

COMPANY NUMBER: 09347816

THURSDAY



A18 *A77LXU21* 07/06/2018 #142
COMPANIES HOUSE

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

DISCOVERY YACHTS GROUP LTD (Company)

CIRCULATION DATE: 31 May 2018

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (Act), the following resolution IS proposed as a special resolution of the Company (Resolution):

SPECIAL RESOLUTION

1. THAT the articles of association attached to this Resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of the existing articles of association.

Please read the notes at the end of this document before signifying your agreement to the Resolution.

Signed

SEAN ANTHONY EDWARD LANGDON

SEAN ANTHONY EDWARD LANGDON

Print name

31/05/2018

Date

Signed

BINTI HOLDING GMBH

Print name

Date

Signed

KEITH JOHN WATSON

KEITH JOHN WATSON

Print name

31/05/2018

Date

Signed

NICK GILL

NICK GILL

Print name

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Signed

KEITH JOHN WATSON

Print name

Date

Signed

NICK GILL

Print name

Date

Signed



CHRISTOPHER BRAMBLE

CHRISTOPHER BRAMBLE

Print name

31/05/2018

Date

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

DISCOVERY YACHTS GROUP LTD (company number 09347816)

(Adopted by special resolution passed on 31 May 2018)

AGREED TERMS

1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

A Ordinary Shareholder(s)	the holders from time to time of any A Ordinary Shares and A Ordinary Shareholder shall be construed accordingly;
A Ordinary Shares	means the A ordinary shares of £0.0001 each in the capital of the Company;
Act	the Companies Act 2006;
Appointor	has the meaning given in article 12.1;
Articles	the Company's articles of association for the time being in force;
B Investment Shareholder(s)	the holders from time to time of any B Investment Shares and B Investment Shareholder shall be construed accordingly;
B Investment Shares	means the B investment shares of £0.0001 each in the capital of the Company;
Bad Leaver	a Leaver who either (i) leaves by reason of voluntary resignation within two years of the date on which the Shares are issued to them; or (ii) is dismissed for Cause or;
Board	the board of Directors from time to time;
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
Cause	means one or more of the following reasons for termination: (a) gross or serious misconduct;

	<p>(b) fraud; or</p> <p>(c) being disqualified from acting as a director of any Group Company; or</p> <p>(d) dismissal except in circumstances which are adjudicated by a Court of competent jurisdiction as amounting to unfair dismissal (other than on procedural grounds);</p>
Civil Partner	means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;
Conflict	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;
Continuing Shareholder	has the meaning given in article 22.11;
Controlling Interest	an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
Crowd Cube Investors	those persons subscribing for A Ordinary Shares via the campaign found at www.crowdcube.com/discovery on 28 February 2018 with the exception of Binti Holding GmbH;
Deemed Transfer Notice	a Transfer Notice that is deemed to have been served under any provisions of these Articles;
Director	a director of the Board and Directors shall be construed accordingly;
Eligible Director	a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);
Fair Value	in relation to shares, as determined in accordance with article 27;
Family Trust	means, in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder (Settlor) and/or the Settlor's Privileged Relations;
Founders	Sean Langdon, Keith Watson and Christopher Bramble;
Good Leaver	a Leaver who is not a Bad Leaver;

Group	the Company and its subsidiaries (if any) from time to time. References to a Group Company are to any one or more of those companies;
holding company	has the meaning given in article 1.5;
Interested Director	has the meaning given in article 10.1;
Investor Director	has the meaning given in article 4.1;
Investors	any A Ordinary Shareholders excluding any Founders or Managers;
Leaver	a holder of Shares, other than the Founders or the Investor Director (as defined in article 4.1), who is an employee of the Company and ceases to be (i) employed by or a consultant (pursuant to a consultancy agreement personally, via a services company or otherwise) to, and/or (ii) a Director of, the Company;
Manager	a holder of Shares through an enterprise management incentive (EMI) scheme (or equivalent) or who is an employee of the Company other than a Founder;
Material Default	the Mandatory Transfer Events listed in article 26 excluding articles 26.1(i) or 26.1(m);
Member of the same Group	means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of that company or a subsidiary undertaking of any such parent undertaking;
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles;
Permitted Transferee	means: <ul style="list-style-type: none"> (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies; and (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act;
Privileged Relations	means in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild

	(including step or adopted or illegitimate child and their issue);
Qualifying Company	means a company in which a 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 Corporation Tax Act 2010);
Sale Shares	has the meaning given in article 22.4;
Seller	has the meaning given in article 22.4;
Shareholders' Agreement	the agreement regulating the relationship of the A Ordinary Shareholders (with the exclusion of any A Ordinary Shareholders who are Crowd Cube Investors) from time to time;
Shareholder of the Same Group	as regards any company, a company which is from time to time a subsidiary of the Company or a parent undertaking or a subsidiary undertaking of any such parent undertaking;
Shares	the shares in issue in the capital of the Company from time to time;
subsidiary	has the meaning given in article 1.5;
Transfer Notice	has the meaning given in article 22.4;
Transfer Price	has the meaning given in article 22.4;
Trust	a Family Trust or any other trust whereby legal title of shares of the Original Shareholder (as defined in article 24.1) are held on trust by a third party trustee subject to a declaration of trust including without limitation, a nominee;
Trustees	means in relation to a Shareholder means the trustee or the trustees of a Trust;
Valuers	an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);
Vice Investor Director	has the meaning given in article 4.2; and

writing or written

the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 14 to article 23, and article 28, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a Shareholder of another company even if its shares in that other company are registered in the name of:
 - (a) another person (or its nominee), by way of security or in connection with the taking of security; or
 - (b) its nominee.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2) and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DIRECTORS

3. DIRECTORS' MEETINGS

- 3.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 6.
- 3.2 Subject as provided in these Articles, the Directors may participate in Directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the Directors or of any committee of the Directors shall be made only by resolution and resolutions at any meeting of the Directors or committee of the Directors shall be decided by a majority of votes.

4. INVESTOR DIRECTOR AND VICE INVESTOR DIRECTOR

- 4.1 The Investors, acting by a majority (in accordance with the provisions of article 5) may at any time by notice in writing served on the Company nominate any one person to be a non-executive Director of the Company (**Investor Director**) and may similarly require the removal from office of any such person and nominate another person in his place. Immediately upon service of any such notice the Board shall procure the appointment or removal (as the case may be) of the nominated director who is the subject of such notice with effect from the date of receipt by the Company of the notice.

- 4.2 The Investors, acting by a majority (in accordance with the provisions of article 5) may at any time by notice in writing served on the Company nominate any one person to be the Investor Director's alternate (**Vice Investor Director**) and may similarly require the removal of any such person and nominate another person in his place. The nominated Vice Investor Director shall exercise the Investor Director's powers, and carry out the Investor Director's responsibilities, in relation to the taking of decisions by the Directors, in the absence of the Investor Director. Immediately upon service of any such notice the Board shall procure the appointment or removal (as the case may be) of the nominated director who is the subject of such notice with effect from the date of receipt by the Company of the notice.
- 4.3 A notice served by the Investors pursuant to articles 4.1 or 4.2 must:
- (a) identify the proposed Investor Director or Vice Investor Director (as applicable); and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed Investor Director or Vice Investor Director that he is willing to act as the Investor Director or Vice Investor Director (as applicable) giving the notice.
- 4.4 A Vice Investor Director has the same rights, in relation to any decision of the Directors; as the Investor Director when acting as alternate.
- 4.5 Except as the Articles specify otherwise, a Vice Investor Director when appointed to act as alternate director on behalf of the Investor Director:
- (a) is deemed for all purposes to be a Director;
 - (b) is liable for their own acts and omissions;
 - (c) is subject to the same restrictions as the Investor Director; and
 - (d) is not deemed to be an agent of or for the Investor Director,

and, in particular (without limitation), the Vice Investor Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which the Investor Director would have been notified of in accordance with these Articles if the Vice Investor Director has been appointed.

- 4.6 Not fewer than 5 Business Days' notice of each meeting of the Board, together with the agenda for the meeting and all supporting papers, shall be given to the Investor Director or Vice Investor Director, as applicable. Any matter which was not specifically listed or disclosed in such agenda may not be discussed at any meeting of the Board unless the Investor Director (or Vice Investor Director, if applicable) agrees in writing (or waives this restriction in writing).

5. MEETINGS OF THE INVESTORS

- 5.1 The Investor Director and Vice Investor Director shall:
- (a) be appointed by the Investors acting by a majority at a meeting convened in accordance with the provisions of this article 5;

- (b) take decisions in their capacity as a non-executive Director on the instruction of the Investors acting by a majority in accordance with the provisions of this article 5; and
 - (c) at all times act in good faith and in the best interests of the Investors as a whole.
- 5.2 The Investors may at any time and shall on the request in writing signed by any such Shareholder convene a meeting of the Investors to be held at such place as the Company shall determine.
- 5.3 At least 14 clear days' notice specifying the place, day and hour of the meeting shall be given to the Investors of any meeting of the Investors. Any such notice shall specify the general nature of the business to be transacted at the meeting thereby convened. The omission to give notice to any Investor shall invalidate any resolution passed at any such meeting.
- 5.4 A person nominated by the Investors shall be entitled to take the chair at any such meeting and if no such nomination is made, or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the Investors present shall choose one of their number to be chairman.
- 5.5 At any such meeting convened for any purpose a person or persons holding or representing by proxy 20 per cent in nominal value of the total Shares of the Investors shall form a quorum for the transaction of business. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.
- 5.6 If within 30 minutes from the time appointed for any meeting of the Investors a quorum is not present the meeting shall, if convened upon the requisition of the Investors, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 days and not more than 42 days thereafter) and to such place as may be appointed by the chairman and at such adjourned meeting two Investors present in person or by proxy and entitled to vote shall form a quorum.
- 5.7 Each Investor who is present in person or by proxy at any meeting convened in accordance with this article 5 shall have such number of votes as are equivalent to the number of Shares that the Investor holds as a proportion of all of the A Ordinary Shares held by the Investors.
- 5.8 Each Investor or, in the case of joint holders, any one of them shall be entitled to vote in respect thereof either in person or by proxy and in the latter case as if such joint holder were solely entitled to the Shares it holds jointly. If more than one of such joint holders be present at any meeting either personally or by proxy the vote of the senior who tenders a vote (seniority being determined by the order in which the joint holders are named in the register of members) shall be accepted to the exclusion of the votes of the other joint holders.
- 5.9 Every instrument appointing a proxy shall be in writing, signed by the appointor or their attorney or, in the case of a corporation, under its common seal, or signed by its attorney or a duly authorised officer and shall be in such form as the Investors may approve. Such instrument of proxy shall, unless the contrary is stated thereon, be valid both for an

adjournment of the meeting and for the meeting to which it relates and need not be witnessed. A person appointed to act as a proxy need not be a Shareholder.

- 5.10 Minutes of all proceedings at every such meeting of the Investors shall be made and duly entered in books to be from time to time provided for that purpose by the Company. Any minutes which purport to be signed by the chairman of the meeting at which such proceedings held or by the chairman of the next succeeding meeting of the Investors shall be conclusive evidence of the matters contained in such minutes. Unless the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly convened and held and all resolutions passed at such meetings to have been duly passed.

6. UNANIMOUS DECISIONS OF DIRECTORS

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

7. CALLING A DIRECTORS' MEETING

- 7.1 Any Director may call a meeting of Directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing) to each Director or by authorising the Company secretary (if any) to give such notice.
- 7.2 Notice of any Directors' meeting must be accompanied by:
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - (b) copies of any papers to be discussed at the meeting.
- 7.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of Directors unless all the Directors agree in writing.

8. QUORUM FOR DIRECTORS' MEETINGS

- 8.1 The quorum at any meeting of the Directors shall be two Eligible Directors (or their alternates), subject to articles 8.3 and 8.4 one of which must be the Investor Director.
- 8.2 No business shall be conducted at any meeting of the Directors unless (i) a quorum is present at the beginning of the meeting and also when that business is voted on and (ii) notice of that meeting was given to all Directors in accordance with article 7.
- 8.3 If a quorum for a meeting of the Directors is not present, the Company shall give notice by facsimile transmission or by e-mail to the Directors and the meeting shall be adjourned to the

fifth Business Day after the date set for the meeting at the same time and place. If at the adjourned meeting a quorum is not present within half an hour from the time set for the meeting, or if during the meeting a quorum ceases to be present, the meeting shall be dissolved.

- 8.4 If the failure of any Director to attend two consecutive meetings causes such meetings to be inquorate, then the failure of such Director to attend a third meeting shall entitle the remaining Directors to proceed with the business of such meeting notwithstanding that such meeting would (but for the provisions of this article 8.4) have been inquorate.

9. CHAIRING OF DIRECTORS' MEETINGS

The post of chairman of the Directors will be nominated by the Board. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the Board, the Board shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.

10. DIRECTORS' INTERESTS

- 10.1 The Directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any Director which would, if not so authorised, involve a Director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 10.2 Any authorisation under this article will be effective only if:
- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 10.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;

- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 10.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 10.5 The Directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 10.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a Director of the Company and no authorisation under article 10.1 shall be necessary in respect of any such interest.
- 10.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 10.8 Subject to sections 177(5) and 177(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 10.9 Subject to sections 182(5) and 182(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 10.8.
- 10.10 Subject, where applicable, to any terms and conditions imposed by the Directors in accordance with article 10.3, and provided a Director has declared the nature and extent of

his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

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

11. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in a form that enables the Company to retain a copy of such decisions.

12. ALTERNATE DIRECTORS

- 12.1 Any Director, other than an Alternate Director (as defined in this article 12.1), an Investor Director or a Vice Investor Director, (**Appointor**) may appoint any person (whether or not a Director), to be an alternate director (**Alternate Director**) to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the Directors, in the absence of the Appointor. A person may be appointed an Alternate Director by more than one Director provided that each of his Appointors represents the same class of shares but not otherwise.

- 12.2 Any appointment or removal of an Alternate Director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the Directors.
- 12.3 The notice must:
- (a) identify the proposed alternate; and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the Director giving the notice.
- 12.4 An Alternate Director has the same rights, in relation to any decision of the Directors, as the alternate's Appointor.
- 12.5 Except as the Articles specify otherwise, Alternate Directors:
- (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their Appointors; and
 - (d) are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each Alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a Shareholder.
- 12.6 A person who is an Alternate Director but not a Director may, subject to him being an Eligible Director:
- (a) Be counted as participating for the purposes of determining whether a quorum is present at a meeting of Directors (but only if that person's Appointor is an Eligible Director and is not participating); and
 - (b) Participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 12.7 A Director who is also an Alternate Director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the Directors.
- 12.8 An Alternate Director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an Alternate Director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

12.9 An Alternate Director's appointment as an alternate (in respect of a particular Appointor) terminates:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
- (c) when the Alternate Director's Appointor ceases to be a Director for whatever reason.

SHARES

13. SHARE CAPITAL AND SHARE TRANSFERS

13.1 Except as otherwise provided in these Articles, the Shares shall rank *pari passu* in all respects.

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

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

13.4 Subject to article 13.5, the Directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

13.5 The Directors may, as a condition to the registration of any transfer of shares in the Company (with the exception of the B Investment Shares and any Shares allotted to the Crowd Cube Investors) require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 13.5, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

13.6 To enable the Directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the Directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such Directors within 14 days of their request, such Directors may serve a notice on the shareholder stating that the shareholder shall not in relation to all shares held by that

shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the Directors' satisfaction. Such Directors may reinstate these rights at any time.

- 13.7 Any transfer of shares by way of a sale that is required to be made under articles 14, 26, 28 or 29 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

14. COMPANY'S LIEN OVER PARTLY PAID SHARES

- 14.1 The Company has a lien over every Share which is partly paid for any part of:

- (a) that Share's nominal value, and
- (b) any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

- 14.2 The Company's lien over a Share:

- (a) takes priority over any third party's interest in that Share, and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

- 14.3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

- 14.4 Subject to the provisions of this article 14, if:

- (a) a lien enforcement notice has been given in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide.

- 14.5 A lien enforcement notice:

- (a) may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (b) must specify the Share concerned;
- (c) must require payment of the sum payable within 14 days of the notice;
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and

- (e) must state the Company's intention to sell the share if the notice is not complied with.

14.6 Where Shares are sold under this article 14:

- (a) the Directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

14.7 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the Shares before the sale for any money payable in respect of the Shares after the date of the lien enforcement notice.

14.8 A statutory declaration by a Director that the declarant is a Director and that a Share has been sold to satisfy the Company's lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.

15. CALL ON SHARES

15.1 Subject to the articles and the terms on which shares are allotted, the Directors may send a notice (**Call Notice**) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (**Call**) which is payable in respect of Shares which that Shareholder holds at the date when the Directors decide to send the call notice.

15.2 A Call Notice:

- (a) may not require a Shareholder to pay a Call which exceeds the total sum unpaid on that Shareholder's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium);
- (b) must state when and how any Call to which it relates it is to be paid; and
- (c) may permit or require the Call to be paid by instalments.

15.3 A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 days have passed since the notice was sent.

15.4 Before the Company has received any Call due under a Call Notice the Directors may:

- (a) revoke it wholly or in part, or
- (b) specify a later time for payment than is specified in the notice,

by a further notice in writing to the Shareholder in respect of whose shares the call is made.

16. LIABILITY TO PAY CALLS

16.1 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.

16.2 Joint holders of a share are jointly and severally liable to pay all Calls in respect of that Share.

16.3 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those shares may require them:

- (a) to pay Calls which are not the same, or
- (b) to pay Calls at different times.

16.4 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):

- (a) on allotment;
- (b) on the occurrence of a particular event; or
- (c) on a date fixed by or in accordance with the terms of issue.

but if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

17. FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES

17.1 If a person is liable to pay a Call and fails to do so by the Call Payment Date:

- (a) the Directors may issue a notice of intended forfeiture to that person, and
- (b) until the Call is paid, that person must pay the Company interest on the Call from the Call Payment Date at the Relevant Rate.

17.2 For the purposes of this article 17:

the **Call Payment Date** is the time when the Call Notice states that a Call is payable, unless the Directors give a notice specifying a later date, in which case the Call Payment Date is that later date;

the **Relevant Rate** is:

- (a) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
- (b) such other rate as was fixed in the Call Notice which required payment of the Call, or has otherwise been determined by the Directors; or
- (c) if no rate is fixed in either of these ways, 5 per cent per annum.

17.3 The Relevant Rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

17.4 The Directors may waive any obligation to pay interest on a Call wholly or in part.

18. NOTICE OF INTENDED FORFEITURE

18.1 A notice of intended forfeiture:

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

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

19. EFFECT OF FORFEITURE

19.1 Subject to the articles, the forfeiture of a Share extinguishes:

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

19.2 Any Share which is forfeited in accordance with the articles:

- (a) is deemed to have been forfeited when the Directors decide that it is forfeited;
- (b) is deemed to be the property of the Company; and

- (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit.

19.3 If a person's Shares have been forfeited:

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

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

20. PROCEDURE FOLLOWING FORFEITURE

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

20.2 A statutory declaration by a Director that the declarant is a Director and that a Share has been forfeited on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.

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

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

- (a) was, or would have become, payable, and
- (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

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

21. SURRENDER OF SHARES

21.1 A Shareholder may surrender any share:

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

21.2 The Directors may accept the surrender of any such Share and the effect of surrender on a Share is the same as the effect of forfeiture on that Share.

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

22. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

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

22.2 Except where the provisions of article 24, article 25, article 26, article 28, or article 29 apply, any transfer of A Ordinary Shares by an A Ordinary Shareholder shall be subject to the pre-emption rights in this article.

22.3 The provisions of this article 22 shall not apply with regard to B Investment Shares. Any B Investment Shareholder shall be entitled to transfer or transmit B Investment Shares to such persons and at such prices as they see fit, provided that such transfer is in respect of the B Investment Shareholder's entire holding of B Investment Shares to a single transferee (except with the prior sanction of a resolution of the Board).

22.4 An A Ordinary Shareholder (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer including:

- (a) the number of Sale Shares;
- (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
- (c) the price (in cash) at which he wishes to sell the Sale Shares (which will be deemed to be Fair Value of the Sale Shares as determined in accordance with article 23 if no cash price is agreed between the Seller and the Board (**Transfer Price**)); and
- (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**).

- 22.5 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 22.6 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 22.7 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 22.8 The Board shall offer the Sale Shares to the A Ordinary Shareholder inviting the relevant shareholders to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 22.9 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 22.10 to article 22.12 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 22.10 If at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to the applicable shareholder. No allocation shall be made for more than the maximum number of Sale Shares which he has stated he is willing to buy.
- 22.11 If not all Sale Shares are allocated following allocations in accordance with article 22.10 the Board shall offer the Sale Shares in accordance with the provisions of this article 22 to all shareholders other than the Seller (**Continuing Shareholders**) inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**Second Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 22.12 If:
- (a) at the end of the Second Offer Period the total 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 which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made for more than the maximum number of Sale Shares which he has stated he is willing to buy
 - (b) not all Sale Shares are allocated following allocations in accordance with article 22.12(a) but there are applications for Sale Shares that have not been

satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 22.12(a). The procedure set out in this article 22.12(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

- (c) at the end of the Second Offer Period, the total 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.

22.13 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 22.10 to article 22.12 stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

22.14 If:

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) allocations under article 22.10 to article 22.12 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (**Allocation Notice**) to the Seller and each shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 30 days, but not more than 40 Business Days, after the date of the Allocation Notice).

22.15 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

22.16 If the Seller fails to comply with article 22.15:

- (a) the Chairman of the Company (or, failing him, one of the other Directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and

(iii) (subject to the transfers being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Sale Shares purchased by them; and

(b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.

22.17 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 22.13 then the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) shall not be capable of being transferred.

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

23. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS

23.1 Sections 561(1) and 562(1) to (5) (inclusive) of the Companies Act do not apply to an allotment of Equity Securities made by the Company.

23.2 Unless otherwise agreed by special resolution, 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 the A Ordinary Shareholders (**Subscribers**) on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those A Ordinary Shareholders (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 20 Business Days after the date of the offer (inclusive) (**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.

23.3 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the total number of New Securities that the Company has proposed to allot, 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.

23.4 The provisions of Article 23.1 to 23.3 (inclusive) shall not apply to:

- (a) options to subscribe for Shares under a share option plan of the Company, the terms of which have been approved by the Board and by the holders of more than 50% of the A Ordinary Shares in issue from time to time including those options in existence prior to the adoption of these Articles; or
 - (b) further issues of New Securities where each A Ordinary Shareholder is notified by the Board in advance and is entitled to participate via investing through the Crowdcube Ltd website or otherwise.
- 23.5 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who, in the opinion of the Board, is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.
- 24. PERMITTED TRANSFERS**
- 24.1 An A Ordinary Shareholder (who is not a Permitted Transferee) (**Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 24.2 Each A Ordinary Shareholder may transfer in aggregate 5% of the total A Ordinary Shares held by that A Ordinary Shareholder at the date of the adoption of these Articles each year, without restriction as to price or otherwise save that no A Ordinary Shareholder may transfer more than 15% in aggregate of the total A Ordinary Shares held by that A Ordinary Shareholder at the date of the adoption of these Articles in accordance with this Article 24.2
- 24.3 Shares previously transferred as permitted by articles 24.1 and 24.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 24.4 Where under the provision of a deceased A Ordinary 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 A Ordinary Shareholder, the legal representative of the deceased A Ordinary Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 24.5 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 24.6 Trustees may:
 - (a) transfer Shares to a Qualifying Company; or

- (b) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder;
- (c) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

24.7 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.

24.8 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any 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.

24.9 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original 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 Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with article 22,

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

24.10 On the death (subject to article 24.4), 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 Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original 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*.

25. SECURED INSTITUTION

25.1 Notwithstanding anything contained in these Articles or in the Model Articles, the Directors shall not decline to register any transfer of A Ordinary Shares, nor may they suspend registration thereof where such transfer:

- (a) is to any bank, institution or lender to which such A Ordinary Shares have been charged by way of security, or to any nominee of such a bank, institution or lender (**Secured Institution**);
- (b) is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the A Ordinary Shares, or
- (c) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security,

and furthermore notwithstanding anything to the contrary contained in these Articles or in the Model Articles, no transferor of any A Ordinary Shares or proposed transferor of any such A Ordinary Shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall be required to provide any prior written notice to the Company or to offer the A Ordinary Shares which are to be the subject of any such transfer to the Shareholders for the time being of the Company or any of them, and no such Shareholder shall have any right under the Articles or otherwise to require such shares to be transferred to them whether for consideration or note.

25.2 The Company shall have no lien on any A Ordinary Shares which have been charged by way of security to a Secured Institution.

25.3 Any pre-emption rights contained in these Articles shall not apply in relation to any A Ordinary Shares which have been charged by way of security to a Secured Institution by any Shareholder of the Company from time to time.

26. COMPULSORY TRANSFERS

26.1 The Board can elect at any time within 12 months of the occurrence of the following events, that a Manager is deemed to have served a *Transfer Notice* under article 22.4 immediately before any of the following events (**Mandatory Transfer Events**):

- (a) the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
- (b) the shareholder entering into a composition or arrangement with its creditors; or
- (c) any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager); or
- (d) petition being presented for the shareholder's bankruptcy; or

- (e) an arrangement or composition with the shareholder's creditors being proposed; or
- (f) the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
- (g) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
- (h) *any encumbrancer taking possession of, or a receiver being appointed over, or in relation to, all of the shareholder's assets; or*
- (i) his death; or
- (j) the shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986; or
- (k) the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding; or
- (l) the shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other shareholder requiring such remedy; or
- (m) the holder of Shares becoming a Good Leaver;
- (n) the holder of Shares becoming a Bad Leaver.

26.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium (**Price**), and the aggregate Fair Value of such Sale Shares save that if the holder of Shares associated with the Deemed Transfer Notice is deemed to have given a Transfer Notice as a result of article 26.1(n) he shall be entitled to receive the lower of the *Price and the Fair Value of those Shares*.
- (b) the Company, may accept the offer to acquire the Sale Shares but if it does not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value (if required) or within 20 Business Days of service of the Deemed Transfer Notice the Sale Shares shall be offered in accordance with the provisions of article 22.

26.3 A Deemed Transfer Notice under article 26.1(l) shall immediately and automatically revoke a *Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice*.

26.4 If a Deemed Transfer Notice arises under articles 26.1(m) and 26.1(n), the relevant Shares that are the subject of the Deemed Transfer Notice shall immediately cease to confer the right to be entitled to receive notice of, or to attend or vote at, any general meeting, or on any

written resolution of the Company, and shall not be counted in determining the total number of votes which may be case at any such meeting or required for the purpose of a written resolution or otherwise. Such rights shall be restored immediately upon the Shares being transferred in accordance with this article.

- 26.5 If the holder of the Shares which are subject to the Deemed Transfer Notice fails to complete a transfer of Sale Shares as required under this article 26, the Continuing Shareholders are irrevocably authorised to appoint any person it nominates for the purpose as agent to transfer the Sale Shares on his behalf and to do anything else that the Continuing Shareholder may reasonably require to complete the sale, and the Company may receive the purchase price in trust for such person, giving a receipt that shall discharge the Continuing Shareholders.
- 26.6 Upon a transfer of Shares pursuant to the terms of a Deemed Transfer Notice, to the extent that the holder of the Shares which are subject to the Deemed Transfer Notice is also a director of any Group Company, they shall also be deemed to resign from each such office without recourse or compensation being payable by such Group Company for loss of office.

27. VALUATION

- 27.1 If required, as soon as practicable after deemed service of a Transfer Notice under article 26, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.
- 27.2 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the shareholders in writing of their determination.
- 27.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company subject to article 27.3(e)).
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - (d) the Sale Shares are sold free of all encumbrances;
 - (e) a discount shall be applied for any minority interest in the Sale Shares;
 - (f) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
 - (g) to take account of any other factors that the Valuers reasonably believes should be taken into account.
- 27.4 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.

- 27.5 To the extent not provided for by this article 27, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 27.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud).
- 27.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders equally or in such other proportions as the Valuers shall direct.

28. DRAG ALONG

- 28.1 If:
- (a) within the period from the date of adoption of these Articles to the fifth anniversary of the adoption of these Articles (inclusive) the holders of 60% of the Shares in issue for the time being wish to transfer all (but not some only) of their Shares where the sale of such Shares together with the Shares held by all other Shareholders attract a value of £5,000,000 (five million pounds) or more;
 - (b) at any time after the fifth anniversary of the adoption of these Articles the holders of 60% of the Shares in issue for the time being wish to transfer all (but not some only) of their Shares; or
 - (c) the Investors where they invoke their rights after 31 July 2022 in accordance with clause 13 of the Shareholders' Agreement wish to transfer all (but not some only) of their Shares,
- (Selling Shareholders) (Sellers' Shares)** to a bona fide purchaser on arm's length terms **(Proposed Buyer)**, the Selling Shareholders may require all other Shareholders **(Called Shareholders)** to sell and transfer all their shares **(Called Shares)** to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article **(Drag Along Option)**.
- 28.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders **(Drag Along Notice)** at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 28.2;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares **(Specified Price)**; and
 - (d) the proposed date of the transfer.

- 28.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 28.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 28.4.
- 28.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - (b) that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 11th Business Day after service of the Drag Along Notice.
- 28.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 28.2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 28.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 28.7 in respect of their Shares.
- 28.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 28.6) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 28.8.

28.9 Following the issue of a Drag Along Notice, upon any person exercising a pre-existing option to acquire shares in the Company or exercising a conversion right in respect of any convertible security of the Company (**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. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 28.9 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the Company, if later.

29. TAG ALONG

29.1 Subject to article 28 if the Founders wish to transfer in aggregate 24% of the Shares in issue for the time being to a bona fide purchaser on arm's length terms (**Third Party Buyer**), such disposition or sale shall have no effect unless before the transfer is lodged for registration the Third Party Buyer has made a bona fide offer in accordance with these Articles to purchase at the specified price (defined in article 29.3) all the Shares held by shareholders who are not acting in concert or otherwise connected with the Third Party Buyer (**Uncommitted Shares**).

29.2 An offer made under article 29.1 shall be in writing and shall be open for acceptance for at least 10 Business Days, and shall be deemed to be rejected by any shareholder who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within 15 Business Days of the date of the offer.

29.3 For the purposes of article 29 the expression **specified price** means:

- a) the consideration (in cash or otherwise) per Share equal to that offered or paid or payable by the Third Party Buyer or its nominees for the Shares being sold in accordance with this article 29; plus
- b) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Specified Shares.

29.4 If the specified price or its cash equivalent cannot be agreed within 15 Business Days of the proposed sale or transfer referred to in article 29.1 between the Third Party Buyer and the holders of any Uncommitted Shares such matter shall be referred to the Valuers by any shareholder for determination and, pending such determination, the sale or transfer referred to in article 29.1 shall have no effect.

29.5 The rights of pre-emption and other restrictions contained in these articles shall not apply on any sale or transfer to a Third Party Buyer provided that the provisions of this article 29 have been complied with.

30. SHARE CERTIFICATES

- 30.1 The conditions of issue of any Shares shall not require the Company to issue any Share certificate although the Board may resolve to do so.
- 30.2 The Company shall not be bound to issue more than one certificate in respect of Shares held jointly by two or more persons. Delivery of a certificate to the person first named in the register shall be sufficient delivery to all joint holders.
- 30.3 If the Board resolves to issue a Share certificate it may be issued in electronic format, under seal (by affixing the seal to or printing the seal or a representation of it on the certificate) or signed by at least two Directors or by at least one Director and the secretary. Such certificate shall specify the number and class of the Shares in respect of which it is issued and the amount or respective amounts paid up on it. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any Share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be issued under seal or signed by any person.
- 30.4 Every Share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any Share certificate lost or delayed in the course of delivery.

DECISION MAKING BY SHAREHOLDERS

31. QUORUM FOR GENERAL MEETINGS

- 31.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be three persons present in person or by proxy one of whom must be Sean Langdon for so long as he is a Shareholder and one of whom must be a representative of one of the Investors but may not be a B Investment Shareholder, who shall not be entitled to receive notice of, attend or vote at any general meeting of the Company.
- 31.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 31.3 If a quorum for a general meeting of the Company is not present, the Company shall give notice by facsimile transmission or by e-mail to the A Ordinary Shareholders and the meeting shall be adjourned to the fifth Business Day after the date set for the meeting at the same time and place. If at the adjourned meeting a quorum is not present within half an hour from the time set for the meeting, or if during the meeting a quorum ceases to be present, the meeting shall be dissolved.
- 31.4 If the failure of any Shareholder to attend two consecutive meetings causes such meetings to be inquorate, then the failure of such Shareholder to attend a third meeting shall entitle the remaining Shareholders to proceed with the business of such meeting notwithstanding that such meeting would (but for the provisions of this article 31.4) have been inquorate.

32. CHAIRING GENERAL MEETINGS

The chairman of the Board shall chair general meetings. If the chairman is unable to attend any general meeting, the Board shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

33. POLL VOTES

33.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

33.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

34. PROXIES

34.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".

34.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

35. MEANS OF COMMUNICATION TO BE USED

35.1 Subject to articles 35.3 and 36, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (b) if sent by fax, at the time of transmission; or
- (c) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
- (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

- (f) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- (g) if deemed receipt under the previous paragraphs of this article 35.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

35.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (c) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

35.3 Any notice, document or other information served on, or delivered to, an intended recipient under article 14, article 23, or article 28 (as the case may be) may not be served or delivered in electronic form except to the extent required by article 35.4

35.4 Any notice served on any holder of Shares domiciled outside of the United Kingdom shall also be served by e-mail.

35.5 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

36. ELECTRONIC COMMUNICATION

36.1 Without prejudice to article 48 of the Model Articles, notices and any other communications sent or supplied, by or to Shareholders or Directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such Shareholder or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such Shareholders or Directors).

36.2 For the purposes of article 36.1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by Shareholders or Directors are up to date and current, and it is the sole responsibility of each Shareholder and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all Shareholders and Directors agree that the Company has no responsibility to any Shareholder or Director who fails to receive any notice or other communication as a result of the Shareholder or Director failing to comply with this article 36.2.

- 36.3 When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Act.
- 36.4 Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission.
- 36.5 The Company's obligation to send or supply any notice or communication to Shareholders or Directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control.
- 36.6 Each Shareholder and Director shall, for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website.

37. INDEMNITY AND INSURANCE

- 37.1 Subject to article 37.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- (a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 37.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

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

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

37.4 In this article:

- (a) a "relevant officer" means any director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.