

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
DOCK & BAY LTD
COMPANY NUMBER 09444124

(Adopted by special resolution passed on 3rd December 2022)

1. **INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006 (as amended from time to time);

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

Affiliate: means, with respect to any Shareholder, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such Shareholder, including, without limitation, any general partner, managing member, officer or director of such Shareholder or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management or advisory company with, such Shareholder;

Appointor: has the meaning given in Article 7.1;

Articles: means these articles of association (as amended from time to time);

Board: means the Company's board of directors from time to time;

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

Company: means Dock & Bay Ltd (company number: 09444124);

Conflict: has the meaning given in Article 4.1;

Controlling Interest: means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of CTA 2010;

CTA 2010: means the Corporation Tax Act 2010;

Deemed Transfer Notice: means a Transfer Notice which is deemed to have been served by any of the provisions of these articles;

Director: means any director of the Company from time to time;

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

Excess Securities: has the meaning given in Article 11.3.2;

Fair Value: means the value of the relevant Shares as determined in accordance with Article 13;

Financial Year: means an accounting reference period (as defined by the Act) of the Company;

Founders: means Andrew Jefferies and Benjamin Muller;

Founder Director: means any director appointed by a Founder pursuant to Article 6.1;

Fund Manager: means a person whose principal business is to make, manage or advise upon investments in securities;

Holding company: has the meaning given in article 1.7;

ITEPA: means the Income Tax (Earnings and Pensions) Act 2003;

Member of the same Fund Group: means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "Investment Fund") or a nominee of that Investment Fund:

- a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- b) any Investment Fund managed or advised by the Fund Manager;
- c) any parent undertaking or subsidiary undertaking of that Fund Manager, or any subsidiary undertaking of any parent undertaking of that Fund Manager;
or
- d) any trustee, nominee or custodian of such Investment Fund and vice versa;

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: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI/2008/3229) as amended prior to the date of adoption of these Articles;

Ordinary Shares: means the ordinary shares of £0.000001 each in the capital of the Company from time to time;

Permitted Transferee: means:

- a) in relation to a Shareholder who is an individual, any of his Privileged Relations, trustees (including trustees of trusts established wholly for the benefit of that individual and/or any of his Privileged Relations) or Qualifying Companies;
- b) in relation to a Shareholder which is an undertaking (as defined in section 1161 of the Act) means any Member of the same Group; and
- c) in relation to a Shareholder which is an Investment Fund, any Member of the same Fund Group.

Privileged Relation: means, in relation to a Shareholder who is an individual member or deceased or former member, a spouse, civil partner, child or grandchild (including step or adopted or illegitimate child and their issue) or a Qualifying Company;

Qualifying Company(ies): means a company in which a Shareholder holds the entire issued share capital and over which that Shareholder exercises control (within the meaning of section 1124 of CTA 2010);

Relevant Agreement: means any agreement between the relevant Employee Shareholder and the Company (whether or not involving other parties too), including shareholders' agreements, subscription agreements, employment agreements, consultancy agreements, service agreements and confidentiality agreements.

Shareholder: means any holder of any Shares;

Shares: means the Ordinary Shares from time to time; and

Valuer means the external accountants or (if appointed) the auditors of the Company or, if such external accountants or such auditors decline the instruction, an independent firm of accountants jointly appointed by the relevant parties or, in the absence of agreement between the parties on the identity of such an independent firm of accountants within 10 Business Days of a party serving details of a suggested independent firm of accountants on the other, an independent firm of accountants appointed by the President of the Institute of Chartered Accountants in England and Wales for the time being (in each case acting as an expert and not as an arbitrator).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "**article**" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.5.1 any subordinate legislation from time to time made under it; and
- 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 Any reference to any gender is intended to refer to all genders.
- 1.8 A reference to a "**holding company**", "**parent undertaking**", a "**subsidiary**" or a "**subsidiary undertaking**" means a holding company, a parent undertaking, a subsidiary or a subsidiary undertaking (as the case may be) as defined in the Act.
- 1.9 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(4), 11(2), 11(3), 13, 14, 17(2), 17(3), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.11 Article 7 of the Model Articles shall be amended by:
- 1.11.1 the insertion of the words "for the time being" at the end of Article 7(2)(a); and
- 1.11.2 the insertion in Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.13 In Article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

2. **OBJECTS**

- 2.1 The objects of the Company are to promote the success of the Company;
- 2.1.1 for the benefit of its members as a whole; and
- 2.1.2 through its business and operations, to have a material positive impact on (a) society and (b) the environment.
taken as a whole.
- 2.2 A director must act in the way he or she considers, in good faith, most likely to promote the success of the Company in achieving the objects set out in article 2.1 above, and in doing so shall have regard (amongst other matters) to:
- 2.2.1 the likely consequences of any decision of the directors in the long term and the impact any such decision may have on any affected stakeholders;
- 2.2.2 the interests of the Company's employees;
- 2.2.3 the need to foster the Company's business relationships with suppliers, customers and others;
- 2.2.4 the impact of the Company's operations on the community and the environment and on affected stakeholders;
- 2.2.5 the desirability of the Company maintaining a reputation for high standards of business conduct and the impact this has on affected stakeholders; and
- 2.2.6 the need to act fairly as between members of the Company,
(together, the matters referred to above shall be defined for the purpose of this Article as the "**Stakeholder Interests**" and each a "**Stakeholder Interest**").
- 2.3 For the purposes of a director's duty to act in the way he or she considers, in good faith, most likely to promote the success of the Company, a director shall not be required to regard the benefit of any particular Stakeholder Interest or group of Stakeholder Interests as more important than any other.

2.4 Nothing in this Article express or implied is intended to or shall create or grant any right or any cause of action to, by or for any person (other than the Company).

2.5 The directors of the Company shall, for each financial year of the Company, prepare and circulate to its members an impact report. The impact report shall contain a balanced and comprehensive analysis of the impact the Company's business has had, in a manner proportionate to the size and complexity of the business. The impact report shall contain such detail as is necessary to enable the members to have an understanding of the way in which the Company has promoted its success for the benefit of its members as a whole and, through its business and operations, sought to have a material positive impact on society and the environment, taken as a whole. If the Company is also required to prepare a strategic report under the Companies Act 2006, the Company may choose to publish the impact report as part of its strategic report and in accordance with the requirements applying to the strategic report.

3. **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

3.1 Subject to the provisions of the Act and provided he has declared the nature and extent of his interest to the directors 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:

3.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

3.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

3.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

3.1.4 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;

3.1.5 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

- 3.1.6 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

4. **DIRECTORS' CONFLICTS OF INTEREST**

- 4.1 The directors may, in accordance with the requirements set out in this Article 4, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 4.2 Any authorisation under this Article 4 will be effective only if:
- 4.2.1 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;
- 4.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
- 4.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 4.3 Any authorisation of a Conflict under this Article 4 may (whether at the time of giving the authorisation or subsequently):
- 4.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- 4.3.2 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;
- 4.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- 4.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- 4.3.5 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) information that is confidential to a third party, such Interested Director 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

- 4.3.6 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.
- 4.4 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.
- 4.5 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.
- 4.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

5. **DIRECTORS' MEETINGS**

- 5.1 Meetings of the Board will be held at least once every two months unless otherwise agreed by a majority of directors. Meetings may be held by phone, by video conference call or by other electronic medium.
- 5.2 Subject to article 5.3, the quorum for the transaction of business at a meeting of the Board is any two eligible directors.
- 5.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 4 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director (s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 5.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 5.4.1 to appoint further directors; or
- 5.4.2 to call a general meeting so as to enable the Shareholders to appoint further directors.
- 5.5 A decision of the directors may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director

has otherwise indicated agreement in writing (including confirmation given by electronic means).

6. **APPOINTMENT OF DIRECTORS**

- 6.1 For so long as each Founder remains a Shareholder, he shall be entitled to nominate one person to act as a Founder Director by notice in writing addressed to the Company and to remove any Founder Director so appointed and, upon his removal, whether by such Founder or otherwise, to appoint another person to be a Founder Director in his place.
- 6.2 If any Founder Director shall die or be removed from or vacate office for any cause, the Founder who appointed such Founder Director may appoint another person to be a Founder Director in his place.
- 6.3 Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.
- 6.4 Any appointment or removal of a director pursuant to this Article 6 shall be in writing and signed by or on behalf of the relevant Shareholder(s) and served on the Company at its registered office. Any such appointment or removal shall take effect when received by the Company at its registered office or at such later time as may be specified in such notice.

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

- 7.1 Any director (**appointor**) may appoint as an alternate director any other director, or any other person approved by resolution of the directors, to:
 - 7.1.1 exercise that director's powers; and
 - 7.1.2 carry out that director's responsibilities,in relation to the taking of decisions by the directors, in the absence of the alternate director's appointor.
- 7.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company at its registered office signed by the appointor, or in any other manner approved by the directors.
- 7.3 The notice must:
 - 7.3.1 identify the proposed alternate director; and

- 7.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate director that the proposed alternate director is willing to act as the alternate of the director giving the notice.

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

- 8.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate director's appointor.

- 8.2 Except as the Articles specify otherwise, alternate directors:

- 8.2.1 are deemed for all purposes to be directors;

- 8.2.2 are liable for their own acts and omissions;

- 8.2.3 are subject to the same restrictions as their appointors; and

- 8.2.4 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 the directors and of all meetings of committees of the directors of which his appointor is a member.

- 8.3 A person who is an alternate director but not a director:

- 8.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

- 8.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and

- 8.3.3 shall not be counted as more than one director for the purposes of Articles 8.3.1 and 8.3.2.

- 8.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

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

9. **TERMINATION OF ALTERNATE DIRECTORSHIP**

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

9.1.1 when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when the appointment is to terminate;

9.1.2 on the occurrence, in relation to the alternate director, of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director;

9.1.3 on the death of the alternate director's appointor; or

9.1.4 when the alternate director's appointor's appointment as a director terminates.

10. **SECRETARY**

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

11. **FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

11.1 Sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

11.2 Unless otherwise agreed in writing by the Board, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all Shareholders (including their Affiliates and Permitted Transferees (if applicable) on the same terms, and at the same price, as those equity securities are being offered to such other persons on a pari passu basis and pro rata basis based on the number of Ordinary Shares held by such Shareholder relative to the number of Ordinary Shares then in issue (as nearly as possible without involving fractions)).

11.3 The offer:

11.3.1 shall be in writing, shall be open for acceptance for a period of fifteen days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and

11.3.2 may stipulate that any Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which such Shareholder is entitled shall, in

his acceptance, state the number of excess equity securities (**Excess Securities**) for which such Shareholder wishes to subscribe.

- 11.4 Any equity securities not accepted by the Shareholders pursuant to the offer made to them in accordance with Article 11.2 and 11.3 shall be used for satisfying any requests for Excess Securities made pursuant to Article 11.3.2. if there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of Ordinary Shares held by the applicants immediately prior to the offer (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining 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 Shareholders. No waiver of pre-emption rights shall be required of a Shareholder prior to the issue of any Shares in accordance with this Article 11.
- 11.5 Pre-emption rights under this Article 11 do not apply to any Shares issued by the Company pursuant to any employee incentive scheme adopted by the Company from time to time.
- 11.6 No waiver of pre-emption rights shall be required of a Shareholder prior to the issue of any Shares in accordance with this Article 11.
- 11.7 No Shares shall be allotted to any employee, director, prospective employee or director tax resident in the United Kingdom unless such person has entered into a joint section 431 ITEPA election with the Company for the full disapplication of Chapter 2 of Part 7 of ITEPA.

12. **PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

- 12.1 In this Article 12, 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.
- 12.2 Except where the provisions of Articles 14, 15, or 16 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 12.
- 12.3 A Shareholder (**Seller**) wishing to transfer his Shares (**Sale Shares**) shall, before transferring or agreeing to transfer any of the Sale Shares, give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:
- 12.3.1 the number of Sale Shares which he wishes to transfer;

12.3.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;

12.3.3 the price (in cash) at which he wishes to sell the Sale Shares (which will be the lower of the price offered to the proposed buyer and the Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (**Transfer Price**)); and

12.3.4 whether the proposed transfer described in the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**).

12.4 Except with the consent of the Board, once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.

12.5 A Transfer Notice constitutes the Company acting by the Board as the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

12.6 As soon as practicable following the later of:

12.6.1 receipt of a Transfer Notice; and

12.6.2 in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 13,

the Board shall offer the Sale Shares to the Shareholders in the manner set out in the remaining provisions of this Article 12 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

12.7 The Board shall offer the Sale Shares to all Shareholders other than the Seller (the **Continuing Shareholders**) and to the Company (together with the Continuing Shareholders, the **Potential Buyers**), inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (both dates inclusive) (the **Pre-emption Offer Period**) for the maximum number of Sale Shares they wish to buy.

12.8 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under Article 12.9 shall be conditional on the fulfilment of the Minimum Transfer Condition.

12.9 If:

12.9.1 at the end of the Pre-emption 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 Potential Buyer who has applied for Sale Shares: (a) to the

Company to the maximum extent of its offer and to the extent that it is lawfully able to purchase its shares at the relevant time, then (b) to the extent that there is then any unallocated excess following the allocation to the Company, to each of the Continuing Shareholders in the proportion which his existing holding of Ordinary Shares bears to the total number of Ordinary 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 of the Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Potential Buyers who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Potential Buyer of more than the maximum number of Sale Shares which he has stated he is willing to buy;

12.9.2 not all of the Sale Shares are allocated following allocations in accordance with Article 12.9.1, 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 12.9.1. The procedure set out in this Article 12.9.2 shall apply on any number of consecutive occasions until either all of the Sale Shares have been allocated or all applications for the Sale Shares have been satisfied; and

12.9.3 at the end of the Pre-emption 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 Potential Buyers in accordance with their applications. The balance (the **Surplus Shares**) shall be dealt with in accordance with Article 12.14.

12.10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied does not satisfy the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 12.9 stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

12.11 If:

12.11.1 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

12.11.2 allocations under Article 12.9 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Potential Buyer 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 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).

12.12 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.

12.13 If the Seller fails to comply with Article 12.12:

12.13.1 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:

- (a) complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- (b) 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
- (c) (subject to the transfers being duly stamped) enter the Applicants in the register of members of the Company as the holders of the Sale Shares purchased by them; and

12.13.2 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 to the Company 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.

12.14 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to Article 12.10 then, subject to Article 12.15 and within 15 Business Days following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this Article 12.14 shall continue to be subject to any Minimum Transfer Condition.

12.15 The Seller's right to transfer Sale Shares under Article 12.14 does not apply if the Board reasonably considers that:

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

12.16 The restrictions imposed by this Article 12 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 12.

12.17 Any purchase of its Shares by the Company pursuant to this Article 12 must be carried out in accordance with the applicable provisions of the Act.

13. **TRANSFERS OF SHARES: VALUATION**

13.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these articles, be the Fair Value determined in accordance with this article 13.

13.2 The Fair Value shall be the price per Sale Share determined by the Valuer on the following bases and assumptions:

13.2.1 valuing the Sale Shares on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);

13.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

13.2.3 that the Sale Shares are capable of being transferred without restriction;

13.2.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent;

13.2.5 recognising that any loans due from the Company to the Shareholder may need to be repaid on completion of the transfer; and

13.2.6 reflecting any other factors which the Valuer reasonably believes should be taken into account.

- 13.3 If any difficulty arises in applying any of these assumptions or bases then the Valuer shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 13.4 The Directors will give the Valuer access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 13.5 The parties are entitled to make submissions to the Valuer in writing and shall provide (or procure that others provide) the Valuer with such assistance and documents as the Valuer may reasonably require for the purpose of reaching a decision.
- 13.6 The Valuer shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 13.7 The Valuer shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 13.8 The cost of obtaining the Valuer's certificate shall be borne by the Seller and the company equally or in such other proportions as the Valuer directs.

14. **DRAG ALONG**

- 14.1 If the holders of 70% of the Ordinary Shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may give written notice (a **Drag Along Notice**) to the other Shareholder(s) (**Called Shareholders**) that the Called Shareholders are required to sell and transfer all of their Shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article 14 (**Drag Along Option**).
- 14.2 The Selling Shareholders may exercise the Drag Along Option by serving the Drag Along Notice on the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. The Drag Along Notice shall specify:
- 14.2.1 that the Called Shareholders are required to transfer all of their respective Called Shares under this Article 14;
- 14.2.2 the person to whom the Called Shares are to be transferred;

- 14.2.3 the consideration payable for the Called Shares which shall, for each of the Called Shares, be an amount equal to the consideration per Share offered by the Proposed Buyer for the Sellers' Shares;
- 14.2.4 the proposed date of the transfer; and
- 14.2.5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with the such sale (the **Sale Agreement**).
- 14.3 No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 14 such that, without limitation, no Called Shareholder shall be required to provide any warranty or representation or indemnity but that a Called Shareholder shall be required: (a) to provide a warranty or representation as to title and capacity on the basis that the Called Shareholder's maximum liability shall be limited to the consideration actually received by such Called Shareholder (inclusive of all costs and expenses of the claimant); and (b) to participate in any deferred or contingent consideration and/or be bound by any escrow arrangements in respect to the payment of any consideration for his Called Shares on the same terms as the Selling Shareholders.
- 14.4 Within ten Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the following procedure shall apply:
- 14.4.1 the Called Shareholders shall deliver to the Company:
- (a) stock transfer forms for the Sale Shares in favour of the Proposed Buyer (or as the Proposed Buyer shall direct), together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company; and
 - (b) the duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company;
- 14.4.2 on the expiration of that ten Business Day period specified above, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the consideration they are due pursuant to Article 14.2.3 to the extent the Proposed Buyer has paid such consideration to the Company. The Company's receipt for the consideration due pursuant to Article 14.2.3 shall be a good discharge to the Proposed Buyer; and
- 14.4.3 the date of completion of such sale shall be the date on which the Company irrevocably transmits payment to the Called Shareholders. The Company or its nominee shall hold the amounts due to the Called Shareholders pursuant to this Article 14.4 in trust for the Called Shareholders without any obligation to pay interest.

- 14.5 To the extent that the Proposed Buyer has not, on the expiration of such ten Business Day period, paid the consideration to the Company for the consideration due pursuant to Article 14.2.3, the Called Shareholders shall be entitled to the immediate return of the stock transfer forms and share certificate (or an indemnity for any lost certificate in a form acceptable to the Board) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 14 in respect of the relevant Drag Along Notice.
- 14.6 If a Called Shareholder fails to deliver stock transfer forms, the Sale Agreement and share certificates (or suitable indemnity) for its Called Shares to the Company upon the expiration of such ten Business Day period, the Company and each director shall be constituted the agent of such defaulting Called Shareholder for taking such actions as are necessary to effect the transfer of the Called Shareholder's Shares (including the execution of the stock transfer form and Sale Agreement) and the directors shall, if requested by the Proposed Buyer, authorise any director to transfer the Called Shareholder's Called Shares on such Called Shareholder's behalf to the Proposed Buyer (or its nominee(s)) to the extent the Proposed Buyer has, at the expiration of that ten Business Day period, paid the consideration to the Company in funds for the consideration due pursuant to Article 13.2.3 for the Called Shareholder's Called Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Called Shares (or suitable indemnity) to the Company. On surrender, he shall be entitled to the consideration due to him pursuant to Article 14.2.3.
- 14.7 A Drag Along Notice shall be irrevocable but will lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 14.8 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 14.
- 14.9 Any transfer of Shares to a Proposed Buyer (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 12 or Article 15.
- 14.10 If any new shares (**New Shares**) are issued to any person, following the issue of a Drag Along Notice, pursuant to the exercise of an option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder in respect of their New Shares immediately upon that issue of New Shares on the same terms as the previous Drag Along Notice and the New

Shareholder shall then be bound to sell and transfer all such New Shares to the Proposed Buyer or as the Proposed Buyer may direct and the provisions of this Article 14 shall apply with the necessary changes to the New Shareholder except that completion of the sale of the New Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

15. **TAG ALONG RIGHTS ON A CHANGE OF CONTROL**

- 15.1 Except in the case of transfers pursuant to Article 16, the provisions of this Article 15 shall apply if, in one or a series of related transactions, one or more sellers of Shares (**Tag Sellers**) propose to transfer any of their Shares (**Proposed Tag Transfer**) which would, if carried out, result in any person (**Tag Buyer**), and any person Acting in Concert with the Tag Buyer, acquiring a Controlling Interest in the Company.
- 15.2 Before making a Proposed Tag Transfer, a Tag Seller shall procure that the Tag Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration that is at least equal to the highest consideration (including any non-cash consideration, which will, if necessary, be valued by the Valuer whose decision shall be final and binding) per Share offered or paid by the Tag Buyer, or any person Acting in Concert with the Tag Buyer, in the Proposed Tag Transfer or in any related previous transaction in the three months preceding the date of the Proposed Tag Transfer.
- 15.3 The Offer shall be given by written notice (**Offer Notice**), at least 10 Business Days (**Tag Offer Period**) before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 15.3.1 the identity of the Tag Buyer;
- 15.3.2 the consideration and other terms and conditions of payment;
- 15.3.3 the Sale Date; and
- 15.3.4 the number of Shares proposed to be purchased by the Tag Buyer (**Offer Shares**).
- 15.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Article 15.2 and Article 15.3, the Tag Sellers shall not be entitled to complete the Proposed Tag Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Tag Transfer.
- 15.5 If the Offer is accepted by any Shareholder (an **Accepting Shareholder**) within the Tag Offer Period, the completion of the Proposed Tag Transfer shall be conditional on completion of the purchase of all of the Offer Shares held by Accepting Shareholders.

- 15.6 The Proposed Transfer is subject to the pre-emption provisions of Article 12 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 12.

16. PERMITTED TRANSFERS

- 16.1 Any Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise
- 16.2 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Ordinary Shares previously transferred as permitted by this Article 16.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 16.3 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, a Permitted Transferee of 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.
- 16.4 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, 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, a Permitted Transferee of the Original Shareholder, or a Member of the same Fund 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 give a Transfer Notice in respect of such Shares.
- 16.5 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:
- 16.5.1 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
- 16.5.2 give a Transfer Notice to the Company in accordance with Article 12.3,

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

16.6 The restrictions set out in Articles 12 to 15 shall not apply to Permitted Transfers.

17. **PURCHASE OF OWN SHARES**

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

17.1.1 £15,000; and

17.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.

17.2 Subject to the remaining provisions of this article 17, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:

17.2.1 hold the Shares (or any of them) in treasury;

17.2.2 deal with any of the Shares, at any time, in accordance with section 727 of the Act; or

17.2.3 cancel any of the Shares, at any time, in accordance with section 729 of the Act.

18. **VOTES IN GENERAL MEETINGS AND WRITTEN RESOLUTIONS**

18.1 The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

18.2 Where Shares confer a right to vote, on a show of hands each holder of such Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

18.3 No voting rights attached to a Share which is nil paid or partly paid may be exercised:

18.3.1 at any general meeting, at any adjournment of such general meeting or at any poll called at or in relation to it; or

18.3.2 on any proposed written resolution of the members of the Company,

unless all of the amounts payable to the Company in respect of that Share have been paid.

19. **POLL VOTES**

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

20. **PROXIES**

- 20.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 20.2 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.

21. **MEANS OF COMMUNICATION TO BE USED**

- 21.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 21.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 21.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 21.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 21.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article 21, no account shall be taken of any part of a day that is not a Business Day.

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

22. **INDEMNITY**

22.1 Subject to Article 22.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

22.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, 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 (or any associated company's) affairs; and

22.1.2 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 22.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

22.2 This Article 22 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.

22.3 In this Article 22:

22.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

22.3.2 a "**relevant officer**" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

23. **INSURANCE**

23.1 The Company may effect and maintain appropriate insurance with a reputable insurer in respect of all relevant officers, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

23.2 In this Article 23:

23.2.1 a "**relevant officer**" means any director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

23.2.2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

23.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.