



Roxburgh Milkins

# Articles of Association

of

# Lea & Roberts Limited

Company number: 10760777

Date of incorporation: 9<sup>th</sup> May 2017

Adopted by special resolution passed on      March 2020      18 March 2020

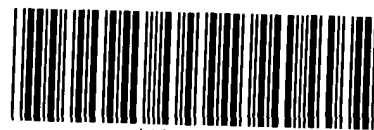
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COMPANIES HOUSE

**The Companies Act 2006**  
**Company Limited by Shares**

**Articles of Association**  
**of**  
**Lea & Roberts Limited**

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**Articles of Association**  
of  
**Lea & Roberts Limited**  
(Company no: 10760777)  
("the Company")

Adopted by special resolution passed on [ ] March 2020

18 March 2020

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**GENERAL PROVISIONS**

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**1. Definitions**

1.1 In these Articles, unless the context otherwise requires, the following words have the following meanings:

<b>"the 2006 Act"</b>	the Companies Act 2006;
<b>"these Articles"</b>	these Articles of Association in their present form or as from time to time altered;
<b>"the Board"</b>	the board of directors of the Company or a duly authorised committee of it or the directors present at a meeting of the board of directors of the Company or a duly authorised committee of it, in each case at which a quorum is present;
<b>"Business Day"</b>	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;
<b>"communication"</b>	includes a communication comprising sounds or images or both and a communication effecting a payment;
<b>"Conflict"</b>	has the meaning given in Article 8.1 ( <i>Directors' Interests</i> );
<b>"Controlling Interest"</b>	an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Taxes Act 2010;

<b>"Deferred Shares"</b>	deferred shares of £0.10 each in the capital of the Company, having the rights set out in these Articles;
<b>"director"</b>	a director of the Company;
<b>"Expert"</b>	<p>the auditors of the Company, or, where the Company does not have auditors, the Company's accountants, from time to time, or if the auditors or accountants, as the case may be, are unwilling or unable to act, any person nominated by the parties concerned or, in the event of disagreement, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales;</p>
<b>"Fair Price"</b>	<p>such price per Share as may be agreed between the Board and the proposing transferor, or in the absence of agreement, the price which an Expert states in writing to be, in its opinion, the fair value of each share concerned, on a sale as between a willing seller and a willing purchaser; in determining such fair value the Expert shall be instructed in particular:</p> <ul style="list-style-type: none"><li>(a) to have regard to the rights and restrictions attached to the Shares in respect of income and capital;</li><li>(b) to disregard whether or not the Shares represent a minority or majority interest;</li><li>(c) to take no account of whether the Shares do or do not carry control of the Company;</li><li>(d) if the Company is then carrying on business as a going concern, to assume that it will continue to do so;</li></ul> <p>and, in stating the Fair Price, the Expert (whose charges shall be borne by the Company unless the Expert shall otherwise determine) shall be considered to be acting as an expert and not as an arbitrator and its decision shall be final and binding on the parties (in the absence of manifest error or fraud);</p>
<b>"Interested Director"</b>	has the meaning given in Article 8.1 ( <i>Directors' Interests</i> );

<b>"Liable to Deferral"</b>	in respect of an Ordinary Share, means that such Share has been issued, in accordance with Article 12 ( <i>Deferral</i> ), on terms that it is liable, at the discretion of the directors, to be re-designated by the directors as a Deferred Share, unless certain conditions stipulated at the time of allotment are satisfied, all as more particularly prescribed in Article 12;
<b>"Maximum"</b>	the maximum number of Shares in relation to an offer made to a Shareholder to purchase Shares, whether on an allotment of new Shares under Article 12.5 or on a transfer of Shares under Article 14;
<b>"Model Articles"</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ) as amended prior to the date of adoption of these Articles;
<b>"Ordinary Shares"</b>	ordinary shares of £0.001 each in the capital of the Company, having the rights set out in these Articles;
<b>"Ordinary Shareholder"</b>	a holder for the time being of any Ordinary Shares;
<b>"Shareholder"</b>	a holder for the time being of any Shares; and
<b>"Shares"</b>	all the Ordinary Shares and Deferred Shares comprised in the Company's issued share capital from time to time.

- 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 2006 Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "**Article**" is a reference to the relevant Article of these Articles unless expressly provided otherwise.
- 1.5 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.
- 1.6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

## 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 Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 21, 22, 24(2)(c), 26(5), 36, 38, 43, 44(2), 49 and 51 to 53 (inclusive) of the Model Articles shall not apply to the Company.
- 2.3 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".

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## **DIRECTORS**

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### 3. **Appointment and removal of Directors**

- 3.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:
  - (a) by the holders of not less than 75% of the Ordinary Shares (and a director may be removed by the holders of not less than 75% of the Ordinary Shares in accordance with the provisions of the 2006 Act); or
  - (b) by a decision of the directors.
- 3.2 In any case where, as a result of death, the Company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- 3.3 For the purposes of Article 3.2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

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## **DIRECTORS' DECISION MAKING**

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### 4. **Directors' Meetings**

- 4.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with Article 10 (*Unanimous Decisions*).
- 4.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

- 4.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by at least all but one of the directors duly appointed on the date of the meeting voting in favour of any resolution.
- 4.4 The provisions of Articles 5 (*Calling a Directors' Meeting*) to 8 (*Directors' Interests*) (inclusive) shall apply equally to meetings of any committee of the directors as to meetings of the directors.

## **5. Calling a Directors' Meeting**

- 5.1 Any director may call a meeting of directors by giving not less than three Business Days' notice of the meeting (or such shorter period of notice as agreed by the directors) to each director or by authorising the Company secretary (if any) to give such notice.
- 5.2 Notice of any directors' meeting must specify in reasonable detail the matters to be raised at the meeting and include copies of any papers to be discussed at the meeting
- 5.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless the directors agree otherwise.

## **6. Quorum for Directors' Meetings**

- 6.1 Subject to Article 6.2, a meeting of the directors shall be quorate (including adjourned meetings) when a majority of the directors duly appointed on the date of the meeting are present. No business shall be conducted at any meeting of the directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. In the event of there being a sole director, he shall have all the powers and be subject to all the provisions herein conferred on the directors and he or any alternate director appointed by him shall alone constitute a quorum at any meeting of the Board. If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those directors present will constitute a quorum.
- 6.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 8 (*Directors' Interests*) to authorise a Conflict of a director the quorum for such meeting (or part of a meeting) shall be any two directors or, if there is only one other director he alone shall constitute a quorum at any such meeting (or part of a meeting) of the Board.

## **7. Chairing of Directors' Meetings**

The chairman of a meeting of the directors shall not have a casting vote.

## 8. Directors' Interests

- 8.1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (the "**Interested Director**") breaching his duty under section 175 of the 2006 Act to avoid conflicts of interest ("**Conflict**").
- 8.2 Any authorisation under this Article will be effective only if:
- (a) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (b) 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 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.
- 8.4 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.
- 8.5 Subject to sections 177(5) and 177(6) of the 2006 Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the 2006 Act.
- 8.6 Subject to sections 182(5) and 182(6) of the 2006 Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the 2006 Act, unless the interest has already been declared under Article 8.5.
- 8.7 Provided that a director has declared the nature and extent of his interest in accordance with the requirements of the 2006 Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- (a) may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
  - (b) shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
  - (c) 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;



- (d) 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
  - (e) 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 2006 Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the 2006 Act.
- 8.8 For the avoidance of doubt, to the extent permitted by law, the directors may give any form of financial assistance (as defined in Section 677, Companies Act 2006), directly or indirectly, for the purpose of, or in connection with, any acquisition or proposed acquisition of Shares in the Company and/or any holding company of the Company and/or any reduction or discharge of a liability incurred by any person for the purpose of such an acquisition.
9. **Alternate Directors**
- 9.1 Any director other than an alternate director (in this Article, the "**appointor**") may appoint any other director, or any other person approved by resolution of the Board, to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 9.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- 9.3 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor.
- 9.4 Except as these Articles specify otherwise, alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their appointors and are not deemed to be agents of or for their appointors.
- 9.5 A person who is an alternate director but not a director 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).
- 9.6 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 .
- 9.7 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director.
- 9.8 An alternate director's appointment as an alternate terminates:
- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate; or

- (b) when the alternate director's appointor ceases to be a director for whatever reason.

## **10. Unanimous Decisions of Directors**

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

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## **RIGHTS ATTACHING TO SHARES – PRESCRIBED PARTICULARS**

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## **11. Rights Attaching to Shares**

Subject to the remaining provisions of these Articles, the Shares shall have the rights as follows:

### **11.1 *Voting***

- (a) All Ordinary Shares rank equally for voting purposes. Further provisions as to the manner in which votes can be exercised in respect of the Ordinary Shares are set out in Articles 24 to 26.
- (b) The Deferred Shares shall not entitle the holders of them to receive notice of or to attend, speak or vote at any general meetings of the Company nor to receive or vote on any proposed written resolutions of the Company.

### **11.2 *Dividends***

- (a) All Ordinary Shares rank equally for dividend purposes. Further provisions as to the manner in which dividends can be declared and paid are set out in Article 22.
- (b) The holders of Deferred Shares shall have no entitlement to any dividend or distribution in respect of such Deferred Shares.

### **11.3 *Capital***

- (a) Subject to Article 11.3 (b), on a return of assets on liquidation or capital reduction or otherwise (except upon the redemption of Shares of any class or the purchase by the Company of its own Shares), the assets of the Company available for distribution amongst its members after payment of its liabilities shall be distributed pro rata to the holders of the Ordinary Shares according to the number of such Shares held.
- (b) The holder of a Deferred Share shall, on a return of assets on liquidation or capital reduction or otherwise, be entitled only to the repayment of the amount paid up on such Deferred Share, and then only after the repayment has been made by the Company of £1 million in respect of each Ordinary Share.

#### 11.4 **Redeemable**

Shares may not be issued as redeemable.

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### ALLOTMENT OF SHARES

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#### 12. **Deferral**

- 12.1 The directors may, upon the issue of any Ordinary Share, determine that it is Liable to Deferral, unless certain conditions are satisfied as to:
- (a) the length of time, following the date of allotment of the Share, for which the allottee of the Share must be an employee of the Company or otherwise provide services to the Company ("**Time Condition**"); and/or
  - (b) the manner in which he performs his role as an employee or as a provider of services to the Company ("**Performance Condition**").
- 12.2 If the directors make such a determination as is referred to in Article 12.1, they shall notify the allottee of such Share in writing of that fact at the time of allotment of the Share, specifying the relevant Time Condition and/or Performance Condition (which may make provision for review and modification of such condition and the introduction of new conditions at future points in time) to which he is subject.
- 12.3 If any such Time Condition or Performance Condition is not satisfied, then the directors may, at any time following such failure to satisfy and without further authority than is contained in this Article 12, resolve to re-designate the Ordinary Shares which are Liable to Deferral as an equivalent number of Deferred Shares (on the basis of one Deferred Share for every one Ordinary Share) having all the rights, privileges and restrictions attaching to the Deferred Shares.
- 12.4 In addition, the directors may, in respect of an Ordinary Share which has been issued on terms that it is Liable to Deferral, at any time, regardless as to whether or not any relevant Time Condition or Performance Condition has been satisfied, resolve that such Ordinary Share is no longer Liable to Deferral.
- 12.5 If the directors pass such a resolution as is referred to in either Article 12.3 or 12.4, such resolution shall be irrevocable and the directors shall notify the holder of the Ordinary Shares in question in writing, within 10 days of the passing of the resolution, that such a resolution has been passed in respect of those Ordinary Shares.

#### 13. **Unissued Shares**

- 13.1 Further issues of Shares may only be made subject to section 549 of the 2006 Act and to the remaining provisions of this Article 12.5.

- 13.2 Unless otherwise determined by the holders of not less than 75% of the Shares, any Shares for the time being unissued shall, before they are issued, be offered to the existing Shareholders in proportion, as nearly as may be practicable, to the number of existing Shares held by them respectively.
- 13.3 Such offer (as referred to in Article 13.2) shall be made by notice in writing to each Shareholder specifying the number of Shares offered to him and the subscription price for such Shares and inviting him to state in writing within such period as the Board may prescribe (being not less than fourteen days after the date of the notice) whether he wishes to accept any and, if so, what number of Shares offered to him and whether he wishes to subscribe for Shares in excess of his entitlement and, if so, what Maximum.
- 13.4 If, within the period referred to in Article 13.3, such Shareholders have expressed their willingness to accept all or any of the Shares offered to them, such Shares shall be so issued to them accordingly.
- 13.5 Any Shares so offered to any such Shareholder and not taken up within the period referred to in Article 13.3 shall be issued to those Shareholders who have taken up their full entitlement of Shares and who have indicated a willingness to subscribe for excess Shares and such issue shall be in proportion, as nearly as may be practicable, to the number of existing Shares held by them respectively (excluding any Shares issued pursuant to this Article 12.5 but subject to the limitation that no Shares shall be issued to any such holder of Shares in excess of the Maximum for which he has expressed a willingness to subscribe).
- 13.6 Any Shares not taken up pursuant to such offer (and any Shares released from the provisions of this Article by the holders of not less than 75% of the Shares pursuant to Article 13.2) shall be under the control of the Board who may allot, grant options over or otherwise dispose of such Shares to such persons on such terms and in such manner as it thinks fit provided that in the case of any Shares not disposed of pursuant to the offer to the Shareholders in accordance with this Article 12.5, such Shares shall not be disposed of on terms more favourable than the terms on which they were offered to the holders of Shares.
- 13.7 In accordance with section 567(1) of the 2006 Act, sections 561 and 562 of the 2006 Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the 2006 Act).
- 13.8 If the Company is bound by the terms of any shareholders' agreement in respect of the Shares, no Shares (or any interest therein) shall be allotted unless the proposed allottee has duly executed a deed of adherence in respect of, or is already a party to, such shareholders' agreement.

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**TRANSFER OF SHARES**

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**14. Transfer of Ordinary Shares - pre-emption; transfer of Deferred Shares**

- 14.1 Save where the provisions of Articles 16 and 17 apply, and subject to Article 15, unless otherwise agreed by 75% of the Ordinary Shareholders, no Ordinary Shareholder, or person entitled to Ordinary Shares by transmission, shall be entitled to transfer his Ordinary Shares other than by first offering them for transfer to the other Ordinary Shareholders. The offer may be in respect of all or part only of the Ordinary Shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company (a "**Transfer Notice**").
- 14.2 The Transfer Notice shall specify the Ordinary Shares offered (the "**Offered Shares**") and the price per share at which the proposing transferor wishes to dispose of such Shares. The Transfer Notice shall constitute the directors as the agent of the proposing transferor for the sale of the Offered Shares to other Shareholders at the Fair Price. The Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this Article, none shall be sold and that provision shall have effect. The Transfer Notice may not be revoked unless the directors otherwise agree.
- 14.3 On agreement or determination of the Fair Price, the directors shall as soon as practicable give notice to all the Ordinary Shareholders (other than the proposing transferor) of the number and description of the Offered Shares and the Fair Price. The notice shall invite each of the Ordinary Shareholders to state in writing to the Company within 14 days (the "**Period**") whether he is willing to purchase any and, if so, what Maximum of the Offered Shares. The directors shall at the same time give a copy of the notice to the proposing transferor.
- 14.4 Subject to Article 14.5, on the expiration of the Period the directors shall allocate the Offered Shares to or amongst those Ordinary Shareholders who have expressed a willingness to purchase Offered Shares ("**Purchasers**") as follows:
- (a) each allocation between Purchasers shall, in the case of competition, be made pro rata to the nominal amount of Ordinary Shares held by each of them but shall not exceed the Maximum for which such holder shall have expressed a willingness to purchase; and
  - (b) if the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Offered Shares, no allocation will be made unless all the Offered Shares are allocated.
- 14.5 On the allocation being made, the directors shall give details of the allocation in writing to the proposing transferor and each Purchaser and, on the seventh day after such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchaser price, to transfer the Offered Shares to the respective Purchasers to whom the allocation has been made.

- 14.6 If the proposing transferor, after becoming bound to transfer Offered Shares, fails to do so, the Company may receive the purchase price and the directors may appoint a person to be the proposing transferor's agent or attorney to execute instruments of transfer of the Offered Shares in favour of the Purchasers to whom the allocation has been made and shall cause the names of those Purchasers to be entered in the Register of Shareholders of the Company as the holders of the Offered Shares and shall hold the purchase price on trust for the proposing transferor. The receipt of the Company of the purchase price shall be a good discharge to those Purchasers and, after their names have been entered in the Register of Shareholders of the Company under this provision, the validity of the transactions shall not be questioned by any person.
- 14.7 If, following the expiry of the Period, any of the Offered Shares have not been transferred pursuant to this Article, the proposing transferor may at any time within a period of 90 days after the expiry of the Period transfer any such Offered Shares to any person, and at any price (being not less than the Fair Price), provided that:
- (a) the proposed purchaser of the Offered Shares has been approved in writing by the Shareholders other than the proposing transferor on or prior to the date of transfer to such purchaser; and
  - (b) the directors are satisfied that those Offered Shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the purchaser,
- and, if (a) and (b) are not satisfied, the directors may refuse to register the instrument of transfer.
- 14.8 No transfer of a Deferred Share may be without the prior consent in writing of the holders of at least 75% of the Ordinary Shares.

## **15. Registration of Transfers of Shares**

- 15.1 The directors may refuse to register the transfer of any Share, and, if they do so, the instrument of transfer must be returned to the transferee together with a notice of refusal giving reasons for such refusal as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged for registration.
- 15.2 Notwithstanding anything to the contrary in these Articles, in respect of any Shares held by Seedrs Nominees Limited, the following transfers shall be permitted without any restrictions and be deemed "Permitted Transfers":
- (a) a transfer of the Shares to any person who is the beneficial owner of such Shares;
  - (b) a transfer of the Shares to any person who is to hold the Shares as nominee for the beneficial owner in substitution for the then registered shareholder; and
  - (c) a transfer of the beneficial ownership of the Shares, where the identity of the registered legal shareholder remains the same before and immediately after such transfer of beneficial ownership.

## 16. Tag Along Rights

Other than a sale pursuant to a Drag Along Notice served pursuant to Article 17.2, no sale or transfer of the legal or beneficial interest in any Shares ("**Proposed Transfer**") by a Shareholder (the "**Exiting Party**") may be made or validly registered in circumstances where, as a result of such sale or transfer and registration thereof, a Controlling Interest would be obtained in the Company by any person or group of persons (other than existing Shareholders) (a "**Buyer**") acting in concert, unless the proposed transferee or transferees or his or their nominees:

- (a) are independent third parties acting in good faith on arm's length terms; and
- (b) has or have offered to purchase all of the Shares upon the same terms for each class of Share.

16.2 Before completing the Proposed Transfer, the Exiting Party shall procure that the Buyer makes an offer (an "**Offer**") to all the Shareholders to buy all of the held Shares of each Shareholder, 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 six months preceding the date of the Proposed Transfer (the "**Specified Price**").

16.3 The Offer shall be made by written notice (an "**Offer Notice**"), at least 20 Business Days (the "**Offer Period**") before the proposed sale date (the "**Sale Date**") and the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the purchase price and other terms and conditions of payment;
- (c) the proposed date of the transfer; and
- (d) the number of Shares proposed to be purchased by the Buyer from the Shareholders (provided that such offer must be for all held Shares of each Shareholder) ("**Offer Shares**").

16.4 If the Buyer fails to make the Offer to the Shareholders then the Exiting Party shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer intended to effect the Proposed Transfer.

16.5 A Shareholder may choose to accept the Offer with respect to all of its held Shares which are Offer Shares (and, in the case of the Nominee, it may choose to accept or reject the Offer on behalf of each Beneficial Owner independently, with respect to all of the held Shares of each such Beneficial Owner). If the Offer is accepted by a Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all of the Offer Shares held by all Accepting Shareholders.

## 17. **Drag Along Rights**

- 17.1 If the holders of more than 75% of the Ordinary Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer (a "**Proposed Transfer**") all their interest in the Ordinary Shares held by them (the "**Sellers' Shares**") to a bona fide arm's length purchaser (the "**Third Party Purchaser**") the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all:
- (a) the other Shareholders; and
  - (b) persons to whom the Company might issue any Shares (whether pursuant to a share option, warrant or otherwise),
- (together the "**Called Shareholders**") to sell and transfer all their Shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this Article 17 provided that the terms offered by the Third Party Purchaser are the same in respect of each class of Shares.
- 17.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to all other Shareholders to that effect (a "**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all of the Shares held by them at the date of the Drag Along Notice and (if applicable) any Shares that may be issued to them after the date of the Drag Along Notice (together the "**Called Shares**") pursuant to this Article;
  - (b) the person to whom they are to be transferred;
  - (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and which shall, for each Called Share, be an amount at least equal (in terms of type (whether cash, loan notes, shares or otherwise) and value) to the highest price per Share offered or paid by the Third Party Purchaser for the Shares of that class which are Sellers' Shares or in any related previous transaction in the six months preceding the date of the Drag Along Notice;
  - (d) the proposed date of transfer; and
  - (e) that, as provided in Article 17.6, the rights of pre-emption set out in these Articles shall not arise on any transfer of Shares pursuant to a sale in respect of which a Drag Along Notice has been duly served.
- 17.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 17.4 No Drag Along Notice may require a Called Shareholder to agree to any terms save those specifically provided for in this Article.



17.5 Subject to the remainder of this Article 17.5, completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:

- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise; or
- (b) that date is less than 5 Business Days after the Drag Along Notice where it shall be deferred until the fifth Business Day after the Drag Along Notice.

If any of the Called Shares are allotted after the date determined for completion of the purchase under the remainder of this Article 17.5 (each a "**Late Issued Share**") then the sale of each Late Issued Share shall complete on the date specified by the Third Party Purchaser provided that such date is within 14 days of the date upon which a Late Issued Share is allotted.

17.6 The rights of pre-emption set out in these Articles shall not arise on any transfer of Shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.

17.7 If any Shareholder does not on completion of the sale of Shares execute transfer(s) in respect of all the Shares held by him in accordance with this Article the defaulting Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as they may direct) and the directors shall, subject to stamping, forthwith register the Third Party Purchaser (or as they may direct) as the holder thereof. After the Third Party Purchaser (or their nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of Shares under this Article that no share certificate has been produced.

17.8 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares in the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served upon the New Shareholder on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such Shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article shall apply mutatis mutandis to the New Shareholder save that completion of the sale of such Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Shareholder.

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**SHARES – OTHER PROVISIONS**

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**18. Company's Lien over Shares**

- 18.1 The Company has a lien (the "**company's lien**") over every Share, whether or not fully paid, which is registered in the name of any 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.
- 18.2 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.
- 18.3 Subject to the provisions of this Article, if:
- (a) a lien enforcement notice has been given in respect of a Share; and
  - (b) the person to whom the notice was given has failed to comply with it,
- the Company may sell that Share in such manner as the directors decide.
- 18.4 A lien enforcement notice (a "**lien enforcement notice**"):
- (a) may only be given in respect of a Share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - (b) must require payment of the sum within 14 clear days of the notice;
  - (c) must state the Company's intention to sell the Share if the notice is not complied with.
- 18.5 Where Shares are sold under this Article:
- (a) 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
  - (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 18.6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
  - (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates.

18.7 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:

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

## 19. **Calls on Shares and Forfeiture**

19.1 Subject to the provisions of these Articles and the terms on which Shares are allotted, the directors may send a notice (a "**call notice**") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a "**call**") which is payable to the Company at the date when the directors decide to send the call notice.

19.2 A call notice:

- (a) may not require a Shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the Company;
- (b) must state when and how any call to which it relates is to be paid; and
- (c) may permit or require the call to be made in instalments.

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

19.4 Before the Company has received any call due under a call notice the directors may revoke it wholly or in part or specify a later time for payment than is specified in the notice by a further notice in writing to the Shareholder in respect of whose Shares the call is made.

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

19.6 Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share.

19.7 Subject to the terms on which Shares are allotted, the directors may, when issuing Shares, provide that call notices sent to the holders of those Shares may require them:

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

19.8 A call notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share:

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

- 19.9 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.
- 19.10 If a person is liable to pay a call and fails to do so by the call payment date:
- (a) the directors may issue a notice of intended forfeiture to that person; and
  - (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
- 19.11 For the purposes of this Article:
- (a) the "**call payment date**" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date; and
  - (b) the "**relevant rate**" is
    - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
    - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
    - (iii) if no rate is fixed in either of these ways, 5 per cent per annum provided that the rate does not exceed a rate which is greater than 5% above the base rate of the Bank of England from time to time.
- 19.12 A notice of intended forfeiture:
- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
  - (b) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
  - (c) must require payment of the call and any accrued interest by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
  - (d) must state how the payment is to be made; and
  - (e) must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.
- 19.13 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 19.14 Subject to the provisions of these Articles, the forfeiture of a Share extinguishes:
- (a) all interests in that Share, and all claims and demands against the Company in respect of it; and

- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.
- 19.15 Any Share which is forfeited in accordance with these Articles:
- (a) is deemed to have been forfeited when the directors decide that it is forfeited;
  - (b) is deemed to be the property of the Company; and
  - (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 19.16 If a person's Shares have been forfeited:
- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of Shareholders;
  - (b) that person ceases to be a Shareholder in respect of those Shares;
  - (c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
  - (d) that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
  - (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 19.17 At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.
- 19.18 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 19.19 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 forfeited on a specified date:
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.
- 19.20 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 19.21 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:
- (a) was, or would have become, payable; and

- (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

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

19.22 A Shareholder may surrender any Share:

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

19.23 The directors may accept the surrender of any such Share.

19.24 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.

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

## **20. Declaration and Payment of Dividends**

20.1 Except as otherwise provided by these Articles, the rights attached to the Ordinary Shares or otherwise determined by the Board dividends shall be:

- (a) declared and paid according to the amounts paid up on the Ordinary Shares on which the dividend is paid; and
- (b) apportioned and paid proportionately to the amounts paid up on the Ordinary Shares during any portion or portions of the period in respect of which the dividend is paid.

20.2 If:

- (a) a Share is subject to the Company's lien; and
- (b) the directors are entitled to issue a lien enforcement notice in respect of it, they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of that Share to the extent that they are entitled to require payment under a lien enforcement notice.

20.3 Money so deducted must be used to pay any of the sums payable in respect of that Share.

20.4 The Company must notify the distribution recipient in writing of:

- (a) the fact and amount of any such deduction;
- (b) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and
- (c) how the money deducted has been applied.

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**DECISION MAKING BY SHAREHOLDERS**

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**21. Quorum at General Meetings**

- 21.1 No business shall be transacted at any meeting unless a quorum is present at the time when the meeting proceeds to business. Subject to Article 21.2, three persons entitled to vote upon the business to be transacted shall be a quorum.
- 21.2 If the Company has only one Shareholder who is entitled to vote upon the business to be transacted, that sole Shareholder present in person or by proxy shall constitute a quorum.
- 21.3 If within half an hour from the time appointed for a general meeting, a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting, the Shareholders present shall be a quorum.

**22. Voting**

Subject always to Article 11 (*Prescribed Particulars*):

- (a) at a general meeting, on a show of hands every Ordinary Shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself an Ordinary Shareholder entitled to vote;
- (b) at a general meeting, on a poll every Ordinary Shareholder present in person or by proxy shall have one vote for each Share of which he is the holder; and
- (c) on a vote on a written resolution every Ordinary Shareholder has one vote for each Ordinary Share of which he is the holder.

**23. Poll Votes**

- 23.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the 2006 Act) present and entitled to vote at the meeting.
- 23.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Article.

**24. Proxies**

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

- 24.2 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.

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## ADMINISTRATIVE ARRANGEMENTS

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### 25. Means of Communication to be Used

- 25.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) 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;
  - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - (d) 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, no account shall be taken of any part of a day that is not a Business Day.

- 25.2 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the 2006 Act.

### 26. Indemnity and Insurance

- 26.1 Subject to Article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- (a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer 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 affairs; and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 26.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 26.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the 2006 Act or by any other provision of law.
- 26.3 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.
- 26.4 In this Article:
  - (a) a "relevant officer" means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
  - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.