

**ARTICLES OF ASSOCIATION**

**WE ARE PAWPRINT LIMITED**  
**(Company Number SC630021)**

**Adopted by special resolution on 25 October 2022**



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## PART I

### INTERPRETATION AND LIMITATION OF LIABILITY

#### 1. DEFINED TERMS

1.1. In the articles, unless the context requires otherwise:

**"articles"** means the company's articles of association;

**"bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than Scotland, England, Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**"Board"** means the board of directors of the Company;

**"Beneficial Owner"** means a person whose Shares are held on trust by NomineeCo;

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

**"chairman"** has the meaning given in article 14;

**"chairman of the meeting"** has the meaning given in article 44;

**"Companies Acts"** means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

**"Currently Authorised Share Issues"** means the allotment and issue of Shares pursuant to the following:

- a) options to subscribe for Shares in relation to implementation of an employee share option scheme representing not more than 10% of the fully diluted share capital of the Company as at 25 October 2022 as approved by the Board from time to time (the **"Option Shares"**);
- b) the consultancy agreement entered into between the Company and Laternne LLC (as amended from time to time) pursuant to which Laternne LLC is granted the right to be allotted up to 1,500,000 ordinary shares of £0.0000001 each in the capital of the Company in return for services provided at a subscription price of not less than £0.0285 per ordinary share; or
- c) further issues of Shares where each Shareholder is notified by the Board in advance and is entitled to participate via investing through the Crowdcube Ltd website.

**"director"** means a director of the company, and includes any person occupying the position of director, by whatever name called;

**"distribution recipient"** has the meaning given in article 36;

**"Disposal"** means the disposal by the Company of all, or a substantial part of, its business and assets;

**"document"** includes, unless otherwise specified, any document sent or supplied in electronic form;

**"electronic form"** has the meaning given in section 1168 of the Companies Act 2006;

**"Employee"** means an individual who is employed by or who provides consultancy services to, the Company;

**"Family Trust"** means, in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder ("**Settlor**") and/or the Settlor's Privileged Relations;

**"fully paid"** in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

**"hard copy form"** has the meaning given in section 1168 of the Companies Act 2006;

**"holder"** in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

**"instrument"** means a document in hard copy form;

**"Member of the same group"** means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of that company or a subsidiary undertaking of any such parent undertaking;

**"New Securities"** means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption;

**"NomineeCo"** means Crowdcube Nominees Limited (company number 09820478) or a Permitted Transferee of such NomineeCo;

**"Permitted Transferee"** means:

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

**"Privileged Relations"** means in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);

**"ordinary resolution"** has the meaning given in section 282 of the Companies Act 2006;  
**"paid"** means paid or credited as paid;

**"participate"** in relation to a directors' meeting, has the meaning given in article 12;

**"proxy notice"** has the meaning given in article 50;

**"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);

**"shares"** and **"Shares"** means any share forming part of the share capital of the Company;

**"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;

**"Shareholder"** means all or any of those persons whose names are entered in the register of members of the Company, and Shareholder shall mean any one of them;

**"special resolution"** has the meaning given in section 283 of the Companies Act 2006;

**"subsidiary"** has the meaning given in section 1159 of the Companies Act 2006;

**"transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

**"Trust"** means a Family Trust or any other trust whereby legal title of Shares of the Ordinary Shareholder are held on trust by a third party Trustee subject to a declaration of trust including without limitation a nominee;

**"Trustees"** means in relation to a Shareholder means the trustee or the trustees of a Trust;

**"writing"** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.



## **2. OBJECTS**

The objects of the Company are to promote the success of the Company for the benefit of its members as a whole and, through its business and operations, to have a material positive impact on society and the environment, taken as a whole.

## **3. DIRECTORS DUTIES**

3.1. A Director shall have regard (amongst other matters) to:

- 3.1.1. the likely consequences of any decisions in the long term,
- 3.1.2. the interests of the Company's employees,
- 3.1.3. the need to foster the Company's business relationships with suppliers, customers and others,
- 3.1.4. the impact of the Company's operations on the community and the environment,
- 3.1.5. the desirability of the Company maintaining a reputation for high standards of business conduct, and
- 3.1.6. the need to act fairly as between members of the Company,

(together, the matters referred to above shall be defined for the purposes of this Article as the "**Stakeholder Interests**").

3.2. For the purposes of a Director's duty to act in the way he or she considers, in good faith, most likely to promote the success of the Company, a Director shall not be required to regard the benefit of any particular Stakeholder Interest or group of Stakeholder Interests as more important than any other.

3.3. The Directors of the Company shall for each financial year of the Company prepare a strategic report as if sections 414A(1) and 414C of the Companies Act 2006 (as in force at the date of adoption of these Articles) applies to the Company, whether or not they would be required to do so, other than by this Article.

## **4. LIABILITY OF MEMBERS**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS' POWERS AND RESPONSIBILITIES**

## **5. DIRECTORS' GENERAL AUTHORITY**

Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

## **6. SHAREHOLDERS' RESERVE POWER**

- 6.1. The shareholders may, by ordinary resolution, direct the directors to take, or refrain from taking, specified action.
- 6.2. No such special resolution invalidates anything which the directors have done before the passing of the resolution.

## **7. DIRECTORS MAY DELEGATE**

- 7.1. Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
  - 7.1.1. to such person or committee;
  - 7.1.2. by such means (including by power of attorney);
  - 7.1.3. to such an extent;
  - 7.1.4. in relation to such matters or territories; and
  - 7.1.5. on such terms and conditions; as they think fit.
- 7.2. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 7.3. The directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **8. COMMITTEES**

- 8.1. Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 8.2. The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## **DECISION-MAKING BY DIRECTORS**

### **9. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 9.1. Subject to article 6, the general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 13.
- 9.2. If
  - 9.2.1. the company only has one director, and
  - 9.2.2. no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

## **10. UNANIMOUS DECISIONS**

- 10.1. A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 10.2. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 10.3. References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 10.4. A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

## **11. CALLING A DIRECTORS' MEETING**

- 11.1. Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 11.2. Notice of any directors' meeting must indicate:
  - 11.2.1. its proposed date and time;
  - 11.2.2. where it is to take place; and
  - 11.2.3. if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 11.3. Notice of a directors' meeting must be given to each director, but need not be in writing.
- 11.4. Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **12. PARTICIPATION IN DIRECTORS' MEETINGS**

- 12.1. Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
  - 12.1.1. the meeting has been called and takes place in accordance with the articles, and
  - 12.1.2. they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

12.2. In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

12.3. If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

### **13. QUORUM FOR DIRECTORS' MEETINGS**

13.1. There is no maximum or minimum number of directors.

13.2. At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

13.3. The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but, if there is more than one director, it must never be less than two, and unless otherwise fixed it is two.

13.4. If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:

13.4.1. to appoint further directors, or

13.4.2. to call a general meeting so as to enable the shareholders to appoint further directors.

### **14. CHAIRING OF DIRECTORS' MEETINGS**

14.1. The directors may appoint a director to chair their meetings.

14.2. The person so appointed for the time being is known as the chairman.

14.3. The directors may terminate the chairman's appointment at any time.

14.4. If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

### **15. CASTING VOTE**

15.1. If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

15.2. But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

### **16. CONFLICTS OF INTEREST**

16.1. If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

- 16.2. But if article 16.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- 16.3. This paragraph applies when:
- 16.3.1. the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
  - 16.3.2. the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - 16.3.3. the director's conflict of interest arises from a permitted cause.
- 16.4. For the purposes of this article, the following are permitted causes:
- 16.4.1. a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
  - 16.4.2. subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
  - 16.4.3. arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- 16.5. For the purposes of this article, references to proposed decisions and decision making processes include any directors' meeting or part of a directors' meeting.
- 16.6. Subject to article 16.7, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 16.7. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **17. RECORDS OF DECISIONS TO BE KEPT**

The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

## **18. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

The directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

## **APPOINTMENT OF DIRECTORS**

### **19. METHODS OF APPOINTING DIRECTORS**

19.1. 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:

19.1.1. by ordinary resolution, or

19.1.2. by a decision of the directors.

19.2. 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.

19.3. For the purposes of article 19.2 above, where 2 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.

### **20. TERMINATION OF DIRECTOR'S APPOINTMENT**

20.1. A person ceases to be a director as soon as:

20.1.1. that person ceases to be a director by virtue of any provision of the Companies Act, 2006 or is prohibited from being a director by law;

20.1.2. a bankruptcy order is made against that person;

20.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;

20.1.4. a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

20.1.5. notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

### **21. DIRECTORS' REMUNERATION**

21.1. Directors may undertake any services for the company that the directors decide.

21.2. Directors are entitled to such remuneration as the directors determine:

21.2.1. for their services to the company as directors, and

- 21.2.2. for any other service which they undertake for the company.
- 21.3. Subject to the articles, a director's remuneration may—
- 21.3.1. take any form, and
- 21.3.2. include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 21.4. Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 21.5. Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

## **22. DIRECTORS' EXPENSES**

- 22.1. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:
- 22.1.1. meetings of directors or committees of directors,
- 22.1.2. general meetings, or
- 22.1.3. separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

## **23. ALL SHARES TO BE FULLY PAID UP**

- 23.1. No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- 23.2. This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

## **24. POWERS TO ISSUE SHARES**

- 24.1. Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 24.2. The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

- 24.3. Sections 561(1) and 562(1) to (5) (inclusive) of the Companies Act do not apply to an allotment of Equity Securities made by the Company.
- 24.4. Unless otherwise agreed by special resolution and subject to Article 24.8, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the existing Shareholders (the "**Subscribers**") on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those Shareholders (as nearly as may be without involving fractions). The offer:
- 24.4.1. shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the "**Subscription Period**") and give details of the number and subscription price of the New Securities; and
- 24.4.2. may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 24.5. If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the total number of New Securities that the Company had proposed to allot, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).
- 24.6. If, at the end of the Subscription Period, the number of New Securities applied for is less than the total number of New Securities that the Company has proposed to allot, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.
- 24.7. Subject to the requirements of Articles 24.4 to 24.6 (inclusive) and to the provisions of section 551 of the Companies Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 24.8. The provisions of Articles 24.4 to 24.7 (inclusive) shall not apply to any Shares allotted and issued pursuant to the Currently Authorised Share Issues to which no such pre-emptive right nor the provisions of this Article 24 generally shall apply.
- 24.9. The Board is irrevocably authorised to allot and issue Shares in accordance with the Currently Authorised Share Issues without issuing a notice or otherwise complying with this Article 24.
- 24.10. No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.



## **25. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

## **26. SHARE CERTIFICATES**

26.1. The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

26.2. Every certificate must specify:

26.2.1. in respect of how many shares, of what class, it is issued;

26.2.2. the nominal value of those shares;

26.2.3. that the shares are fully paid; and

26.2.4. any distinguishing numbers assigned to them.

26.3. No certificate may be issued in respect of shares of more than one class.

26.4. If more than one person holds a share, only one certificate may be issued in respect of it.

26.5. Certificates must:

26.5.1. have affixed to them the company's common seal, or

26.5.2. be otherwise executed in accordance with the Companies Acts.

26.6. Share Certificates (for the avoidance of doubt) may be issued in an electronic form.

## **27. REPLACEMENT SHARE CERTIFICATES**

27.1. If a certificate issued in respect of a shareholder's shares is:

27.1.1. damaged or defaced, or

27.1.2. said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

27.2. A shareholder exercising the right to be issued with such a replacement certificate:

27.2.1. may at the same time exercise the right to be issued with a single certificate or separate certificates;

27.2.2. must return the certificate which is to be replaced to the company if it is damaged or defaced; and

- 27.2.3. must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

## SHARE TRANSFERS

### 28. TRANSFER OF SHARES: PRE-EMPTION RIGHTS

- 28.1. Subject to Articles 28, 30 and 31, shareholders may not transfer any shares, except in the circumstances set out in Articles 28 to 31 (inclusive) and, for the avoidance of doubt and without prejudice to the generality of Article 26 of the Model Articles, the Board may refuse to register the transfer of any share, if it has not been transferred in accordance with Articles 28 to 31 (inclusive).
- 28.2. Any shareholder who wishes to transfer any shares (the "Transferring Shareholder") shall, before transferring or agreeing to transfer such shares (the "Transferring Shares") or any interest in them, first offer those Transferring Shares to the existing Shareholders, by giving irrevocable written notice to the Company (a "Transfer Notice").
- 28.3. The Transfer Notice shall specify:
- 28.3.1. the number of Transferring Shares the Transferring Shareholder wishes to transfer; and
  - 28.3.2. the price (in cash) and any other consideration at which the Transferring Shareholder wishes to transfer the Transferring Shares (which shall be the price offered to the Transferring Shareholder by a bona fide third party for the Transferring Shares, or in the absence of such an offer, the price calculated pursuant to Articles 28.6, in which case the Transfer Notice shall not specify a price) (the "**Price**").
  - 28.3.3. Upon receipt of the Transfer Notice, the Board shall, as soon as reasonably practicable, offer the Transferring Shares to the other Shareholders, inviting those Shareholders to state by notice in writing to the Company within 5 Business Days of the offer by the Board (the "**Transfer Offer Period**"), whether they are willing to purchase at the Price, such number of Transferring Shares as corresponds to the proportion of other Shares held by them respectively.
- 28.4. Each Shareholder who wishes to purchase the shares offered to him in accordance with Article 28.3 above (a "**Purchasing Shareholder**") may within the Transfer Offer Period, serve notice (the "**Purchase Notice**") on the Board specifying how many Transferring Shares he wishes to purchase.
- 28.5. Any Transferring Shares not accepted pursuant to Articles 28.4 may be transferred by the Transferring Shareholder to any person, provided the transfer is at the Price and takes place within 90 Business Days of the end of the Transfer Offer Period.
- 28.6. If there is no bona fide third party offer for any of the Transferring Shares, the Price shall be such price per Transferring Share as may be determined by the accountants for the time being of the Company as the fair value thereof. The Board shall instruct such accountants to specify

such fair value as soon as practicable upon receipt of the Transfer Notice not having the Price specified therein and such accountants shall, acting as experts and not arbitrators, calculate the fair value on such bases as they consider most applicable, but without discount for minority or uplift for majority shareholdings, and their costs and expenses shall be borne equally by the Company and the Transferring Shareholder.

- 28.7. In determining the fair value of the Transferring Shares, the accountants will rely on the following assumptions: the sale is between a willing seller and a willing buyer of the Transferring Shares, the Company is carrying on its business as a going concern and shall continue to do so, the Transferring Shares are sold free of all restrictions, liens, charges and other encumbrances and the sale is taking place on the date the accountants were instructed to calculate the fair value.
- 28.8. Following completion of the procedure in respect of the Transferring Shares set out in Articles 28.1 to 28.7, the Transferring Shareholder shall sell the Transferring Shares as required and shall execute and deliver to the Board stock transfer forms relating to the Transferring Shares as required by the Board against receipt of the Price which the Board may receive from and transfer on behalf of the purchasers.

## **29. PERMITTED TRANSFERS**

- 29.1. A Shareholder (who is not a Permitted Transferee) (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 29.2. Shares previously transferred as permitted by Article 29.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 29.3. Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 29.4. If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 29.5. Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

- 29.6. No transfer of Shares may be made to Trustees unless the Board is satisfied:
- 29.6.1. with the terms of the trust instrument and in particular with the powers of the trustees;
  - 29.6.2. with the identity of the proposed trustees;
  - 29.6.3. the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - 29.6.4. that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 29.7. If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 29.8. If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
- 29.8.1. execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - 29.8.2. give a Transfer Notice to the Company in accordance with Article 28.3, failing which he shall be deemed to have given a Transfer Notice.
- 29.9. On the death (subject to Article 29.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 29.10. A Beneficial Owner shall be entitled at any time to transfer his beneficial interest in the Shares held on trust for him by NomineeCo without restriction to any person, provided that the legal

title in such Shares continues to be held by NomineeCo and the transferee is (or becomes prior to the completion of the transfer) a member of the crowdfunding platform operated by Crowdcube Capital Limited.

**30. SHARE TRANSFERS: COMPULSORY TRANSFERS (DRAG PROVISIONS)**

30.1. A member who holds, or members who together hold, more than seventy per cent (70%) of the Company's issued share capital from time to time (the "**Majority Shareholders**") may accept, on behalf of all shareholders, an offer made in good faith (the "**Offer**") from a bona fide independent third party (the "**Proposed Purchaser**") for an arms-length purchase of the entire legal and beneficial interest in such shares owned by them in the Company so long as the acceptance is conditional upon the terms of this article 30 being complied with in all respects and that condition is not waived.

30.2. The Majority Shareholders may complete a sale pursuant to the Offer if:

30.2.1. they dispatch a notice within 14 days of accepting the Offer notifying all other shareholders of the Company (the "**Remaining Shareholders**") of the main terms of the Offer and stating that they have contracted to accept the Offer as permitted by this article, such notice to constitute a warranty and representation by the Majority Shareholders to the Remaining Shareholders that the Offer and the Majority Shareholders' acceptance of it is in good faith in all respects to the best of the Majority Shareholders' knowledge, information and belief;

30.2.2. the Proposed Purchaser has made a binding written offer to the Remaining Shareholders (the "**Remainder Offer**") at the same price per share (in cash or non cash consideration and including any other consideration received or receivable by the Majority Shareholders which would be regarded as an addition to the price paid or payable) and on terms that are not worse than those in the Offer and that that Offer is kept open for at least fourteen days from delivery of the notice sent by the Majority Shareholders to the Remaining Shareholders; and

30.2.3. the period mentioned in article 30.2.2 above has elapsed or all Remaining Shareholders have accepted or completed the offer made to them.

30.3. The Remaining Shareholders may accept and complete a Remainder Offer made to them by a Proposed Purchaser under article 30.2 at the option of such Majority Shareholders, the Remaining Shareholders may, within the notice period referred to in article 30.2.2 above, be obliged to accept the Remainder Offer. If so, the Remainder Offer referred to in article 30.2.2 above shall be amended so that it shall specify that acceptance of the Remainder Offer is obligatory and specify the requirements as to completion of the sale and purchase.

30.4. If any Remaining Shareholder fails to execute a transfer of the shares being the subject of the Remainder Offer on completion of the sale, any director of the Company shall be entitled:

30.4.1. to execute an instrument of transfer in respect of the shares being the subject of the Remainder Offer on behalf of that Remaining Shareholder and deliver it to the Company;

30.4.2. subject only to stamping where applicable, to enter the details of the Proposed Purchaser (or his nominee) in the register of members as the holder of the shares being the subject of the Remainder Offer; and

30.4.3. to do any other act or thing, and to execute any other document required, to effect the transfer of the shares being the subject of the Remainder Offer;

and the Company shall be entitled to receive the price for the shares being the subject of the Remainder Offer and hold it upon trust for that Remaining Shareholder. The receipt by the Company of the price shall be a good discharge to the Proposed Purchaser. After the details of the Proposed Purchaser (or his nominee) have been entered into the register of members in respect of the shares being the subject of the Remainder Offer, the validity of the proceedings shall not be questioned by any person.

### **31. SHARE TRANSFERS: COMPULSORY OFFER ON CHANGE OF CONTROL (TAG PROVISIONS)**

31.1. In the event that a proposed transfer of shares whether made as one or a series of related transactions (a "**Proposed Transfer**") would, if carried out, result in any person (a "**Buyer**") acquiring an interest in shares giving to the holder or holders control of the Company (within the meaning of section 1124 of the Corporation Tax Act 2010) (a "**Controlling Interest**") in the Company, the remaining provisions of this article 31 shall apply.

31.2. The Company shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the "**Offer**") to the other Shareholders to buy all of the Shares held by them on the date of the Offer for a consideration in cash per Share (the "**Specified Price**") which is equal to the highest price per Share offered, paid or to be paid by the Buyer for any Shares in connection with the Proposed Transfer (including any amount (in cash or otherwise) received or receivable by any existing shareholder which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for their shares).

31.3. The Offer shall be made by written notice (the "**Offer Notice**"), at least 10 Business Days before the proposed sale date (the "**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

31.3.1. the identity of the Buyer;

31.3.2. the Specified Price and other terms and conditions of payment;

31.3.3. the Sale Date; and

31.3.4. the number of Shares proposed to be purchased by the Buyer (the "**Offer Shares**").

31.4. If the Buyer fails to make the Offer to all of the holders of shares in the Company in accordance with article 31.2 and article 31.3 the Directors shall refuse to register any transfer of shares effected in accordance with the Proposed Transfer.

- 31.5. If the Offer is accepted by any shareholder (an "**Accepting Shareholder**"), the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

## **32. TRANSMISSION OF SHARES**

- 32.1. If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 32.2. A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- 32.2.1. may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
- 32.2.2. subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 32.3. But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

## **33. EXERCISE OF TRANSMITTEES' RIGHTS**

- 33.1. Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 33.2. If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 33.3. Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **34. TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **35. PROCEDURE FOR DECLARING DIVIDENDS**

- 35.1. The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 35.2. A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

- 35.3. No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 35.4. Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 35.5. If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 35.6. The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 35.7. If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

## **36. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 36.1. Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- 36.1.1. transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - 36.1.2. sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - 36.1.3. sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
  - 36.1.4. any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 36.2. In the articles, "**the distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
- 36.2.1. the holder of the share; or
  - 36.2.2. if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - 36.2.3. if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.



### **37. NO INTEREST ON DISTRIBUTIONS**

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- 37.1.1. the terms on which the share was issued, or
- 37.1.2. the provisions of another agreement between the holder of that share and the company.

### **38. UNCLAIMED DISTRIBUTIONS**

38.1. All dividends or other sums which are:

- 38.1.1. payable in respect of shares, and
- 38.1.2. unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

38.2. The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

38.3. If:

- 38.3.1. twelve years have passed from the date on which a dividend or other sum became due for payment, and
- 38.3.2. the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

### **39. NON-CASH DISTRIBUTIONS**

39.1. Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring noncash assets of equivalent value (including, without limitation, shares or other securities in any company).

39.2. For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

- 39.2.1. fixing the value of any assets;
- 39.2.2. paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- 39.2.3. vesting any assets in trustees.

#### 40. WAIVER OF DISTRIBUTIONS

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:

- 40.1.1. the share has more than one holder, or
- 40.1.2. more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

#### CAPITALISATION OF PROFITS

#### 41. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

41.1. Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:

- 41.1.1. decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- 41.1.2. appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

41.2. Capitalised sums must be applied:

- 41.2.1. on behalf of the persons entitled, and
- 41.2.2. in the same proportions as a dividend would have been distributed to them.

41.3. Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

41.4. A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

41.5. Subject to the articles the directors may:

- 41.5.1. apply capitalised sums in accordance with articles 41.3 and 41.4 partly in one way and partly in another;
- 41.5.2. make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and

- 41.5.3. authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **PART 4**

### **DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS**

#### **42. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 42.1. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 42.2. A person is able to exercise the right to vote at a general meeting when:
- 42.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- 42.2.2. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 42.3. The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 42.4. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 42.5. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### **43. QUORUM FOR GENERAL MEETINGS**

The quorum for a general meeting shall be at least one member and no business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

#### **44. CHAIRING GENERAL MEETINGS**

- 44.1. If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 44.2. If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- 44.2.1. the directors present, or

44.2.2. (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

44.3. The person chairing a meeting in accordance with this article is referred to as "**the chairman of the meeting**".

#### **45. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

45.1. Directors may attend and speak at general meetings, whether or not they are shareholders.

45.2. The chairman of the meeting may permit other persons who are not:

45.2.1. shareholders of the company, or

45.2.2. otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

#### **46. ADJOURNMENT**

46.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

46.2. The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

46.2.1. the meeting consents to an adjournment, or

46.2.2. it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

46.3. The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

46.4. When adjourning a general meeting, the chairman of the meeting must:

46.4.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

46.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

46.5. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

46.5.1. to the same persons to whom notice of the company's general meetings is required to be given, and

- 46.5.2. containing the same information which such notice is required to contain.
- 46.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **VOTING AT GENERAL MEETINGS**

### **47. VOTING: GENERAL**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

### **48. ERRORS AND DISPUTES**

- 48.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 48.2. Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **49. POLL VOTES**

- 49.1. A poll on a resolution may be demanded:
- 49.1.1. in advance of the general meeting where it is to be put to the vote, or
  - 49.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 49.2. A poll may be demanded by:
- 49.2.1. the chairman of the meeting;
  - 49.2.2. the directors;
  - 49.2.3. two or more persons having the right to vote on the resolution; or
  - 49.2.4. a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- 49.3. A demand for a poll may be withdrawn if:
- 49.3.1. the poll has not yet been taken, and
  - 49.3.2. the chairman of the meeting consents to the withdrawal.
- 49.4. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### **50. CONTENT OF PROXY NOTICES**

- 50.1. Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

- 50.1.1. states the name and address of the shareholder appointing the proxy;
  - 50.1.2. identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
  - 50.1.3. is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - 50.1.4. is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 50.2. The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 50.3. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 50.4. Unless a proxy notice indicates otherwise, it must be treated as:
- 50.4.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - 50.4.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **51. DELIVERY OF PROXY NOTICES**

- 51.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- 51.2. An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 51.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 51.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **52. AMENDMENTS TO RESOLUTIONS**

- 52.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 52.1.1. notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48

hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

52.1.2. the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

52.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

52.2.1. the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

52.2.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

52.3. If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **53. MEANS OF COMMUNICATION TO BE USED**

53.1. Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

53.2. Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

53.3. A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### **54. COMPANY SEALS**

54.1. Any common seal may only be used by the authority of the directors.

54.2. The directors may decide by what means and in what form any common seal is to be used.

54.3. Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

54.4. For the purposes of this article, an authorised person is:

- 54.4.1. any director of the company;
- 54.4.2. the company secretary (if any); or
- 54.4.3. any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **55. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

## **56. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **57. INDEMNITY**

- 57.1. Subject to article 57.2, a relevant director of the company or an associated company may be indemnified out of the company's assets against:
  - 57.1.1. any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
  - 57.1.2. any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
  - 57.1.3. any other liability incurred by that director as an officer of the company or an associated company.
- 57.2. This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 57.3. In this article:
  - 57.3.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
  - 57.3.2. a "**relevant director**" means any director or former director of the company or an associated company.



## **58. INSURANCE**

- 58.1. The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.
- 58.2. In this article:
- 58.2.1. a "**relevant director**" means any director or former director of the company or an associated company,
  - 58.2.2. a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
  - 58.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## **PART 6**

### **LIQUIDATION PREFERENCE, EXIT PROVISIONS AND INFORMATION RIGHTS**

## **59. LIQUIDATION PREFERENCE**

- 59.1. 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 applied (to the extent that the Company is lawfully able to do so) in the following order of priority:
- 59.1.1. first, in paying to the holders of the Ordinary Shares in respect of each Ordinary Share held an amount equal to the price per share paid by each shareholder for each share held;
  - 59.1.2. thereafter, in distributing the balance among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held, as if they all constituted shares of the same class.

## **60. EXIT PROVISIONS**

- 60.1. On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in article 59 and 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:
- 60.1.1. 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 59; and

60.1.2. each Shareholder shall take any reasonable action required to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 59.

60.2. 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 order of priority set out in article 59.

## **61. INFORMATION RIGHTS**

All shareholders will be entitled to receive:

61.1. a copy of the full annual accounts of the company within 14 days of such accounts being completed for each financial year end of the Company; and

61.2. quarterly management accounts within 14 days of such accounts being completed for each relevant quarter.