



(Company Number 08655512)

The Companies Act 2006  
Private Company Limited by Shares

# **Articles of Association of Munch Fit Limited**

Adopted by written resolution passed on  
22 April 2021



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## **1 Introduction**

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Adoption Date (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.3 In these Articles:
- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
  - (b) words denoting the singular include the plural and *vice versa* and a reference to one gender includes the other gender and neuter and *vice versa*; and
  - (c) Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51 and 52 of the Model Articles shall not apply to the Company.

## **2 Definitions**

In these Articles the following words and expressions shall have the following meanings:

**Act:** the Companies Act 2006 (as amended from time to time).

**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).

**Actions:** shall have the meaning given in article 6.4.

**Adoption Date:** the date on which these articles of association were adopted by the Company.

**Associate:** in relation to any person:

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined); or
- (b) any Member of the same Group.

**Auditors:** the auditors of the Company from time to time or, if the Company does not have any auditors, the reporting accountants to the Company.

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

**Bad Leaver:** the Founder who at any time prior to 27 February 2022:

- (a) is dismissed for gross misconduct (and such dismissal is not wrongful dismissal, constructive dismissal or unfair dismissal, as determined by an employment tribunal); and/or
- (b) resigns (and such resignation does not amount to constructive dismissal, as determined by an employment tribunal); and/or

- (c) who is in material breach of any restrictive covenants in their service agreement (as determined by the Board, acting reasonably, with Shareholder Consent); and/or
- (d) who is in repudiatory breach of their service agreement.

**Beneficial Owner:** a person whose Shares are held on trust by NomineeCo.

**Board:** the board of Directors of the Company for the time being and from time to time and any committee of the Board constituted for the purpose of taking any action or decision contemplated by these Articles.

**Business Day:** any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business.

**Civil Partner:** in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder.

**Company:** Munch Fit Limited (company number 08655512).

**CTA 2010:** the Corporation Tax Act 2010.

**Director:** a director of the Company for the time being and from time to time.

**Effective Termination Date:** the date on which the Founder's employment or consultancy with the Group terminates.

**electronic address:** has the same meaning as in section 333 of the Act.

**electronic form and electronic means:** have the same meaning as in section 1168 of the Act.

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

**Employee:** an individual who is employed by or who provides consultancy services to, the Company or any member of the Group.

**Encumbrance:** any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected, other than liens arising by operation of law).

**Equity Securities:** has the meaning given in sections 560(1) to (3) inclusive of the Act.

**Exit:** a Share Sale or a Return of Capital.

**Exit Proceeds:** (i) the surplus assets and retained profits of the Company after payment of all liabilities and available for distribution to the members on a Return of Capital, or (ii) the proceeds of an Exit.

**Expert:** the person appointed pursuant to article 13.1.

**Fair Value:** is as determined in accordance with article 13.3.

**Family Trusts:** as regards any particular individual Shareholder or deceased or former individual Shareholder, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in

question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons.

**Financial Year:** has the meaning set out in section 390 of the Act.

**Founder:** Angus Fay.

**Founder Shares:** in relation to the Founder, means 50% of those Shares held by the Founder.

**Good Leaver:** the Founder who leaves the employment of the Group prior to 27 February 2022 and:

- (a) who is not a Bad Leaver; or
- (b) (notwithstanding sub-paragraph (a) above) is deemed to be a Good Leaver by a majority of the Board with Shareholder Consent.

**Group:** the Company and its Subsidiary Undertaking(s) (if any) from time to time.

**hard copy form:** has the same meaning as in section 1168 of the Act.

**Investor Consent:** the consent of an Investor Director (and such consent may be expressly given by an Investor Director at a meeting of the Board and recorded in the minutes) but, if the Investors have not appointed an Investor Director or if the Investor Director(s) is absent for any reason, the consent of the majority (by number of Shares held) of the Investors.

**Investors:** Farm VC Ltd, BTL Limited and Mohammed Abdul Rahman Alzamil, together with any other entity to whom they may transfer their Shares (each an "Investor").

**Investor Director:** any director appointed by the Investors pursuant to article 21.2 from time to time.

**ITEPA:** the Income Tax (Earnings and Pensions) Act 2003.

**Leaver:** means either a Bad Leaver or a Good Leaver.

**Leaver's Percentage:** in relation to and for the purposes of determining the number of Founder Shares that are required (pursuant to article 14.5) to be transferred, the percentage (rounded to the nearest two decimal places) as calculated using the formula below:

$$100 - ((1/18 \times 100) \times NM),$$

where NM = number of full calendar months from 27 February 2020 to the Effective Termination Date such that the Leaver's Percentage shall be zero on the first day of the 19<sup>th</sup> month after 27 February 2020 and thereafter.

**Liquidation:** the liquidation, dissolution or winding-up of the Company pursuant to the making of a winding-up order by the court on the passing of a resolution by the members that the Company be wound up or dissolved (save for a solvent winding-up for the purpose of reconstruction or amalgamation previously approved by a resolution of the members).

**Listing:** the becoming effective of a listing of any securities of a member of the Group on a Stock Exchange or the granting of permission for any securities of a member of the Group to

be traded on a Stock Exchange and the listing shall be treated as occurring on the day on which trading in the securities began.

**Listing Value:** on a Listing, the value of each Ordinary Share in issue immediately prior to a Listing (excluding any new Ordinary Shares to be issued upon the Listing), determined by reference to the price per share at which Ordinary Shares in the Company are to be offered for sale, placed or otherwise marketed pursuant to such Listing.

**Member of the same Group:** as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or another Subsidiary Undertaking of any such Parent Undertaking.

**Minimum Transfer Condition:** has the meaning given in article 12.2(d).

**New Securities:** any Shares or other securities convertible into, or carrying the right to subscribe for, those Shares issued by the Company after the Adoption Date (other than Shares or securities issued as a result of the events set out in article 9.6), but excluding any Z Ordinary Shares.

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

**Offer:** has the meaning set out in article 15.2.

**Offer Period:** has the meaning set out in article 15.3.

**Option Shares:** any Shares issued by the Company pursuant to the exercise of options granted pursuant to a share option plan in accordance with article 9.6.

**Ordinary Shares:** the ordinary shares of £0.000000625 each in the capital of the Company in issue from time to time.

**Parent Undertaking:** has the meaning set out in section 1162 of the Act.

**Permitted Transfer:** a transfer of Shares in accordance with article 11.

**Permitted Transferee:**

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group; and
- (c) in relation to NomineeCo, means another trust company.

**Privileged Relation:** in relation to an individual person, a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue).

**Proposed Exit:** has the meaning given in article 6.4.

**Proposed Purchaser:** a proposed *bona fide* third party purchaser who at the relevant time has made an offer on arm's length terms.

**Proposed Sale Date:** has the meaning given in article 15.3.

**Proposed Sale Notice:** has the meaning given in article 15.3.

**Proposed Sale Shares:** has the meaning given in article 15.3.

**Proposed Seller:** any person proposing to transfer any Shares.

**Proposed Transfer:** has the meaning given in article 15.1.

**Qualifying Company:** a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010).

**Qualifying Person:** has the meaning given in section 318(3) of the Act.

**Relevant Interest:** has the meaning set out in article 24.4.

**Return of Capital:** a return of capital of the Company other than a redemption of shares or the purchase by the Company of its own shares.

**Sale Shares:** has the meaning set out in article 12.2(a).

**Seller:** has the meaning set out in article 12.2.

**Shareholder:** any holder of Shares from time to time.

**Shareholder Consent:**

- (a) the prior written consent of the Shareholders who, at the relevant time, represent not less than 75% (assessed in terms of nominal value of the Ordinary Shares held by the Shareholders, but excluding any Option Shares) of all the then Shareholders; and
- (b) for so long as the Investors hold, in aggregate, at least 15 per cent of the Ordinary Shares in issue (assessed in terms of nominal value of Ordinary Shares held by the Shareholders, but excluding any Option Shares), Investor Consent.

**Shares:** the Ordinary Shares, the Z Ordinary Shares and any other class of shares in issue from time to time in the capital of the Company.

**Share Sale:** the sale of the entire issued share capital of the Company, except where following completion of the sale the Shareholders and the proportion of Shares held by each of them are the same as the Shareholders and their shareholdings in the Company immediately prior to the sale.

**Stock Exchange:** The London Stock Exchange plc (including the AIM stock market operated by The London Stock Exchange plc), NEX Exchange Limited (including the NEX Exchange Main Board, NEX Exchange Growth Market and Nex Trading operated by NEX Exchange Limited) or any recognised investment exchange (as defined by Section 285, Financial Services and Markets Act 2000) and their respective share dealing markets.

**Subsidiary Undertaking:** has the meaning set out in section 1162 of the Act.

**Transfer Notice:** shall have the meaning given in article 12.2.

**Transfer Price:** shall have the meaning given in article 12.2.

**Trustees:** in relation to a Shareholder, the trustee or the trustees of a Family Trust.

**Z Ordinary Shares:** the Z ordinary shares of £0.01 each in the capital of the Company in issue from time to time.

**Z Share Hurdle:** £7,500,000.

### **3 Share capital**

- 3.1 In these Articles, unless the context requires otherwise, references to Shares of a particular class shall include Shares allotted and/or issued after the Adoption Date and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares of the relevant class then in issue.
- 3.2 The words "*and the directors may determine the terms, conditions and manner of redemption of any such shares*" shall be deleted from article 22(2) of the Model Articles.
- 3.3 Subject to Shareholder Consent and the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.
- 3.4 In article 25(2) of the Model Articles, the words "*payment of a reasonable fee as the directors decide*" in paragraph (c) shall be deleted and replaced by the words "*payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine*".

### **4 Dividend rights**

- 4.1 In respect of any Financial Year, any Available Profits may be distributed at the absolute discretion of the Board (with Shareholder Consent).
- 4.2 Any Available Profits which the Company may determine, with Shareholder Consent, to distribute in respect of any Financial Year; will be distributed among the holders of the Shares *pro rata* and *pari passu* to their respective holdings of Shares, as if one class.
- 4.3 Subject to the Act and these Articles, the Board may, with Shareholder Consent, pay interim dividends if justified by the Available Profits in respect of the relevant period, and any such dividends will be distributed among the holders of the Shares *pro rata* and *pari passu* to their respective holdings of Shares, as if one class.
- 4.4 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.
- 4.5 Article 31(1) of the Model Articles shall be amended by:
- (a) the replacement of the words "*either in writing or as the directors may otherwise decide*" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "*in writing*"; and
  - (b) the replacement of the words "*either in writing or by such other means as the directors decide*" from the end of paragraph (d) of that article 31(1) with the words "*in writing*".

### **5 Liquidation**

On a distribution of assets on a Liquidation the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) among the holders of Shares *pro rata* and *pari passu* to the number of Shares held, as if one class.

### **6 Exit provisions**

- 6.1 On an Exit, where the Exit Proceeds are:
- (a) less than or equal to the Z Share Hurdle, the Exit Proceeds shall be distributed to the holders of the Ordinary Shares *pro rata* to the number of Ordinary Shares held, and no payments shall be made in respect of the Z Ordinary Shares; or



- (b) more than the Z Share Hurdle, the Exit Proceeds shall be distributed in the following order and priority:

Priority	Class of Share	Amount to be paid
1.	Ordinary Shares	The Exit Proceeds up to £6,000,000.
2.	Ordinary Shares	92.5% of any Exit Proceeds in excess of £6,000,000 but less than or equal to £10,000,000.
3.	Z Ordinary Shares	7.5% of any Exit Proceeds in excess of £6,000,000 but less than or equal to £10,000,000.
4.	Ordinary Shares	87.5% of any Exit Proceeds in excess of £10,000,000 but less than or equal to £15,000,000.
5.	Z Ordinary Shares	12.5% of any Exit Proceeds in excess of £10,000,000 but less than or equal to £15,000,000.
6.	Ordinary Shares	85% of any Exit Proceeds in excess of £15,000,000.
7.	Z Ordinary Shares	15% of any Exit Proceeds in excess £15,000,000.

- 6.2 Any return on a particular class of Shares will be made amongst their holders *pro rata* as nearly as possible to their respective holdings of Shares of that class.
- 6.3 Immediately prior to and conditional upon a Listing, the Shareholders shall enter into such arrangements (including but not limited to a reorganisation of the share capital of the Company and/or the issue of further shares in the capital of the Company) as they may agree, or in the absence of such agreement as the Board (with Shareholder Consent) may reasonably specify, to ensure that the Listing Value is allocated amongst the holders of Shares in the same proportions as the Exit Proceeds would be allocated amongst the holders of Shares on a Share Sale at the Listing Value pursuant to the provisions of article 6.1 at that date.
- 6.4 In the event of an Exit approved by:
- (a) the Board; and
  - (b) Shareholder Consent,

(a "**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit ("**Actions**"). The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this article, the Company shall be constituted the agent of each defaulting Shareholder for taking the Actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders.

## **7 Votes in general meeting and written resolutions**

- 7.1 The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 7.2 The holders of the Z Ordinary Shares shall not have the right to receive notice of, attend, vote or speak at any general meeting of the Company and shall not be entitled to vote on any written resolution of the Company in respect of such Z Ordinary Shares.
- 7.3 Where Shares confer a right to vote, on a show of hands each holder of such Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

## **8 Variation of rights**

- 8.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent in nominal value of the issued Shares of that class.
- 8.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares.

## **9 Allotment of new Shares or other securities: pre-emption**

- 9.1 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.
- 9.2 If the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Shares (excluding Z Ordinary Shares) (the "**Subscribers**") on the same terms and at the same price as those New Securities are being offered to other persons on a *pro rata* basis to the number of Shares (excluding Z Ordinary Shares) held by those holders (as nearly as may be without involving fractions). The offer:
- (a) shall be in writing, be open for acceptance from the date of the offer to the date ten Business Days after the date of the offer (inclusive) (the "**Subscription Period**") and give details of the number and subscription price of the New Securities; and
  - (b) may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 9.3 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a *pro rata* basis to the number of Shares (excluding Z Ordinary Shares) held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).
- 9.4 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.

9.5 Subject to the requirements of articles 9.2 to 9.4 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board 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.

9.6 The provisions of articles 9.2 to 9.5 (inclusive) shall not apply to:

- (a) the granting of options to subscribe for Ordinary Shares and the issue of Ordinary Shares pursuant to the exercise of options granted under any share option plan for the benefit of employees or management that have been approved by Shareholder Consent; or
- (b) the allotment and issue of Z Ordinary Shares.

9.7 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective Director, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint election pursuant to section 431 ITEPA with the Company if so required by the Company.

## **10 Transfers of Shares – general**

10.1 In articles 10 to 16 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.

10.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

10.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

10.4 Any transfer of a Share by way of sale which is required to be made under articles 11 to 16 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

10.5 The Directors may refuse to register a transfer if:

- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
- (b) the transfer is to an Employee, Director or prospective Employee or prospective Director, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint election pursuant to section 431 ITEPA with the Company;
- (c) if it is a transfer of a Share to a competitor, or an officer, employee or other person connected with (pursuant to section 1122 CTA 2010) a competitor of the Business;
- (d) the transfer is not lodged at the registered office or at such other place as the Directors may appoint;
- (e) the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (f) the transfer is in respect of more than one class of Shares;
- (g) the transfer is in favour of more than four transferees; or

(h) these Articles otherwise provide that such transfer shall not be registered,

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

10.6 The Directors may, as a condition to the registration of any transfer of Shares (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of a shareholders' agreement or any other similar document in force between some or all of the Shareholders and the Company in any 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) and if any condition is imposed in accordance with this article 10.6 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

10.7 To enable the Directors to determine whether or not there has been any disposal of Shares (or any interest in Shares) in breach of these Articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares in writing of that fact and the following shall occur:

- (a) the relevant Shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question); or
- (b) the withholding of payment of all dividends or other distributions otherwise attaching to the relevant Shares or to any further Shares issued in respect of those Shares; and
- (c) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in articles 10.7(a) and 10.7(b) above may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in 10.7(c) above.

10.8 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of ten Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.

10.9 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in these Articles, will be treated as having specified that:

- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (on the basis that any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) shall not vote) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes

aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

- (b) it does not include a Minimum Transfer Condition; and
- (c) the Seller wishes to transfer all of the Shares held by it.

- 10.10 Shares may be transferred by means of an instrument of transfer in any usual form, or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 10.11 Notwithstanding any other provision of these Articles, a transfer of Z Ordinary Shares may only be made with Shareholder Consent.

## **11 Permitted Transfers**

- 11.1 Subject to article 10.11, any Shareholder may transfer all or any of his Shares to a Permitted Transferee without restriction as to price or otherwise.
- 11.2 Shares previously transferred as permitted by article 11.1 may be transferred by the transferee to any other Permitted Transferee of the relevant Shareholder without restriction as to price or otherwise.
- 11.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 11.4 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the relevant Shareholder or to another Permitted Transferee of such Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 11.5 No transfer of Shares may be made to Trustees unless the Board is satisfied:
  - (a) with the terms of the trust instrument and in particular with the powers of the trustees;
  - (b) with the identity of the proposed trustees;
  - (c) the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 11.6 If a Permitted Transferee who is a Qualifying Company of the relevant Shareholder ceases to be a Qualifying Company of such Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the relevant Shareholder (or, to any Permitted Transferee of such Shareholder) and may do so without restriction as to price or otherwise, failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 11.7 If a Permitted Transferee who is a spouse or Civil Partner a Shareholder ceases to be a spouse or Civil Partner of such Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
  - (a) execute and deliver to the Company a transfer of the Shares held by him to the relevant Shareholder (or, to any Permitted Transferee of such Shareholder) for such consideration as may be agreed between them; or

(b) give a Transfer Notice to the Company in accordance with article 12.2,

failing which he shall be deemed to have given a Transfer Notice.

- 11.8 On the death (subject to article 11.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the relevant Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by such Shareholder, to any Permitted Transferee of such Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the relevant Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice in respect of such Shares.
- 11.9 A transfer of any Shares approved by the Board may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.
- 11.10 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a newly formed holding company, pursuant to which the membership, *pro rata* shareholdings and classes of shares comprised in such holding company matches that of the Company immediately prior to the transfer of the issued share capital of the Company to such holding company.
- 11.11 Notwithstanding anything to the contrary in these Articles, a transfer of the beneficial ownership of a Share by a Beneficial Owner of his or her entire beneficial interest in the Shares held on trust for him by NomineeCo shall not be restricted in any way by any provision of these Articles, and may be made without restriction to any person, provided that the legal title in such Shares continues to be held by NomineeCo and the transferee is (or becomes prior to the completion of the transfer) a member of the crowdfunding platform operated by Crowdcube Capital Limited.

## 12 Transfers of Shares subject to pre-emption rights

- 12.1 Save where the provisions of articles 11, 15 and 16 apply, any transfer of Shares (excluding Z Ordinary Shares) shall be subject to the pre-emption rights contained in this article 12.
- 12.2 A Shareholder who wishes to transfer Shares (excluding Z Ordinary Shares) (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any such Shares, give notice in writing (a "**Transfer Notice**") to the Company specifying:
- (a) the number of Shares (excluding Z Ordinary Shares) that he wishes to transfer (the "**Sale Shares**");
  - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
  - (c) the price at which he wishes to transfer the Sale Shares; and
  - (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a "**Minimum Transfer Condition**").

If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the "**Transfer Price**") must be approved by the Board. In addition, if the price is

not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board. In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within five Business Days of the Company receiving the Transfer Notice.

12.3 No Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

12.4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

12.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice; and
- (b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under article 13,

the Board shall offer the Sale Shares for sale to the Shareholders other than the Seller. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

12.6 Transfers: Offer

- (a) The Board shall offer the Sale Shares to all Shareholders other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date falling 15 Business Days after the offer (inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under this article 12.6 will be conditional on the fulfilment of the Minimum Transfer Condition.
- (c) If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- (d) If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with article 12.7(e).

12.7 Completion of transfer of Sale Shares

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 12.6 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- (b) If:
  - (i) the Transfer Notice does not include a Minimum Transfer Condition; or

- (ii) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board shall, when no further offers are required to be made under article 12.6 and once the requirements of article 15 have been fulfilled to the extent required, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than ten Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of article 12.7(c):
  - (i) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
    - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (B) receive the Transfer Price and give a good discharge for it; and
    - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
  - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to article 12.7(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price not less than the Transfer Price.
- (f) The right of the Seller to transfer Shares under article 12.7(e) does not apply if:
  - (i) the Transfer Notice was required to be served by the Board or deemed served in accordance with these Articles; or
  - (ii) the Board is of the opinion on reasonable grounds that:
    - (A) the transferee is a person (or a nominee for a person) who the Board determines in its absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
    - (B) 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
    - (C) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for



the purpose of enabling it to form the opinion mentioned under article 12.7(f)(ii)(B) above.

### **13 Valuation of Shares**

- 13.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of articles 10.9 or 12.2 or otherwise then, on the date of failing agreement, the Board shall either:
- (a) appoint an expert valuer in accordance with article 13.2 (the "**Expert**") to certify the Fair Value of the Sale Shares; or
  - (b) if the Fair Value has been certified by an Expert within the preceding 12 weeks, specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares which are the subject of the Transfer Notice.
- 13.2 The Expert will be either:
- (a) the Auditors; or
  - (b) if otherwise agreed by the Board and the Seller or where the Auditors refuse to act, an independent firm of Chartered Accountants to be agreed between the Board and the Seller or, failing such agreement not later than the date falling ten Business Days after the date of service of the Transfer Notice, to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.
- 13.3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert on the following assumptions and bases:
- (a) valuing the Sale Shares as on an arm's length sale between a willing seller and a willing buyer;
  - (b) if the Company is then carrying on its business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction;
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and
  - (e) reflect any other factors which the Expert reasonably believes should be taken into account.
- 13.4 If any difficulty arises in applying any of the assumptions or bases referred to in article 13.3 then the Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 13.5 The Expert shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 13.6 The Expert shall act as an expert and not as an arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).

- 13.7 The Board will give the Expert access to all accounting records or other relevant documents of the Company subject to it agreeing to such confidentiality provisions as the Board may reasonably impose.
- 13.8 The Expert shall deliver its certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 13.9 The cost of obtaining the certificate shall be paid by the Company unless:
- (a) the Seller cancels the Company's authority to sell; or
  - (b) the sale price certified by the Expert is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert was instructed,
- in which case the Seller shall bear the cost.

#### **14 Compulsory transfers – general**

- 14.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 14.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:
- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
  - (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.
- If either requirement in this article 14.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that the Directors may otherwise determine.
- 14.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a *bona fide* restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.
- 14.4 To the exclusion of the Investors, if there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the relevant Shareholder or to any other Permitted Transferee of the relevant Shareholder before being required to serve a Transfer Notice.
- 14.5 If the Founder is a Leaver, the Investor Director may at any time, require the Founder to transfer the Leaver's Percentage of his Founder Shares, or such lesser amount as the Board (acting with Shareholder Consent) shall determine (the "**Relevant Shares**") to the Company pursuant to this article 14.5, where the Transfer Price for those Relevant Shares will be:

- (a) subject to article 14.5(c), if the Founder is a Bad Leaver, the lower of the nominal value and Fair Value as determined in accordance with these Articles;
- (b) subject to article 14.5(c), if the Founder is a Good Leaver, the Fair Value as determined in accordance with these Articles; or
- (c) in respect of any Z Ordinary Shares, the nominal value.

If the Company does not wish to acquire the Relevant Shares or is unable to do so under the Act, then such Shares shall instead be offered to the Shareholders in accordance with article 12.6(a) at the Transfer Price as calculated pursuant to article 14.5(a) or 14.5(b) (as applicable).

## 15 Tag along

- 15.1 Except in the case of Permitted Transfers and transfers pursuant to article 14, after going through the pre-emption procedure in article 12, the provisions of article 15.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Shares (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) owning Shares representing at least 75% of the Shares then in issue.
- 15.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to the other Shareholders to acquire all of the Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in article 15.7).
- 15.3 The Offer must be given by written notice (a "**Proposed Sale Notice**") at least ten Business Days (the "**Offer Period**") prior to the proposed sale date (the "**Proposed Sale Date**"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**").
- 15.4 If any holder of Shares is not given the rights accorded him by this article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 15.5 If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 15.6 The Proposed Transfer is subject to the pre-emption provisions of article 12 but the purchase of the Accepting Shareholders' Shares shall not be subject to article 12.
- 15.7 For the purpose of this article 15:
  - (a) the expression "**Specified Price**" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:
    - (i) in the Proposed Transfer; or
    - (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,
 plus an amount equal to the Relevant Sum, calculated in accordance with article 15.7(b), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed

Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the "**Supplemental Consideration**") provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of articles 5 or 6, as if applicable; and

(b) Relevant Sum =  $C \div A$

where:

A = the number of Shares being sold in connection with the relevant Proposed Transfer; and

C = the Supplemental Consideration.

## 16 Drag along

16.1 If the holders of at least 75 per cent of the Shares (acting with Shareholder Consent) (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "**Drag Along Option**") to compel each other holder of Shares (the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the "**Drag Purchaser**") in accordance with the provisions of this article 16.

16.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that:

- (a) the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this article 16;
- (b) the person to whom they are to be transferred;
- (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this article 16); and
- (d) the proposed date of transfer,

and, in the case of articles 16.2(b) to 16.2(d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice. No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this article 16.

16.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

16.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of article 6 (the "**Drag Consideration**").

16.5 In respect of a transaction that is the subject of a Drag Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for any lost certificate in a form

acceptable to the Board, if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee of the Shares held by such Called Shareholder.

16.6 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the "**Drag Completion Date**"), each Called Shareholder shall deliver:

- (a) duly executed stock transfer form(s) for its Called Shares in favour of the Drag Purchaser;
- (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
- (c) a duly executed share sale agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

together the "**Drag Documents**".

16.7 On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.

16.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 16 in respect of their Shares (without prejudice to any subsequent Drag Along Notice which may be served on him).

16.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements, deeds or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this article 16 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration to the Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or a suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.

16.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of article 12.

16.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire Shares or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser and the provisions of article 16 shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## **17 General meetings**

- 17.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 17.2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 50 per cent in nominal value of the Shares, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- 17.3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.
- 17.4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 17.5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded 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 demand for 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.
- 17.6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 17.7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

## **18 Proxies**

- 18.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: *"is signed by or on behalf of the shareholder appointing the proxy and accompanied by any authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)"*.
- 18.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may:
- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

- (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the Company secretary or to any Director; or
- (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the Company secretary or to any Director, or at the time and place at which the poll is held to the chairman or to the Company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

## **19 Directors' borrowing powers**

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.

## **20 Number of Directors**

Unless and until the Company shall otherwise determine by way of Shareholder Consent, the number of Directors shall not be subject to any minimum but shall not be more than six.

## **21 Appointment of Directors**

- 21.1 The Founder (for so long as he is a Shareholder) shall be entitled to appoint himself as a Director by notice given in writing addressed to the Company without requiring Shareholder Consent, and the other Shareholders shall not vote so as to remove the Founder from office.
- 21.2 The Investors (for so long as they hold in aggregate not less than 5% (five per cent) of the Shares in issue) shall together be entitled to appoint and remove one Director (and to the board of directors of any Subsidiary established from time to time) without requiring Shareholder Consent, save that the first director so appointed shall be Fares Bugshan, who shall remain Investor Director until at least 27 February 2022 (save with the prior consent of the Founder). If the Investors together hold at any time in aggregate 15% (fifteen per cent) or more of the Ordinary Shares then in issue, they shall together be entitled to appoint and remove an additional Director (and to the board of directors of any Subsidiary established from time to time) without requiring Shareholder Consent.
- 21.3 An appointment or removal of a Director under articles 21.1 and 21.2 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company.

## **22 Disqualification of Directors**

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if:

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or
- (b) in the case of Directors other than the Founder and any Investor Director, if a majority of his co-Directors serve notice on him in writing, removing him from office.

## **23 Proceedings of Directors**

- 23.1 The quorum for Directors' meetings shall be three Directors who must include the Founder (if so appointed as a Director) and an Investor Director (if one is so appointed) (save that where a Relevant Interest of a Director is being authorised by the other Directors in accordance

with section 175(5)(a) of the Act, such Director shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting).

- 23.2 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 23.3 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 23.4 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 23.5 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a casting vote.
- 23.6 The chairman shall be such Director as may from time to time be nominated as such by the Board, save that the Founder shall be the first chairman and shall remain chairman for so long as he is a Director and is willing to act as chairman.
- 23.7 A decision of the Directors 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 (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

## **24 Directors' interests**

- 24.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
  - (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
  - (c) where a Director (or a person connected with him) is a Shareholder or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;



- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (h) any other interest authorised by ordinary resolution.

24.2 For the purposes of this article 24, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

*Accountability of any benefit and validity of a contract*

24.3 In any situation permitted by this article 24 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

24.4 Any authority given in accordance with section 175(5)(a) of the Act in respect of a Director (an "**Interested Director**") who has proposed that the Directors authorise his interest (a "**Relevant Interest**") pursuant to that section may, for the avoidance of doubt:

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:
  - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
  - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
  - (iii) restricting the application of the provisions in articles 24.5 and 24.6, so far as is permitted by law, in respect of such Interested Director; and
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time,

an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this article 24.

24.5 Subject to article 24.6 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this article 24), if a Director, otherwise than by

virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
  - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.
- 24.6 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, article 24.5 shall apply only if the conflict arises out of a matter which falls within article 24.1 or has been authorised under section 175(5)(a) of the Act.
- 24.7 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:
  - (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
  - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.
- 24.8 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by article 24.1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:
  - (a) falling under article 24.1(g);
  - (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
  - (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.
- 24.9 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this article 24.
- 24.10 For the purposes of this article 24:
  - (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties;
  - (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director; and

- (c) a general notice to the Directors 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.

## **25 Notices**

25.1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this article 25.

### *Notices in hard copy form*

25.2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):

- (a) to the Company or any other company at its registered office;
- (b) to the address notified to or by the Company for that purpose;
- (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members;
- (d) in the case of an intended recipient who is a Director, to his address as shown in the register of Directors;
- (e) to any other address to which any provision of the Act authorises the document or information to be sent or supplied; or
- (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in articles 25.2(a) to 25.2(e) above, to the intended recipient's last address known to the Company.

25.3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:

- (a) if delivered, at the time of delivery; or
- (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

### *Notices in electronic form*

- 25.4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:
- (a) if sent by email (provided that an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
  - (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under article 25.2; or
  - (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address as the Company may specify:
    - (i) on its website from time to time; or
    - (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time.
- 25.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:
- (a) if sent by email (where an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;
  - (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
  - (c) if delivered in an electronic form, at the time of delivery; and
  - (d) if sent by any other electronic means as referred to in article 25.4(c), at the time such delivery is deemed to occur under the Act.
- 25.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.
- 25.7 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website.
- 25.8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**"). Notice so given shall constitute notice to all the joint holders.
- 25.9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

## 26 Indemnity

Subject to the provisions of and so far as may be permitted by, the Act:

- (a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of

the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no Director or director of any associated company is indemnified by the Company against:

- (i) any liability incurred by the director to the Company or any associated company;
- (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
- (iii) any liability incurred by the director:
  - (A) in defending any criminal proceedings in which he is convicted;
  - (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or
  - (C) in connection with any application under sections 661(3), 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in articles 26(a)(i), 26(a)(iii)(B) and 26(a)(iii)(C) applying; and

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

## 27 Data protection

Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the Shareholders and Directors (each a "**Recipient**") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group ("**Recipient Group Companies**") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

**28 Secretary**

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

**29 Authority to capitalise and appropriation of capitalised sums**

29.1 The Board may, if authorised to do so by an ordinary resolution (with Shareholder Consent):

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "**Capitalised Sum**") to such Shareholders and in such proportions as the Board may in their absolute discretion deem appropriate (the "**Shareholders Entitled**"),

and Article 36 of the Model Articles shall not apply to the Company.

29.2 Capitalised Sums may be applied on behalf of such Shareholders and in such proportions as the Board may (with Shareholder Consent) deem appropriate.

29.3 Any Capitalised Sum may be applied in paying up new Shares up to the nominal amount equal to the Capitalised Sum, which are then allotted credited as fully paid to the Shareholders Entitled or as they may direct.

29.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are allotted credited as fully paid to the Shareholders Entitled or as they may direct.

29.5 Subject to these Articles the Board may (with Shareholder Consent):

- (a) apply Capitalised Sums in accordance with articles 29.3 and 29.4 partly in one way and partly another;
- (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this article 29; and
- (c) authorise any person to enter into an agreement with the Company on behalf of all of the Shareholders Entitled which is binding on them in respect of the allotment of Shares or debentures under this article 29.

## NOTES

1. If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods:

**By hand:** delivering the signed copy to Steve Johnson at the Company's registered office.

**E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [finance@munchfit.co.uk](mailto:finance@munchfit.co.uk). Please type "Written resolutions" in the e-mail subject box.

If you do not agree to the Resolution, you do not need to do anything; you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
3. Unless, within 30 days of the Circulation Date, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.
4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.