applied amongst the Holders of Shares which are transferred as part of such Share Sale pro rata as to the number of Shares so transferred by each such Shareholder

- 3 4 If any available assets on a Liquidation Event or any Sale Proceeds include (i) any non-cash assets or proceeds (**"Non-Cash Consideration"**), and/or (ii) any deferred and/or contingent assets or proceeds (**"Delayed Consideration"**) then Articles 3 1 and 3 3 shall apply to such Non-Cash Consideration and/or Delayed Consideration in such manner as the Board (acting reasonably and in good faith) may determine (including, without limitation, as to the cash equivalent value of any such assets or proceeds and/or the timing of any payment or distribution thereof)

### 3.5 Dividends

Subject to Article 3.1, all dividends shall be paid to all Shareholders pro rata as to the number of Shares held by each Shareholder

## 4. Issue of Shares

### 4.1 Authority to allot

- (a) The directors shall be generally and unconditionally authorised pursuant to and in accordance with Section 550 of the Act to exercise all the powers of the Company to allot Shares and grant rights to subscribe for or convert into Shares
- (b) The directors shall not exercise the powers conferred pursuant to Article 4.1(a) without the approval (either specific or general) in writing of the Investors
- (c) Where the Company validly grants any rights to subscribe for or convert into Shares pursuant to Article 4.1(a), the directors may thereafter allot Shares in pursuance of such rights without requiring additional approval pursuant to Article 4.1(b)

### 4.2 Pre-emption Rights

- (a) The Company shall not allot any Shares or grant any right to subscribe for or convert into Shares (all the foregoing being "**Relevant Securities**" and any such allotment or grant being a "**Relevant Issue**") to any person unless
  - (i) the Company has first invited each Shareholder to participate in the Relevant Issue on the same or more favourable terms a proportion of those Relevant Securities that is as nearly as practicable equal to the proportion in number held by such Shareholder of all Shares then in issue, and
  - (ii) the period (which shall not be less than 14 days) during which any such offer pursuant to Article 4.2(a) may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made
- (b) The directors may exclude from any invitation to Shareholders pursuant to Article 4.2(a) any Shareholder who is a resident or national of, or organised under the laws of, any jurisdiction outside the United Kingdom if the directors reasonably believe that the communication of such invitation would be unlawful or would require the Company to incur disproportionate cost and expense in order to comply with applicable foreign laws
- (c) in respect of any grant of any rights to subscribe for or convert into Shares, provided the foregoing provisions of this Article 4.2 have been complied with (or disapplied under Article 4.2(b)) in reference to the grant of such rights, a subsequent allotment of Shares in pursuance of such rights shall not be subject to the requirements of Article 4.2(a)
- (d) The statutory pre-emption rights contained in Section 561 of the Act shall not apply to the Company
- (e) Any Investor may, pursuant to their pro rata rights under this Article 4.2, assign such ability to subscribe for additional Shares to any entity comprising part of the same group of funds (to the reasonable satisfaction of the Board) as the relevant Shareholder



- (f) To the extent that any Shareholder does not take up their full pro rata entitlement pursuant to this Article 4 2, such unused entitlement shall be offered to all other Shareholders by way of opportunity to subscribe in excess of their pro rata entitlement. In the event of the additional offering pursuant to this Article 4 2 (f) generating greater interest than the number of Shares available, such shall be allocated amongst those indicating an interest in taking additional allotment pro rata to their respective proportion of the aggregate holdings in the Company of those participating in such additional allotment

## **5. Transfer of Shares**

### **5 1 Transfers restricted**

No Shareholder may transfer any Share except in accordance with Article 6 (*Transfers with Shareholder's Approval*), Article 7 (*Permitted Transfers*), Article 8 (*Compulsory Transfers*), Article 9 (*Tag Rights*) or Article 10 (*Drag Rights*) and any purported transfer in breach of this Article 5 1 shall be of no effect and the directors shall refuse to register any such purported transfer

### **5 2 Transfers or grants of interests**

References in Article 5 1 to a transfer of any Share includes a transfer or grant of any interest in any Share or of any right attaching to any Share, whether by way of sale, gift, holding on trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also includes an agreement to make any such transfer or grant or to exercise the voting rights attaching to a Share at the direction of any third party

### **5 3 Registration of transfers**

The directors shall register all transfers of Shares permitted by or effected in accordance with these Articles within 14 days of the following being lodged at the registered office of the Company (or such other place in the United Kingdom as the directors may have notified to Shareholders for such purpose)

- (a) the duly stamped transfer,
- (b) the certificates for the Shares to which the transfer relates or an indemnity in lieu of the certificates in a form reasonably satisfactory to the directors,
- (c) where made in reliance on Article 6 (*Transfers with Shareholder's Approval*) or Article 7 (*Permitted Transfers*), such documentation as the directors may reasonably require evidencing the compliance such transfer with such Article, and
- (d) if so required by the directors, an agreement (in such form as the directors may require) confirming the adherence of such transferee to any applicable agreement as between the Company and (some or all) of its Shareholders

### **5 4 Pre-emption of transfer**

In the event of a proposed sale or transfer (other than (i) a Permitted Transfer, (ii) a sale or transfer pursuant to Article 6 (*Transfers with Investors' Approval*), (iii) a sale or transfer pursuant to Article 8 (*Compulsory Transfers*), or (v) a sale or transfer pursuant to Article 10 (*Drag Rights*)) of any interest in Shares, then such sale or transfer may not be made or validly registered unless

the proposed transferor (or his or nominee) has offered to sell (on the same or no less favourable terms than to be offered to any third party) the Shares to be transferred to

- (a) firstly, the Company for repurchase, to the extent applicable based upon the Company's resources and distributable reserves, and
- (b) secondly, the Shareholders in such amount as is equivalent pro rata share of issued Share capital of the Company held by each of such Shareholder at such time at the applicable proposed sale

To the extent that any Shareholder does not take up their full pro rata entitlement pursuant to this Article 5 4, such unused entitlement shall be offered to all other Shareholders by way of opportunity to purchase in excess of their pro rata entitlement. In the event of the opportunity to purchase Shares pursuant to this Article 5 4 generating greater interest than the number of Shares available, such shall be allocated amongst those indicating an interest in taking part of such transfer pro rata to their respective proportion of the aggregate holdings in the Company of those participating in such opportunity to acquire

## **6 Transfers with Board Approval**

Notwithstanding any other provisions of these Articles a transfer of any interest in any Shares approved in writing by the Board (acting unanimously and with reasonable regard to the best interests of the Shareholders) may be made without restriction and, subject to Article 5 3 and Article 5 4, any such transfer shall be registered by the directors

## **7. Permitted Transfers**

7 1 Unless otherwise prohibited by these Articles the following transfers may, subject always to Article 5 3, be made without restriction and notwithstanding the provisions of Article 5 4, with such transfer being registered by the directors

- (a) a transfer of Shares by an individual to
  - (i) a Privileged Relation (aged 18 or over) of such individual, or
  - (ii) the trustee(s) of a trust (acting in that capacity) where the only beneficiaries of such trust are the relevant individual and/or his Privileged Relations (a "**Family Trust**"),
- (b) a transfer of Shares by a Shareholder (other than an individual) to any of its Affiliates, provided that if the transferee ceases to be an Affiliate of such transferor the transferee shall immediately on written request by the Company re-transfer the Shares in question to the transferor (or other person approved by the Company) and failing such transfer, the Company may authorise some person to execute transfers of the relevant Shares in favour of such transferor and may thereupon enter the name of such transferor in the register of members of the Company as the Holder of such Shares,
- (c) a transfer of Shares by a Shareholder which is
  - (i) a person whose principal business is to arrange, manage or advise upon investments (being, where applicable, duly authorised to do so by the Financial Services Authority or other relevant regulator) (an "**Investment Manager**"), or

- (ii) an collective investment scheme, partnership, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager (an “**Investment Fund**”), or
- (iii) a nominee of an Investment Manager or Investment Fund,

to any of the following transferees

- (A) where the Shareholder is an Investment Manager (or a nominee thereof), to any person who is (i) a participant (directly or indirectly) or partner in or member of an Investment Fund which is managed by such Investment Manager (but only in connection with a distribution of assets by such Investment Fund), (ii) an Investment Fund whose business is managed by the Investment Manager who is or whose nominee is the transferor, or (iii) any other Investment Manager who manages the business of the Investment Fund in respect of which the Shares are held, or
- (B) where the Shareholder is an Investment Fund (or a nominee thereof), to any person who is (i) a participant (directly or indirectly) or partner in or member of such Investment Fund (but only in connection with a distribution of assets by such Investment Fund), (ii) any other Investment Fund (or nominee thereof) whose business is managed by the same Investment Manager as manages the transferor Investment Fund, or (iii) an Investment Manager who manages the business of the transferor Investment Fund,

or, a nominee of any such transferee

7 2 Any interest in Shares the subject of a Compulsory Transfer Notice under Article 8 2 or a Transfer Agreement under Article 10 may not be transferred under Article 7 1 without the written approval of the Board

## 8. **Compulsory Transfers**

### 8 1 Compulsory Transfer Events

- (a) For the purposes of these Articles, a Compulsory Transfer Event shall occur in relation to a Holder, if that Holder
  - (i) makes any proposal for a composition in satisfaction of his debts, or a scheme of arrangement of his affairs, or makes any arrangement or compromise with his creditors generally or has a bankruptcy order made against him, or is subject to any order or resolution for the commencement of any winding-up, administration, liquidation or dissolution (or is otherwise subject to any event analogous to any of the foregoing in any jurisdiction),
  - (ii) dies (if an individual) (other than where such Shares are thereafter transferred to the deceased’s Permitted Transferee(s)),
  - (iii) is an individual, and by reason of his mental health he becomes the subject of an order of the court which wholly or partly prevents him from personally exercising any powers or rights he may otherwise have,

- (iv) is an undertaking, and is subject to a change of Control (save where the person(s) so acquiring Control were Permitted Transferee(s) of the Holder prior to such change of Control), or
  - (v) is a nominee or trustee, and if (i) any person holding any beneficial interest in the Shares so held by such Holder is subject to a Compulsory Transfer Event (or would be if such person were himself the Holder), or (ii) any person acquires any beneficial interest in the Shares so held by such Holder other than as permitted by Article 5.1
- (b) Where any person has been the subject of a Compulsory Transfer Event, if such person thereby ceases to hold (or does not otherwise hold) any interest in issued Shares, then if such person subsequently acquires any interest in any Shares a Compulsory Transfer Notice may, if so determined by the Board, be served on the Holder thereof in respect of such Shares
- (c) If a Compulsory Transfer Event occurs (or is due to occur), then the Holder to whom such event relates shall promptly notify the Board in writing (specifying such details of the Compulsory Transfer Event as the Board may reasonably require)

## 8.2 Compulsory Transfer Notices

- (a) At any time prior to the date 3 months after the Board has received all details concerning such a Compulsory Transfer Event as the Board may reasonably require (or, if later, the date 3 months from the occurrence of the Compulsory Transfer Event) the Board may determine that a notice (a "**Compulsory Transfer Notice**") be deemed to have been served in respect of the entire legal and beneficial interest in all (or such other portion as may be determined by the Board or applicable) of the Shares held by the relevant Shareholder (and its Permitted Transferees and/or Associates, if and to the extent the Board determines that Shares held by such persons are to be so offered for transfer in connection with the relevant Compulsory Transfer Event) (each person so deemed to have served a Compulsory Transfer Notice being a "**Vendor**"). A Compulsory Transfer Notice may only be revoked by the Board and no Vendor the subject of an outstanding Compulsory Transfer Notice may transfer any Share(s) other than in accordance with this Article 8.2 (save to the extent obliged to do so pursuant to Article 10)
- (b) A Compulsory Transfer Notice shall constitute the Company as the Vendor's agent for the offer and sale of the Shares the subject of thereof (the "**Sale Shares**"). The Company shall by notice in writing (an "**Offer Notice**") offer the Sale Shares for sale subject always to the pre-emption provisions of Article 5.4 at the Sale Price in one or more lots at the discretion of the directors to
- (i) all the Holders of Shares in the Company (other than the Vendor and such other persons whose Shares are then also subject to Compulsory Transfer Notices), and in which event such offer shall be made pro rata as nearly as practicable in proportion to the existing numbers of Shares held by such persons, or
  - (ii) such person(s) (whether or not Shareholders) and on such basis as may be otherwise determined by the Board (acting unanimously and with reasonable regard to the best interest of the Shareholders) with the approval in writing of

Shareholder(s) holding not less than fifty per cent (50%) in number of issued Shares

The persons to whom the Sale Shares are so offered being “Offerees”

- (c) The offer of Sale Shares shall remain open for acceptance by Offerees for an initial period the duration of which shall be determined by the directors (not exceeding 21 days from the date of the Offer Notice) If at the end of such initial period acceptances have not been received in respect of all Sale Shares, the Company may again offer for sale at the Sale Price such unaccepted Sale Shares and the provisions of Article 8 2(a) and this Article 8 2(c) shall apply mutatis mutandis in respect of such offer (save that the Company shall not be required to offer any such Sale Shares to any person who declined to accept all Sale Shares previously offered to him) The Company may continue to make such offers of Sale Shares until acceptances are received in respect of all the Sale Shares or all Offerees have declined to accept all Sale Shares so offered to them
- (d) Following conclusion of the offer process referred to in Articles 8 2(a) and 8 2(c), the Company shall notify the Vendor and the accepting Offeree(s) of the allocation of the Sale Shares as between such Offeree(s) and the Sale Price payable in respect thereof, whereupon
  - (i) the Vendor shall be obliged to transfer the Sale Shares to such accepting Offeree(s) in accordance with the instructions of the Company and to deliver up to the Company the certificates for such Sale Shares (or an indemnity in lieu of the certificates in a form reasonably satisfactory to the directors),
  - (ii) each accepting Offeree shall be obliged to make payment to the Vendor (or the Company on behalf of the Vendor) of the Sale Price payable in respect of the Sale Shares transferable to it, and
  - (iii) the Company shall have power and authority to receive and give a good discharge for the purchase money on behalf of the Vendor and to authorise any director to execute transfers of the Sale Shares in favour of the Offeree(s) and, in default of the Vendor delivering up certificates in respect of the Sale Shares, to execute an indemnity in lieu of such certificates in a form reasonably acceptable to the directors,and the Vendor shall be deemed to represent and warrant to the Company and the Offeree(s) that all such Sale Shares are so transferred with full title guarantee free from all encumbrances
- (e) If the Company does not find purchaser(s) for all of the Sale Shares under the terms of Article 8 2, any such unsold Sale Shares may be retained by the Vendor
- (f) In this Article 8 2
  - (i) the applicable “Sale Price” of any Sale Shares shall be the Market Value thereof, save in the event that the Vendor is a Bad Leaver (or an Associate of a Bad Leaver), in which event the Sale Price shall be the lower of (i) the Market Value of such Shares, and (ii) the price paid by the Vendor on his acquisition of such Shares (or, if so determined by the Board, the Subscription Price thereof (whether or not the Vendor was the original subscriber)),

- (ii) the “**Market Value**” of any Sale Shares shall be such price as may be agreed in writing between the Vendor and the Company or, in the absence of such agreement, such price as the Board (acting reasonably and in good faith) shall determine and notify to the Vendor in writing, save that if the Vendor gives written notice to the Company of his objection to such price as so determined by the Board within 7 days of such notification, then the Market Value shall (unless otherwise agreed in writing between the Vendor and the Company) be such value as an Independent Expert shall certify to be in his opinion the market value thereof as at the date of his certificate. In arriving at his opinion the Independent Expert will value the Sale Shares on a going concern basis and assume a sale between a willing seller and a willing buyer (ignoring any reduction or increase in value which may be ascribed to any Shares by virtue of the fact that they may represent a minority or majority interest) and on the assumption that the Shares are capable of transfer without restriction and the Independent Expert may consider (or fail to consider) any matters in the sole discretion of the Independent Expert. The fees and expenses of the Independent Expert shall be payable by the Company and/or the Vendor as the Independent Expert may so determine and notify to such persons (and, to the extent payable by the Vendor, the Company may apply any consideration for the Sale Shares received by the Company on behalf of the Vendor in satisfaction any such obligation of the Vendor). The determination of the Independent Expert shall be final and binding on all persons.

### 8.3 Founders Shares

Notwithstanding any other provisions of these Articles

- (a) If a Founder becomes a Leaver or is given, or gives notice to terminate his engagement by the Company (or a member of the Company’s Group) following completion of the Vesting Period, then notice of a proposed transfer in accordance with Article 5.4 shall be deemed to have been delivered by such Founder in respect of the 50% of such Founder’s Shareholding and, save to the extent otherwise determined by the Board, his Associates, with the Board irrevocably appointed attorney of such Founder to preside over and implement such transfer to be undertaken as follows:
  - (i) in the event of such Founder not being a Bad Leaver, at a Market Value price for the Shares, and
  - (ii) in the case of such Founder being a Bad Leaver, at the lower of nominal value or the subscription price of such Shares
- (b) If a Founder becomes a Leaver or is given, or gives notice to terminate his engagement by the Company (or a member of the Company’s Group) during the Vesting Period, then any remaining non-Vested proportion of such Founder’s holding shall upon the departure of such Founder be converted to Deferred Shares
- (c) If a Founder becomes a Bad Leaver during the Vesting Period such Founder’s entire holding of Shares in the Company shall firstly be offered (at nominal value) to the remaining Shareholders in accordance with Article 5.4 and thereafter, to the extent not purchased pursuant to such, upon the departure of such Founder be converted to Deferred Shares

- (d) Without prejudice and in addition to the vesting provisions as set out in this Article 8.3, should Leslie James Cochrane ("**Selling Founder**") become a Leaver within a 12 month period following the Relevant Date, the Selling Founder's Vested Shares shall firstly be offered at the lower of the nominal value or the subscription price to the remaining Shareholders in accordance with Article 5.4 and thereafter, to the extent not purchased pursuant to such, upon the departure of the Selling Founder, be converted to Deferred Shares

## 9. Tag Right

- 9.1 In the event of a proposed sale or transfer (other than (i) a Permitted Transfer, (ii) a sale or transfer pursuant to Article 6 (*Transfers with Investors' Approval*), (iii) a sale or transfer pursuant to Article 8 (*Compulsory Transfers*), or (v) a sale or transfer pursuant to Article 10 (*Drag Rights*)) of any interest in Shares, where such sale or transfer (whether made as one or a series of transactions) would be completed results in a person (other than an existing Shareholder) acquiring control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010, then such sale or transfer may not be made or validly registered unless the proposed transferee (or his or nominee) has offered to purchase the equivalent pro rata share of issued Share capital of the Company held by each of the Investors at such time at the applicable Sale Consideration Price per Share

## 10. Drag Right

### 10.1 Scope and application of Drag Rights

If the terms of an agreement, offer or other arrangement (a "**Transfer Agreement**") are accepted in writing by the Holders of not less than 50% in number of the issued Shares and such Transfer Agreement provides for a sale or transfer of Shares to be made such that the transferee (the "**Purchaser**") (together with all persons (if any) acting in concert (within the meaning given in the City Code on Takeovers and Mergers) with such transferee) proposes to acquire the entire issued Share capital of the Company at the applicable Sale Consideration Price per Share then

- (a) any Shareholder who has accepted such Transfer Agreement may (with the consent of the Purchaser) give notice of the proposed Transfer Agreement to any person who has not accepted the Transfer Agreement (a "**Non-accepting Seller**") requesting that such Non-accepting Seller accept the terms thereof in respect of all interests in Shares as may be held by him (to the extent the subject of the Transfer Agreement) ("**Dragged Interests**"), and if such Non-accepting Seller does not within 7 days of such notice accept the Transfer Agreement in accordance with its terms in respect of all his Dragged Interests, such Non-accepting Seller shall in any event be deemed
- (i) to have irrevocably waived any pre-emption rights he may have in relation to any transfer or issue of any interests in Shares in connection with the proposed acquisition by the Purchaser,
- (ii) on the date provided for the sale and purchase of such interests in Shares in accordance with the terms of the Transfer Agreement, to transfer to the Purchaser with full title guarantee from all encumbrances all his Dragged Interests for the consideration (if any) payable in respect thereof pursuant to the terms of the Transfer Agreement, and

- (iii) to be bound by the further terms and conditions of the Transfer Agreement applicable to the Non-accepting Seller to the maximum extent permitted by applicable laws,
- (b) if any Non-accepting Seller fails to deliver executed form(s) of acceptance, transfer form(s), certificate(s) (or an indemnity in a form reasonably acceptable to the directors in respect of any lost certificate(s)), any notice(s) of exercise or waiver of any right(s), and/or any other document(s), in each case concerning any Dragged Interests and as may be necessary or desirable (as determined by the Board) in connection with the transactions the subject of the Transfer Agreement, then such person shall be deemed to have appointed any director of the Company to be his agent and attorney to approve, agree, execute and deliver any or all of the foregoing on his behalf and to deliver the same to the Purchaser (or other relevant person(s)). It shall be no impediment to completion of the transfer of any Dragged Interests that any such person's certificate(s) in respect thereof has/have not been produced. The Company may receive, and give good receipt for, any consideration payable to any Non-accepting Seller, which consideration shall be held by the Company for the benefit of such Non-accepting Seller and payment of which to the Non-accepting Seller by the Company may, in the sole discretion of the Board, be withheld pending any ratification by the Non-accepting Seller of the sale and transfer of Dragged Interests to the Purchaser and/or any act undertaken on behalf of (or deemed to be undertaken by) such Non-accepting Seller pursuant to this Article 10, and
- (c) after the Purchaser (or his nominee) has been registered as the Holder of any Dragged Interests transferred in accordance with this Article 10 the validity of such transaction shall not be questioned by any person

## **11. Primacy of Tag Rights and Drag Rights**

Save as expressly provided in these Articles, all further provisions of the Articles and all other regulations of the Company relating to the transfer of Shares and the rights to registration of transfers shall be read subject to the provisions of Articles 9 and 10

## **12. Director's Conflicts of Interest**

12.1 Subject to the provisions of the Act and provided that he has disclosed to the Board the nature and extent of any material interest of his, a director notwithstanding his office

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,
- (b) may be a director or other officer of or employed or engaged by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested,
- (c) may (and any firm or company of which he is a partner, member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested,
- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and



- (e) shall be entitled to vote and be counted in the quorum in relation to any matter concerning the foregoing paragraphs of this Article 12 1

**12 2 For the purposes of this Article 12**

- (a) a general notice to the Board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified,
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and
- (c) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

**12 3 Subject to Articles 12 1 and 12 2, if a question arises as to the right of a director to participate in any meeting (or part of any meeting) for voting or quorum purposes, the question may be referred to the chairman of the meeting (or, where the question concerns the right of the chairman to participate, to the other members of the meeting who shall decide upon such matter by simple majority) and whose ruling in relation thereto shall be final and conclusive**

**12 4 The directors may authorise conflicts of interest in accordance with Section 175 of the Act Without prejudice to any other provision of these Articles, in exercising their powers to so authorise conflicts of interest contained in Section 175 of the Act, each such authorisation may be granted on such terms as the Board (excluding the conflicted director) may determine, including (without limitation) the imposition on the conflicted director of obligations of confidentiality, exclusion from meetings of the directors at which matters relating to the conflict are to be discussed, exclusion from voting on matters relating to the conflict or the release of the conflicted director from any obligation to make available to the Company information imparted to him by, or obtained by him from, any party to whom he owes any relevant conflicting duty and every such authorisation may be withdrawn at any time by a resolution of the Board (excluding the conflicted director)**

**13. Chairman**

In the case of an equality of votes at a meeting of the directors, the chairman of the Company shall not have a second or casting vote

**14. Removal of Directors**

The office of a director shall be vacated if

- (a) he resigns by notice delivered to the secretary at the registered office or tendered at a board meeting,
- (b) he ceases to be a director by virtue of a provision of the Act, is removed from office pursuant to the Articles or becomes prohibited by law from being a director,
- (c) he has a bankruptcy order made against him,

- (d) a composition or arrangement is made with his creditors generally,
- (e) by reason of his mental health a court makes an order which wholly or partly prevents him from exercising any powers or rights which he would otherwise have,
- (f) a registered medical practitioner who is treating him gives a written opinion that he has become physically incapable of acting as a Director and may remain so for more than three months,
- (g) he shall be removed from office by notice in writing served upon him signed by all of his co-directors. Notwithstanding the foregoing, this Article 14(g) shall not be invoked by any director for so long as there are only 2 directors of the Company. Furthermore for so long as there are any Special Directors appointed to the Board, such Special Directors may not be removed under this Article 14(g),
- (h) not being a Special Director, he holds an appointment to an executive office which terminates or otherwise determines, (unless resolved otherwise by the Board) and such removal shall take effect at the time such appointment terminates or otherwise determines and shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company

#### **15. Written Resolutions of Members**

For the purposes of section 297 of the Act, a proposed written resolution of the members shall lapse if not passed by the end of such period after the circulation date of such resolution as is determined by the directors in respect of that resolution or, if no such period is so determined, the resolution shall lapse at the end of the period of 28 days beginning with its circulation date

#### **16. Shareholders Meetings**

- 16 1 Articles 44(4) and 46(4) of the Model Articles shall not apply
- 16 2 Polls must be taken in such manner as the chairman directs. A poll on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The requirement to hold a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded
- 16 3 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 in such form as is acceptable to the directors