

Company number 10444564

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

PHYTOPONICS LIMITED (the Company)

(Adopted by special resolution passed on 31st MARCH 2020)



1 INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles:

Act	means the Companies Act 2006.
Acting in Concert	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).
Adoption Date	means the date of adoption of these Articles.
Articles	means the Company's articles of association for the time being in force.
Available Profits	means profits available for distribution within the meaning of part 23 of the Act.
Board	means the board of Directors as constituted from time to time.
Business Day	means a day other than a Saturday, Sunday or public holiday in England and Wales when banks are open for business.
Chairperson	has the meaning given to it in Article 6.5;
Company's Lien	has the meaning given to it in Article 17.1.

Connected	has the meaning, in relation to a person, given in section 1122 of the Corporation Tax Act 2010.
Controlling Interest	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
DBW	means DBW Investments (3) Limited (company number 05210122) whose registered office is at Unit J Yale Business Village, Ellice Way, Wrexham, Wales, LL13 7YL.
DBW Director	means any Director appointed by DBW in accordance with Article 6.2.
Departing Member	means: <ul style="list-style-type: none">(a) an Original Shareholder who is an Employee and who ceases to be an Employee; or(b) a Permitted Transferee, where the Original Shareholder from whom he or she acquired Shares was an Employee but ceases to be an Employee.
Directors	means the directors of the Company from time to time.
Disposal	means the disposal by the Company of all, or a substantial part of, its business and assets.
Eligible Director	means a Director who would be entitled to vote on the matter at a Board meeting (but excluding any Director whose vote is not to be counted in respect of the particular matter).
Encumbrance	means any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected) other than liens arising by operation of law.

Employee	means a Shareholder who is an employee of the Company.
Employee Option Plan	means any employee share option scheme approved by the Board with Shareholder Consent.
Exit	means a Share Sale or a Disposal.
Financial Year	means an accounting reference period (as defined in section 391 of the Act) of the Company.
Founders	means each of Adam Dixon and Luke Parkin and a reference to a Founder shall be to either one of them.
Group	means the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and Group Company shall be construed accordingly.
Lien Enforcement Notice	means a notice in writing which complies with the requirements of Article 18.2.
Major Shareholder	means a Shareholder who (together with any Permitted Transferees) holds 15% or more of the Ordinary Shares in issue from time to time.
Member Directors	means the Directors appointed by the Major Shareholders in accordance with Article 6.1 and Member Director means any one of them.
Member of the Same Group	means as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.
Model Articles	means the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date.
Ordinary Shares	means the ordinary shares of £0.01 each in the capital of the Company.

Original Shareholder	means each Shareholder, excluding any Shareholder who, for the time being, only holds Shares as a result of a Permitted Transfer.
Permitted Transfer	has the meaning given in the Schedule hereto.
Permitted Transferee	has the meaning given in the Schedule hereto.
Sale Proceeds	means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale).
Shareholder	means a holder for the time being of any Share or Shares.
Shareholder Consent	means the prior written consent of the holder(s) for the time being of not less than 75% in nominal value of all Ordinary Shares.
Shareholders' Agreement	means any shareholders' agreement entered into between the Shareholders and the Company from time to time
Shares	means shares (of any class) in the capital of the Company and Share shall be construed accordingly.
Share Sale	means the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.
Share Warrants	means any equity warrants to subscribe for Shares created and issued by the Board (acting with Shareholder Consent).

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 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 (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
- 1.6.1 an **Article** is a reference to the relevant numbered article of these Articles; and
- 1.6.2 a **Model Article** is a reference to the relevant Model Article,
- unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. 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.
- 1.10 **connected** has the meaning given in section 252 of the Act.
- 1.11 A reference to **writing** or **written** does not include fax but includes e-mail (unless otherwise expressly provided in these Articles).
- 1.12 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.

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 7, 8, 11(2) and (3), 12, 14(1) to (4) (inclusive), 22, 38, 39, 49, 52 and 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "and the secretary" 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 Article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

Directors

3 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two.

4 PROCEEDINGS OF DIRECTORS

- 4.1 Any decision of the Directors must be taken at a Board meeting in accordance with these Articles. All decisions made at any Board meeting shall be decided by a majority of votes from Eligible Directors. If there is an equality of votes, the Chairperson (if appointed) shall have a second or casting vote.
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

- 4.3 A decision taken in accordance with Article 4.1 or Article 4.2 may take the form of a resolution in writing, where the relevant number of Eligible Directors has signed one or more copies of it, or to which the relevant number of Eligible Directors has otherwise indicated agreement in writing.
- 4.4 A decision may not be taken in accordance with Article 4.3 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with Article 4.5 and Article 4.6.
- 4.5 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors (which must include the Chairperson, if appointed, unless he would not himself be an Eligible Director or where the meeting is called to propose removing and/or replacing the Chairperson in accordance with article 6.5).
- 4.6 For the purposes of any meeting (or part of a meeting) held pursuant to Article 8 to authorise a Conflict (as defined in Article 8.1), 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.
- 4.7 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:
- 4.7.1 appoint further Directors; or
- 4.7.2 call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.8 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

5 APPOINTMENT AND REMOVAL OF DIRECTORS

- 5.1 Model Article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
- 5.1.1 he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;

5.1.2 in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company; and

5.1.3 where a majority of the other Directors (acting with Shareholder Consent) resolve to remove him from office.

6 MEMBER DIRECTORS AND CHAIRPERSON

6.1 Each Major Shareholder shall (for so long as they continue to be a Major Shareholder) have the right to appoint and maintain in office one natural person as the Major Shareholder may from time to time direct as a Member Director and to remove any director so appointed and, upon her/his removal whether by the Major Shareholder or otherwise, to appoint another person to act as a Member Director in her/his place. For the avoidance of doubt, to the extent that such Major Shareholder is her/himself already a Director (or any person Connected to her/him), then he/she shall not be entitled to appoint a Member Director for so long as he/she (or any person Connected to her/him) is a Director.

6.2 DBW shall (for so long as it holds Shares) have the right to:

6.2.1 subject to Article 6.3, appoint and maintain in office one natural person as DBW may from time to time direct as a Director and to remove any Director so appointed and, upon his removal whether by DBW or otherwise, to appoint another person to act as a Director in his place; and

6.2.2 appoint a representative to attend as an observer at each and any meeting of the Board.

6.3 Any appointment or removal of a Director by DBW made in accordance with Article 6.2.1 shall be by written notice to the Company which shall take effect upon approval by the Board of the identity of the person so nominated by DBW (acting reasonably and in good faith).

6.4 Appointment and removal of a Member Director shall be by written notice to the Company which shall take effect on delivery at its registered office or at any meeting of the Board or committee thereof. On the removal of any Member Director the appointing Major Shareholder shall be wholly responsible for all and any costs or claims that the Member Director may have against the Company in respect of his or her removal or

loss of office and the appointing Major Shareholder hereby agrees to indemnify the Company in respect of any such costs and claims.

- 6.5 The Directors may, with Shareholder Consent, appoint any person as chairperson of the Board (**Chairperson**) and may, with Shareholder Consent, remove and replace any such Chairperson. If there is no Chairperson in office for the time being, or the Chairperson is unable to attend any Board meeting, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the chair of the meeting must be the first business of the meeting.

7 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 7.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 7.1.1 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;
- 7.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 7.1.3 shall be entitled to vote at a Board meeting (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;
- 7.1.4 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;
- 7.1.5 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
- 7.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) 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.

8 DIRECTORS' CONFLICTS

8.1 The Directors may, in accordance with the requirements set out in this Article 8, 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**).

8.2 Any authorisation under this Article 8 will be effective only if:

8.2.1 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;

8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

8.2.3 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.

8.3 Any authorisation of a Conflict under this Article 8 may (whether at the time of giving the authorisation or subsequently):

8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

8.3.2 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;

8.3.3 subject to Shareholder Consent, 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;

8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;

- 8.3.5 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 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
- 8.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any Board meeting and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 8.4 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.
- 8.5 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.
- 8.6 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 his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under Article 8.1 shall be necessary in respect of any such interest.
- 8.7 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.

Shares and distributions

9 DIVIDENDS

To the extent that there are Available Profits in any Financial Year, and subject to the Directors or the Company by ordinary resolution of the Shareholders resolving to declare and pay a dividend, the Available Profits which the Company determines to

distribute (**Distributable Sum**) shall be distributed among the holders of the Ordinary Shares pro rata to their respective holdings of Ordinary Shares (unless otherwise determined by the Board acting with Shareholder Consent).

10 RETURN OF CAPITAL AND REDEMPTION RIGHTS

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be distributed (to the extent that the Company is lawfully able to do so) among the Shareholders pro rata to the number of Ordinary Shares held.

11 VARIATION OF CLASS RIGHTS

11.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class.

11.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares.

12 PRE-EMPTION ON THE ISSUE OF FURTHER SHARES

Save in respect of the grant of options under an Employee Option Plan (and the issue of Shares on the exercise of any such options) or issue of Shares upon the exercise of subscription rights granted pursuant to Share Warrants, if the Company proposes to allot any Shares, the Company shall offer such Shares to the Shareholders on a pre-emptive basis in proportion (or as nearly as practicable) to their then existing holdings of Ordinary Shares in accordance with section 561 of the Act.

13 TRANSFERS OF SHARES: GENERAL

13.1 No Share shall be transferred or otherwise disposed of or rights given to any person in or over any Share or any interest in any Share, except as permitted or required under the Schedule to these Articles.

13.2 The Shares shall be subject to the provisions set out in the Schedule to these Articles which shall apply to all Shareholders.

14 EXIT PROVISIONS

14.1 On a Share Sale, the Sale Proceeds shall be distributed in the same manner as set out in Article 10. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

14.1.1 the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in Article 10; and

14.1.2 each Shareholder shall take any reasonable action (to the extent lawful and within its control) required by the Board to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in Article 10.

14.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the same manner as set out in Article 10, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any reasonable action required by the Board (including, but without prejudice to the generality of this Article 14.2, such action as may be necessary to put the Company into voluntary liquidation so that Article 10 applies).

14.3 In the event of an Exit approved by the Directors (acting with Shareholder Consent and any other consent required pursuant to the terms of any Shareholders' Agreement) (**Proposed Exit**), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful actions with respect to the Proposed Exit as are reasonably required by the Directors to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article 14.3:

14.3.1 the Company shall be constituted the agent and attorney of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit;

14.3.2 the Directors may authorise an officer of the Company or a Shareholder to execute and deliver on behalf of such defaulting Shareholder all or any necessary documents; and

- 14.3.3 the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders (without any obligation to pay interest).

Decision-Making by Shareholders

15 GENERAL MEETINGS

- 15.1 No business other than, subject to Article 15.2, the appointment of the chairperson of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 15.2 The Chairperson shall chair general meetings. If there is no Chairperson in office for the time being, or the Chairperson is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chair of the meeting must be the first business of the meeting.

16 VOTING

- 16.1 On a show of hands, every Shareholder holding one or more Ordinary 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.
- 16.2 On a poll, every Shareholder holding one or more Ordinary Share, 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 for each Ordinary Share of which he is the holder.
- 16.3 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.
- 16.4 Model Article 44(3) 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.
- 16.5 Model Article 45(1) shall be amended by:

16.5.1 the deletion of Model Article 45(1)(d) and its replacement 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"; and

16.5.2 the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Model Article.

17 COMPANY'S LIEN OVER SHARES

17.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

17.2 The Company's Lien over a share:

17.2.1 takes priority over any third party's interest in that Share; and

17.2.2 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.

17.3 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.

18 ENFORCEMENT OF THE COMPANY'S LIEN

18.1 Subject to the provisions of this Article 18, if:

18.1.1 a Lien Enforcement Notice has been given in respect of a Share; and

18.1.2 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.

18.2 A Lien Enforcement Notice:

- 18.2.1 may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed;
 - 18.2.2 must specify the Share concerned;
 - 18.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
 - 18.2.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and
 - 18.2.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 18.3 Where Shares are sold under this Article 18:
- 18.3.1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
 - 18.3.2 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.
- 18.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:
- 18.4.1 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; and
 - 18.4.2 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 an indemnity in a form reasonably satisfactory to the Directors 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 by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

- 18.5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:
- 18.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- 18.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

Administrative Arrangements

19 MEANS OF COMMUNICATION TO BE USED

- 19.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 19.1.1 if delivered by hand, on signature of a delivery receipt; or
- 19.1.2 if sent by pre-paid 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
- 19.1.3 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
- 19.1.4 if sent or supplied by email, one hour after the notice, document or information was sent or supplied; and
- 19.1.5 if deemed receipt under the previous paragraphs of this Article 19.1 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.
- 19.2 To prove service, it is sufficient to prove that:
- 19.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

19.2.2 if sent by post the envelope containing the notice was properly addressed, paid for and posted; or

19.2.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

19.3 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.

20 INDEMNITY AND INSURANCE

20.1 Subject to Article 20.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

20.1.1 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:

20.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation thereto; and

20.1.1.2 in relation to the Company's (or other Group Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

20.1.2 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 20.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

20.2 This Article 20 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.

20.3 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.

20.4 In this Article 20:

20.4.1 **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 other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and

20.4.2 **Relevant Officer** means any director or other officer of any Group Company (including any company with 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 a Group Company as auditor (whether or not he is also a director or other officer)), to the extent he acts in his capacity as auditor.

21 DATA PROTECTION

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

21.2 The personal data that may be processed for such purposes under this Article 21 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:

21.2.1 a Member of the Same Group as the Recipient (each a **Recipient Group Company**);

21.2.2 employees, directors and professional advisers of that Recipient or any Recipient Group Company; and

21.2.3 funds managed by any of the Recipient Group Companies.

- 21.3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.

SCHEDULE

Share Transfer Procedures

1 GENERAL

- 1.1 Except with Shareholder Consent, no Share shall be transferred or registered as transferred unless the transfer is made in accordance with this Schedule.
- 1.2 The Board shall register any duly stamped transfer made in accordance with these Articles, unless it suspects that the proposed transfer may be fraudulent.
- 1.3 The following definitions and rules of interpretation apply in this Schedule:

Bad Leaver means any Shareholder who becomes a Departing Member in circumstances where he or she (or in the case of any Permitted Transferee, the Original Shareholder from whom his or her Shares were transferred):

- (a) voluntarily resigns at any time before the third anniversary of the Adoption Date (unless such resignation is by reason of retirement, permanent disability or permanent incapacity through ill-health);
- (b) is summarily dismissed by the Company as a result of gross misconduct,

unless otherwise determined by the Board within 40 Business Days of the Departure Date.

Bankruptcy Event means an order being made for the bankruptcy of a Shareholder, or an arrangement or composition being made with any of her/his creditors, or where he or she otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors.

Competitor means any company or business that is involved in activities that are the same as or competitive with those carried on by the Company as at the applicable Departure Date.

Completion Shares means the Shares held by a Shareholder as at the Adoption

Date.

Controlled Entity means any body corporate in respect of which an Original Shareholder has control (within the meaning of section 1124 of the Corporation Tax Act 2010).

Deemed Transfer Notice has the meaning given in paragraph 4.1.

Departure Date means the date on which a Shareholder becomes a Departing Member.

Fair Value means in relation to a Share, as determined in accordance with paragraph 5.

Family Trust means in relation to an Original Shareholder, a trust set up for the benefit of that Original Shareholder and/or that Original Shareholder's Privileged Relations.

Good Leaver means a Shareholder who becomes a Departing Member in circumstances where he or she is not a Bad Leaver.

paragraph means a numbered paragraph in this Schedule.

Permitted Group in relation to a company, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Permitted Group is **a member of the Permitted Group**. Unless the context otherwise requires, the application of the definition of Permitted Group to a company at any time will apply to the company as it is at that time.

Permitted Transferee means in relation to an Original Shareholder:

(a) who is an individual:

(i) any of his or her Privileged Relations or the trustees of his or her Family Trust(s); and

(ii) any Controlled Entity;

(b) who is a company, any member of the same Permitted Group as that Shareholder.

Privileged Relation means the spouse or civil or common law partner of an Original Shareholder and the Original Shareholder's children and grandchildren (including step and adopted children and grandchildren).

Shareholder's Group in relation to a Shareholder who is a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Shareholder's Group is a **member of the Group**

Transfer Price means the price per Sale Share determined in accordance with paragraph 2.4.

Unvested Shares means any Shares that are not Vested Shares.

Valuers means the auditors (or accountants) for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by Seller and the Board or, in the absence of agreement between the Seller and the Board on the identity of the expert within 5 Business Days of the expiry of the 15 Business Day period referred to in paragraph 2.4, 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).

Vested Shares means:

(a) in respect of the Founders:

(i) 50% of that Shareholder's Completion Shares;

(ii) 1/36th of the balance of that Shareholder's Completion Shares in respect of each complete calendar month which passes following the

Adoption Date (rounded up to the nearest whole Share); and

(iii) all Shares acquired by that Shareholder after the Adoption Date.

(b) in respect of all other Shareholders, all Shares held by that Shareholder.

2 PRE-EMPTION PROCEDURE

2.1 Except where:

2.1.1 the provisions of paragraph 3 (Permitted Transfers) or paragraph 4 (Compulsory transfers) or paragraph 7 (Drag Along) apply; or

2.1.2 where a particular transfer of Shares has been approved by way of Shareholder Consent,

a Shareholder (**Seller**) wishing to transfer any Shares must give a notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer, including:

2.1.3 the number of Shares he, she or it wishes to transfer (**Sale Shares**);

2.1.4 if he, she or it wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and

2.1.5 the price per Sale Share (in cash) at which he, she or it wishes to sell the Sale Shares (**Proposed Sale Price**).

2.2 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 these Articles.

2.3 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price determined in accordance with paragraph 2.4 is less than the Proposed Sale Price. In such case, the Seller may, within 10 Business Days of such determination, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.

2.4 The price for each Sale Share shall be (**Transfer Price**):

2.4.1 the Proposed Sale Price; or

- 2.4.2 where the Board (acting reasonably) are not satisfied (having been provided with such evidence as they may reasonably require for the purpose) that the Proposed Sale Price is a bona fide price agreed between the Seller and the relevant third party at arms' length and in good faith, such other price as is agreed between the Seller and the Board; or
 - 2.4.3 where the Board and the Seller are unable to agree a price for the Sale Shares in accordance with paragraph 2.4.2 within 5 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with paragraph 5.
- 2.5 As soon as practicable following the determination of the Transfer Price, the Board shall (unless the Transfer Notice is withdrawn in accordance with paragraph 2.3):
 - 2.5.1 elect that the Company shall purchase the Sale Shares; or
 - 2.5.2 with Shareholder Consent nominate that the Sale Shares are offered to a third party for purchase; or
 - 2.5.3 offer the Sale Shares for sale to the other Shareholders (excluding the Seller and any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (**Offerees**) inviting them to apply to the Company in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 2.6 If:
 - 2.6.1 in connection with an offer made pursuant to paragraph 2.5.3, at the end of the 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 Offeree who has applied for Sale Shares in the proportion which his, her or its existing holding of Shares bears to the total number of Shares (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). 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

Offerees shall be determined by the Board). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he, she or it has stated he, she or it is willing to buy;

2.6.2 not all Sale Shares are allocated following allocations in accordance with paragraph 2.6.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in paragraph 2.6.1. The procedure set out in this paragraph 2.6.2 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

2.6.3 at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the Board shall allocate the Sale Shares to the Offerees in accordance with their applications. The balance of the Sale Shares may, with Shareholder Consent, be transferred to the buyer identified in the Transfer Notice (if any) in accordance with paragraph 2.13.

2.7 The Board shall, when no further offers or allocations are required to be made under paragraph 2.6, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and to 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 and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).

2.8 On the date specified for completion in the Allocation Notice the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicants or the Board may reasonably require to show good title to the Sale Shares, or to enable each of them to be registered as the holder of the Sale Shares.

2.9 If, following a sale of Shares in accordance these Articles a Shareholder (excluding any of the Founders) is no longer a Major Shareholder the Shareholder shall deliver, or procure that there are delivered, to the Company her/his resignation as a Director and resignations from any Member Directors appointed by her/him, such resignations to take effect at completion of the sale of the Sale Shares.

- 2.10 Any transfer of Shares by way of a sale that is required to be made under these Articles shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee.
- 2.11 If the Seller fails to comply with paragraph 2.8:
- 2.11.1 the Chairperson (or, failing her/him, any other Director or some other person nominated by a resolution of the Board) may, as attorney on behalf of the Seller:
- 2.11.1.1 complete, execute and deliver in her/his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- 2.11.1.2 subject to paragraph 2.11.2, receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- 2.11.1.3 (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
- 2.11.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he, she or it has delivered his, her or its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate.
- 2.12 If any Applicant fails to pay the Transfer Price payable by him, her or it on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price shall accrue interest at a rate equal to 4% per annum above the base rate of Barclay's Bank plc from time to time.
- 2.13 Where an Allocation Notice does not relate to all the Sale Shares, at any time during the 20 Business Days following the date of service of the Allocation Notice, the Seller may transfer the balance of the Sale Shares to the buyer identified in the Transfer Notice (if any) at a price per Share at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Sale Shares to a third-party buyer if that buyer was not identified in the Transfer Notice (save with Shareholder Consent).

3 PERMITTED TRANSFERS

3.1 Subject to paragraphs 3.2 and 3.3, an Original Shareholder may transfer his, her or its Shares to any of his, her or its Permitted Transferees without restriction as to price or otherwise.

3.2 A Shareholder holding Shares as a result of:

3.2.1 a transfer by an Original Shareholder under paragraph 3.1; or

3.2.2 a transfer by a Permitted Transferee of an Original Shareholder in accordance with paragraph 3.4 to paragraph 3.6 (inclusive),

may, subject to paragraph 3.3, transfer any or all such Shares back to that Original Shareholder (or to one or more other Permitted Transferees of that Original Shareholder) without restriction as to price or otherwise.

3.3 A Shareholder may only transfer Shares to the trustees of a Family Trust if the Board is satisfied:

3.3.1 with the terms of the Family Trust and, in particular, with the powers of the trustees;

3.3.2 with the identity of the trustees; and

3.3.3 that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

3.4 If a Permitted Transfer has been made to a Privileged Relation of an Original Shareholder, that Privileged Relation shall within 20 Business Days of ceasing to be a Privileged Relation of that Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of those matters set out in paragraphs 3.5.1 - 3.5.3 (inclusive)) execute and deliver to the Company a transfer of those Shares held by her, him or it pursuant to a Permitted Transfer in favour of that Original Shareholder (or, subject to paragraph 3.3, in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be agreed between them within 20 Business Days of ceasing to be a Privileged Relation of that Original Shareholder, failing which he, she or it shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with paragraph 2. The provisions of paragraph 4.2 shall apply to such a deemed Transfer Notice.

3.5 In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from an Original Shareholder, on the occurrence of:

3.5.1 the Privileged Relation's death;

3.5.2 the Privileged Relation suffering a Bankruptcy Event; or

3.5.3 the Privileged Relation lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or to her or his shareholding,

that Privileged Relation, her or his personal representatives, her or his trustee(s) in bankruptcy, her or his attorney(s) or otherwise (as the case may be) shall, within 20 Business Days after the grant of probate, the making of the bankruptcy order or the determination of lack of capacity (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that Original Shareholder (or, if so directed by the Original Shareholder and subject to paragraph 3.3, in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be agreed between them within 20 Business Days after the grant of probate, the making of the bankruptcy order or the determination of lack of capacity (as the case may be), failing which (or where the Original Shareholder is her or himself the subject of a bankruptcy order) he, her or his personal representatives, her or his trustee(s) in bankruptcy, her or his attorney(s) or otherwise (as the case may be) shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with paragraph 2. The provisions of paragraph 4.2 shall apply to such a deemed Transfer Notice.

3.6 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 20 Business Days of that Family Trust ceasing to be wholly for the benefit of the Original Shareholder and/or the Original Shareholder's Privileged Relations execute and deliver to the Company a transfer of those Shares held by them or the Family Trust pursuant to a Permitted Transfer in favour of the Original Shareholder (or, if so directed by the Original Shareholder and subject to paragraph 3.3, in favour of one of more other Permitted Transferees of the Original Shareholder), for such consideration as may be agreed between them within 20 Business Days of that Family Trust ceasing to be wholly for the benefit of the Original Shareholder and/or the Original Shareholder's Privileged Relations, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the Shares in accordance with paragraph 2. The provisions of paragraph 4.2 shall apply to such a deemed Transfer Notice.

3.7 If a Permitted Transfer has been made to a Controlled Entity of an Original Shareholder, that Permitted Transferee shall within 20 Business Days of the Original Shareholder ceasing to have control (within the meaning of section 1124 of the Corporation Tax Act 2010) of it (whether by reason of dissolution, share sale or otherwise) execute and deliver to the Company a duly stamped transfer of those Shares held by it pursuant to a Permitted Transfer in favour of that Original Shareholder (or in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be agreed between them within 20 Business Days of the Controlled Entity ceasing to be controlled by that Original Shareholder, failing which it shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with paragraph 2. The provisions of paragraph 4.2 shall apply to such a deemed Transfer Notice.

3.8 If a Permitted Transfer has been made to a member of the Permitted Group of an Original Shareholder, that Permitted Transferee shall within 20 Business Days of ceasing to be a member of the Permitted Group of that Original Shareholder (whether by reason of dissolution, share sale or otherwise) execute and deliver to the Company a transfer of those Shares held by it pursuant to a Permitted Transfer in favour of that Original Shareholder (or in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be agreed between them within 20 Business Days of the Permitted Transferee ceasing to be a member of the Permitted Group of an Original Shareholder, failing which it shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with paragraph 2. The provisions of paragraph 4.2 shall apply to such a deemed Transfer Notice.

4 COMPULSORY TRANSFERS

4.1 A Shareholder shall, unless otherwise determined by the Board (excluding any Director who is, or has been appointed by or is Connected to, the Shareholder):

4.1.1 if the Shareholder is a Departing Member, be required within 3 months of the Departure Date to serve (and be deemed to have served) a Transfer Notice on the following basis:

4.1.1.1 if the Departing Member is classified a Bad Leaver then a Transfer Notice will be deemed to have been served in relation to all of the Shares held by the Departing Member; and

4.1.1.2 If the Departing Member is classified a Good Leaver then a Transfer Notice will be deemed to have been served in relation to his or her Unvested Shares;

4.1.2 be deemed to have served a Transfer Notice on the same date as (but immediately before) the occurrence any of the following events (the date of such deemed service being the **Deemed Service Date**):

- 4.1.2.1 the passing of a resolution for the liquidation of the Shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the Shareholder's Group in which a new company assumes (and is capable of assuming) all the obligations of the Shareholder, provided that such reconstruction or amalgamation does not result in a transfer of the Shareholder's Shares to any person other than a Permitted Transferee;
- 4.1.2.2 the presentation at court by any competent person of a petition for the winding up of the Shareholder and which has not been withdrawn or dismissed within seven days of such presentation;
- 4.1.2.3 the issue at court by any competent person of a notice of intention to appoint an administrator to the Shareholder, a notice of appointment of an administrator to the Shareholder or an application for an administration order in respect of the Shareholder;
- 4.1.2.4 the Shareholder being unable to pay its debts as they fall due for the purposes of sections 123 or 268 of the Insolvency Act 1986;
- 4.1.2.5 an order being made for the Shareholder's bankruptcy;
- 4.1.2.6 the happening in relation to a Shareholder of any event analogous to any of the above in any jurisdiction in which he, she or it is resident, carries on business or has assets; and
- 4.1.2.7 the Shareholder committing (in the reasonable opinion of the Board) a material or persistent breach of a shareholders agreement in place between the Shareholders and the Company (if any) which if capable of remedy has not been so remedied within 10 Business Days of the Board requiring such remedy,

(a Transfer Notice served (or deemed to have been served) under this paragraph 4.1 being a **Deemed Transfer Notice**).

4.2 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of paragraph 2 shall apply, except that:

4.2.1 subject to paragraph 4.1.1, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him, her or it (including any Shares acquired after the date the relevant Deemed Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice);

4.2.2 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares;

4.2.3 subject to paragraph 4.2.4, the Transfer Price shall be:

4.2.3.1 the price agreed between the Board and the Seller, or

4.2.3.2 in the absence of agreement 15 Business Days of the Departure Date, the Deemed Service Date or the date that the Seller is otherwise deemed to have serviced a Transfer Notice (as the case may be), the Fair Value of those Shares as at the Departure Date or the Deemed Service Date (as the case may be); and

4.2.4 if the Seller is deemed to have given a Transfer Notice where the Shareholder is a Departing Member and is:

4.2.4.1 a Bad Leaver, the Transfer Price:

4.2.4.1.1 in respect of Unvested Shares, shall be the lower of nominal value of each such Sale Share and its Fair Value; and

4.2.4.1.2 in respect of Vested Shares, shall be the Fair Value of each such Sale Share.

4.2.4.2 a Good Leaver, the Transfer Price in respect of Unvested Shares shall be the lower of nominal value of each such Sale Share and its Fair Value.

4.2.5 the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation.

4.2.6 the Company (if it is to be the purchaser of the Sale Shares) may elect that the Transfer Price is paid by equal monthly instalments over a period of up to three years.

4.3 If a Departing Member is treated as a Good Leaver but within 12 months of his or her Departure Date he or she accepts employment with (or is engaged to provide services to) a Competitor or acts in a manner that is in breach of any restrictive covenants imposed on him (either pursuant to his contract of employment, service agreement or any other agreement made between that Departing Member and the Company) then the Board may require that the Departing Member is treated as a Bad Leaver and any payment that the Departing Member may have received for his or her Shares shall be recalculated on the basis that he or she was a Bad Leaver and the Departing Member shall on demand repay any excess amount that he or she may have received.

5 VALUATION OF SHARES

5.1 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.

5.2 The Fair Value for any Sale Share shall be the price per Share determined in writing by the Valuers on the following bases and assumptions:

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

5.2.2 there is no discount for a minority interest or premium for a majority interest and the Company is valued as a whole with a per Share valuation established based on the number of Shares then in issue and taking account any under option;

5.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;

5.2.4 the Sale Shares are sold free of all Encumbrances; and

5.2.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value.

5.3 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.

- 5.4 To the extent not provided for by this paragraph 5, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 5.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties (in the absence of manifest error or fraud).
- 5.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally unless the Seller withdraws the relevant Transfer Notice in accordance with paragraph 2.3, in which case the Seller shall bear the cost.

6 TAG ALONG RIGHTS

- 6.1 Except in the case of transfers pursuant to paragraph 4, and after going through the pre-emption procedure set out in paragraph 2, the provisions of paragraph 6.2 to paragraph 6.6 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.

- 6.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to:

- 6.2.1 the other Shareholders to purchase all of the Shares held by them; and

- 6.2.2 the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise on or before the Proposed Transfer, to purchase any Shares acquired on the exercise of options;

for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (**Specified Price**).

- 6.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 6.3.1 the identity of the Buyer;
 - 6.3.2 the Specified Price and other terms and conditions of payment;
 - 6.3.3 the Sale Date; and
 - 6.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 6.4 If the Buyer fails to make the Offer to all of the persons listed in paragraph 6.2 in accordance with paragraph 6.2 and paragraph 6.3, the Seller(s) shall not be entitled to complete the Proposed Transfer(s) and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer(s).
- 6.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 6.6 This paragraph 6 shall not apply in the case of a Permitted Transfer.

7 DRAG ALONG

- 7.1 If the holders of over 75% by number of the Ordinary Shares in issue for the time being (which must include DBW) (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**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 paragraph 7 (**Drag Along Option**).
- 7.2 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:
- 7.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this paragraph 7;

- 7.2.2 the person to whom the Called Shares are to be transferred;
 - 7.2.3 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; and
 - 7.2.4 the proposed date of the transfer.
- 7.3 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.
- 7.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this paragraph 7.
- 7.5 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Sellers' Shares (**Completion Date**) unless:
- 7.5.1 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
 - 7.5.2 that date is less than 15 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the fifteenth Business Day after service of the Drag Along Notice.
- 7.6 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in paragraph 2, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 7.7 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 paragraph 7.2.3 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.

- 7.8 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 paragraph 7 in respect of their Shares.
- 7.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with paragraph 7.7) 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 person. Failure to produce a share certificate shall not impede the registration of shares under this paragraph 7.
- 7.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. 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 paragraph 7 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.
- 7.11 This paragraph 7 does not apply in the case of a Permitted Transfer.