
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
GBICS.COM LIMITED

(Adopted by special resolution passed on ^{24/3/2023} 2023)

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TABLE OF CONTENTS

1.	Interpretation	3
2.	Adoption of the Model Articles.....	6
3.	Chairman.....	6
4.	Transactions or other arrangements with the Company	6
5.	Directors' conflicts	7
6.	Share capital	8
7.	Issue of further shares.....	9
8.	Transfers of shares: general	10
9.	Permitted transfers of shares	11
10.	Pre-emption rights on the transfer of shares	11
11.	Valuation	14
12.	Compulsory transfers	15
13.	Drag along.....	16
14.	Quorum for general meetings.....	18
15.	Means of communication to be used.....	18

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(Adopted by a special resolution passed on ²⁴/3/2023 2023)

INTRODUCTION

1. INTERPRETATION

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

“Act”	the Companies Act 2006;
“Adoption Date”	the date of adoption of these Articles;
“A Ordinary Share”	an A ordinary share of £0.10 in the capital of the Company with the rights set out in these Articles;
“Articles”	the Company's articles of association for the time being in force;
“B Ordinary Share”	a B ordinary share of £0.10 in the capital of the Company with the rights set out in these Articles;
“Business Day”	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
“Company”	means GBICS.COM LIMITED (08616173);
“connected”	has the meaning given in section 252 of the Act;
“C Ordinary Share”	a C ordinary share of £0.10 in the capital of the Company with the rights set out in these Articles;
“Deemed Transfer Notice”	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;
“Departing Employee”	an Employee who ceases to be a director or employee of, or consultant or contractor to, the Company and who does not continue as, or become, a director or employee of, or consultant or contractor to, the Company;
“Directors”	the directors of the Company from time to time;

“Eligible Director”	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);
“Employee”	an individual (other than a holder of any A Ordinary Shares) who is, or has been, an employee of the Company;
“Fair Value”	has the meaning given in article 11.2;
“First Offer Shareholders”	has the meaning given in article 10.9;
“Independent Expert”	the accountants for the time being of the Company or, if they decline the instruction, an independent firm of chartered accountants of repute appointed by the Company and the Seller in accordance with article 11;
“Issue Price”	in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;
“Model Articles”	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (<i>SI 2008/3229</i>), as amended prior to the Adoption Date;
“Relevant Shares”	in relation to an Employee means all Shares held by the Employee in question, including any Shares acquired such Employee after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice;
“Restricted Shares”	has the meaning given in article 12.6;
“Sale Shares”	has the meaning given in article 10.2.1;
“Seller”	has the meaning given in article 10.2.
“Shareholder”	a holder for the time being of any Share or Shares;
“Shares”	shares (of any class) in the capital of the Company and “Share” shall be construed accordingly;
“Termination Date”	means: (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served; (b) where a contract of employment is terminated by the

employer and a payment is made in lieu of notice, the date on which notice of termination was served;

- (c) where an Employee dies, the date of his death;
- (d) where the Employee concerned is not an employee, the date on which his service agreement, consultancy agreement or other terms of appointment or engagement with the Company is terminated; or
- (e) in any other case, the date on which the employment, consultancy, holding of office or other contractual relationship is terminated;

“Transfer Notice” has the meaning given in article 10.2; and

“Transfer Price” has the meaning given in article 11.

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
 - 1.6.1 an **Article** is a reference to the relevant numbered article of these Articles; and
 - 1.6.2 a **model article** is a reference to the relevant article,unless expressly provided otherwise.
- 1.7 A reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time. A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy is set out in the schedule to these Articles.
- 2.2 Model articles 13, 14(1) to (4) (inclusive) and 38 shall not apply to the Company.
- 2.3 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.4 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

DIRECTORS

3. CHAIRMAN

The chairman shall not have a casting vote.

4. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 4.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided they have declared the nature and extent of their interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 4.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 4.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which they are interested;
 - 4.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which they are interested;
 - 4.1.4 may act by themselves, or their firm in a professional capacity for the Company (otherwise than as auditor) and they, or their firm shall be entitled to remuneration for professional services as if they were not a Director;

- 4.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 4.1.6 shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of their duty under section 176 of the Act.

5. DIRECTORS' CONFLICTS

- 5.1 The Directors may, in accordance with the requirements set out in this article 5, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an “**Interested Director**”) breaching their duty under section 175 of the Act to avoid conflicts of interest (“**Conflict**”).
- 5.2 Any authorisation under this article 5 will be effective only if:
 - 5.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 5.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 5.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 5.3 Any authorisation of a Conflict under this article 5 may (whether at the time of giving the authorisation or subsequently):
 - 5.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 5.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - 5.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 5.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;

- 5.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through the Interested Director's position as a Director of the Company) information that is confidential to a third party, they will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- 5.3.6 permit the Interested Director to absent themselves from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 5.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct themselves in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 5.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 5.6 A Director, notwithstanding their office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in their appointor(s) and no authorisation under article 5.1 shall be necessary in respect of any such interest.
- 5.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which they derive from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

SHARES AND DISTRIBUTIONS

6. SHARE CAPITAL

- 6.1 The Company has in issue A Ordinary Shares, B Ordinary Shares and C Ordinary Shares.
- 6.2 Voting
 - 6.2.1 The A Ordinary Shares shall entitle the holders of such Shares to:
 - 6.2.1.1 one vote per A Ordinary Share held on any resolution of the Company (whether proposed at a general meeting or by written resolution);
 - 6.2.1.2 receive a copy of any written resolution circulated to eligible members under the Act at the same time as the resolution is so circulated; and

6.2.1.3 receive notice of and attend all general meetings.

6.2.2 The B Ordinary Shares and the C Ordinary Shares shall not entitle the holders of such Shares to vote, receive copies of any written resolutions or to receive notice of, or attend, any general meetings.

6.3 Dividends and distributions

6.3.1 Any profits available for distribution which the Company may determine to distribute will be distributed among the holders of the the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares pro rata to their respective holdings of such Shares. The Directors shall be entitled to declare and pay, at their discretion:

6.3.1.1 a dividend on:

6.3.1.1.1 A Ordinary Shares but not on the B Ordinary Shares or on the C Ordinary Shares; or

6.3.1.1.2 the B Ordinary Shares but not on the A Ordinary Shares or on the C Ordinary Shares; or

6.3.1.1.3 the C Ordinary Shares but not on the A Ordinary Shares or on the B Ordinary Shares;

6.3.1.2 a different level of dividend on each of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares.

6.3.2 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively.

6.4 Capital return

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be distributed among the holders of the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares pro rata to the number of Shares held as if they all constituted one class of Share.

7. **ISSUE OF FURTHER SHARES**

In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

8. **TRANSFERS OF SHARES: GENERAL**

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

- 8.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to article 8.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 8.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, they shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by them.
- 8.4 Any transfer of a Share by way of sale which is required to be made under article 12 or article 13 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 8.5 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 8.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 8.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- 8.6.1 any holder (or the legal representatives of a deceased holder); or
- 8.6.2 any person named as a transferee in a transfer lodged for registration; or
- 8.6.3 such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 8.7 If any such information or evidence referred to in article 8.6 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and then:
- 8.7.1 the relevant Shares shall cease to confer on the holder of them any rights:
- 8.7.1.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares; or
- 8.7.1.2 to receive dividends or other distributions otherwise attaching to those Shares;

8.7.2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in article 8.7.1 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to article 8.7.2.

8.8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:

8.8.1 it does not contain a Minimum Transfer Condition; and

8.8.2 the Seller wishes to transfer all the Shares held by them (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

8.9 Any Transfer Notice or a Drag Along Notice (as defined in article 13)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

9. PERMITTED TRANSFERS OF SHARES

9.1 A holder of A Ordinary Shares may transfer all or any of their Shares without restriction (including those under article 10), and any such transfer shall be registered by the Directors.

9.2 A holder of B Ordinary Shares or C Ordinary Shares may only transfer all or any of their B Ordinary Shares or C Ordinary Shares with the prior written consent of all holders of A Ordinary Shares.

9.3 Notwithstanding any other provision of these Articles, a transfer of any Shares approved by the Directors may be made without any restriction (including those under article 10), and any such transfer shall be registered by the Directors.

10. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

10.1 Except where the provisions of article 9 or article 13 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 10.

10.2 A Shareholder who wishes to transfer Shares (a “**Seller**”) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a “**Transfer Notice**”) to the Company specifying:

10.2.1 subject to article 8.8.2, the number of Shares he wishes to transfer (**Sale Shares**);

10.2.2 the name of the proposed transferee, if any; and

10.2.3 subject to article 12.4, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares.

10.3 Once given, a Transfer Notice may only be withdrawn with the consent of the Directors.

10.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

10.5 As soon as practicable following the later of:

10.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and

10.5.2 the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 10.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 10 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.

10.6 The Company shall have the option (but not an obligation) to purchase some or all of the Sale Shares in accordance with the relevant provisions of the Articles and the Act (the "**Company's Option**"). The price payable by the Company for the Sale Shares shall be the Transfer Price. If the Company wishes to exercise the Company's Option, the Directors must confirm, by resolution at a duly convened board meeting within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the "**First Offer Period**"), the maximum number of Sale Shares that the Company wishes, subject to compliance with the relevant provisions of the Act, to buy.

10.7 If, at the end of the First Offer Period, the number of Sale Shares applied for by the Company is equal to the total number of Sale Shares, the Directors shall allocate the Sale Shares to the Company.

10.8 If, at the end of the First Offer Period, the number of Sale Shares applied for by the Company is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Company in accordance with its application. The balance (the "**Surplus Shares**") shall be dealt with in accordance with articles 10.9 and 10.10.

10.9 The Directors shall offer the Surplus Shares (if any) to all of the holders of the A Ordinary Shares (the "**First Offer Shareholders**"), inviting them to apply in writing within the period from the end of the First Offer Period to the date 20 Business Days after the end of the First Offer Period (both dates inclusive) (the "**Second Offer Period**") for the maximum number of Surplus Shares they wish to buy.

10.10 If:

10.10.1 at the end of the Second Offer Period, the number of Surplus Shares applied for is equal to or exceeds the number of Surplus Shares, the Directors shall allocate the Surplus Shares to each First Offer Shareholder who has applied for Surplus Shares in the proportion which his existing holding of Shares bears to the total

number of Shares of the class being offered held by all First Offer Shareholders. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Surplus Shares which he has stated he is willing to buy;

10.10.2 not all Surplus Shares are allocated following allocations in accordance with article 10.10.1, but there are applications for Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 10.10.1. The procedure set out in this article 10.10.2 shall apply on any number of consecutive occasions until either all Surplus Shares have been allocated or all applications for Surplus Shares have been satisfied; and

10.10.3 at the end of the Second Offer Period, the total number of Surplus Shares applied for is less than the number of Surplus Shares, the Directors shall allocate the Surplus Shares to the First Offer Shareholders in accordance with their applications. The balance shall, subject to article 10.11, be offered to any other person in accordance with article 10.14.

10.11 Where allocations have been made in respect of all the Sale Shares the Directors shall, when no further offers or allocations are required to be made under article 10.6 to article 10.10 (inclusive), give notice in writing of the allocations of Sale Shares (an “**Allocation Notice**”) to the Seller, each Shareholder to whom Sale Shares have been allocated and, where the Company has exercised the Company’s Option, the Company (each an “**Applicant**”). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 20 Business Days, but not more than 40 Business Days, after the date of the Allocation Notice).

10.12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

10.13 If the Seller fails to comply with article 10.12:

10.13.1 the chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:

10.13.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

10.13.1.2 receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and

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

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

10.14 Where an Allocation Notice does not relate to all the Sale Shares the Seller may, at any time during the 60 Business Days following the date of service of the Allocation Notice, transfer the Second Surplus Shares to the person named in the Transfer Notice or, where no such person is named, to any person at a price at least equal to the Transfer Price.

11. VALUATION

11.1 The "**Transfer Price**" for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service):

11.1.1 where the Seller is an Employee who has served a Transfer Notice within four years of becoming a Shareholder, the lower of the Issue Price of such Sale Share and the Fair Value of such Sale Share; and

11.1.2 in all other situations, the Fair Value of such Sale Share.

11.2 The "**Fair Value**" shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:

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

11.2.2 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

11.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.

11.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.

- 11.5 The parties are entitled to make written submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 11.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 11.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 11.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs, unless:
- 11.8.1 the Seller withdraws the relevant Transfer Notice in accordance with article 10.3;
or
- 11.8.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,
- in which case the Seller shall bear the cost.

12. **COMPULSORY TRANSFERS**

- 12.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.
- 12.2 Except in circumstances where the provisions of article 12.3 apply, at any time following the date of death of a deceased Shareholder, the Directors may require the legal personal representatives of that deceased Shareholder to serve a Transfer Notice in respect of all of the Shares held by them. If the legal personal representatives fail to serve a Transfer Notice within 10 Business of being required to do so by the Directors, a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that the Directors may otherwise determine.
- 12.3 If an Employee becomes a Departing Employee a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within 20 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a "**Compulsory Employee Transfer**") and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.
- 12.4 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall be £0.00.

- 12.5 Notwithstanding the provisions of article 12.4, the Directors may, by notice in writing served on relevant Seller(s), direct that a higher Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to article 12.4.
- 12.6 Forthwith upon a Transfer Notice being deemed to be served under article 12, the Shares subject to the relevant Deemed Transfer Notice (the “**Restricted Shares**”) shall cease to confer on the holder of them any rights:
- 12.6.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares; or
- 12.6.2 to receive dividends or other distributions otherwise attaching to those Shares.
- 12.7 The Directors may reinstate the rights referred to in article 12.6 at any time and, in any event, such rights shall be reinstated in respect of any Restricted Shares transferred pursuant to article 12 on completion of such transfer.
- 13. DRAG ALONG**
- 13.1 If the holders of 100% of the A Ordinary Shares in issue for the time being (the “**Selling Shareholders**”) wish to transfer all of their interest in their Shares (the “**Sellers’ Shares**”) to a bona fide purchaser on arm's-length terms (a “**Proposed Buyer**”), the Selling Shareholders shall have the option (a “**Drag Along Option**”) to require all the other holders of Shares on the date of the request (the “**Called Shareholders**”) to sell and transfer all their interest in Shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 13.
- 13.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a “**Drag Along Notice**”), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- 13.2.1 that the Called Shareholders are required to transfer all their Shares (the “**Called Shares**”) pursuant to this article 13;
- 13.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
- 13.2.3 the consideration payable for the Called Shares calculated in accordance with article 13.4;
- 13.2.4 the proposed date of completion of transfer of the Called Shares.
- 13.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 13.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the same as the consideration for which the Selling Shareholders shall sell each of the Sellers' Shares.
- 13.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 13.
- 13.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares.
- 13.7 Within 20 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 20 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 13.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 13.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 13.4 in trust for the Called Shareholders without any obligation to pay interest.
- 13.8 To the extent that the Proposed Buyer has not, on the expiration of the 20 Business Day period, put the Company in funds to pay the amounts due pursuant to article 13.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 13 in respect of their Shares.
- 13.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by them (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute and deliver all necessary transfers on their behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 13.
- 13.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by them to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 13 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale

of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.

- 13.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 13.
- 13.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

DECISION-MAKING BY SHAREHOLDERS

14. QUORUM FOR GENERAL MEETINGS

- 14.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be such number of shareholders who hold between them not less than 50% of the voting rights attached to the Shares then in issue, present in person or by proxy.
- 14.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

ADMINISTRATIVE ARRANGEMENTS

15. MEANS OF COMMUNICATION TO BE USED

- 15.1 Subject to article 15.4, any notice, document or other information shall be deemed received by the intended recipient:
 - 15.1.1 if delivered by hand, at the time the notice, document or other information is left at the address;
 - 15.1.2 if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting;
 - 15.1.3 if sent by pre-paid airmail, at 9.00 am on the fifth Business Day after posting;
 - 15.1.4 if sent by email, at the time of transmission; or
 - 15.1.5 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.
- 15.2 If deemed receipt under article 15.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 15.2, business

hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.

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

15.3.1 if delivered by hand, the notice was delivered to the correct address; or

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

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

15.4 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form, or by means of a website.

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

SCHEDULE

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

INDEX TO THE ARTICLES

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms
2. Liability of members

PART 2 DIRECTORS DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority
4. Shareholders' reserve power
5. Directors may delegate
6. Committees

DECISION-MAKING BY DIRECTORS

7. Directors to take decisions collectively
8. Unanimous decisions
9. Calling a directors' meeting
10. Participation in directors' meetings
11. Quorum for directors' meetings
12. Chairing of directors' meetings
13. Casting vote
14. Conflicts of interest
15. Records of decisions to be kept
16. Directors' discretion to make further rules

APPOINTMENT OF DIRECTORS

17. Methods of appointing directors
18. Termination of director's appointment
19. Directors' remuneration
20. Directors' expenses

PART 3 SHARES AND DISTRIBUTIONS SHARES

21. All shares to be fully paid up
22. Powers to issue different classes of share
23. Company not bound by less than absolute interests
24. Share certificates
25. Replacement share certificates
26. Share transfers

- 27. Transmission of shares
- 28. Exercise of transmitters' rights
- 29. Transmitters bound by prior notices

DIVIDENDS AND OTHER DISTRIBUTIONS

- 30. Procedure for declaring dividends
- 31. Payment of dividends and other distributions
- 32. No interest on distributions
- 33. Unclaimed distributions
- 34. Non-cash distributions
- 35. Waiver of distributions

CAPITALISATION OF PROFITS

- 36. Authority to capitalise and appropriation of capitalised sums

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

- 37. Attendance and speaking at general meetings
- 38. Quorum for general meetings
- 39. Chairing general meetings
- 40. Attendance and speaking by directors and non-shareholders
- 41. Adjournment

VOTING AT GENERAL MEETINGS

- 42. Voting: general
- 43. Errors and disputes
- 44. Poll votes
- 45. Content of proxy notices
- 46. Delivery of proxy notices
- 47. Amendments to resolutions

PART 5

ADMINISTRATIVE ARRANGEMENTS

- 48. Means of communication to be used
- 49. Company seals
- 50. No right to inspect accounts and other records
- 51. Provision for employees on cessation of business

DIRECTORS' INDEMNITY AND INSURANCE

- 52. Indemnity
- 53. Insurance

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

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 England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“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;

“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 31;

“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;

“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;

“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 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“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; and

“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.

Liability of members

2. 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

Directors' general authority

3. 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.

Shareholders' reserve power

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
(a) to such person or committee;
(b) by such means (including by power of attorney);
(c) to such an extent;
(d) in relation to such matters or territories; and
(e) on such terms and conditions;
as they think fit.
(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.
(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

- 6.—(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.
(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

Directors to take decisions collectively

- 7.—(1) 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 8.
(2) If—

- (a) the company only has one director, and
 - (b) 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.

Unanimous decisions

- 8.**—(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.
- (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.
- (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.
- (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.

Calling a directors' meeting

- 9.**—(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.
- (2) Notice of any directors' meeting must indicate—
- (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) 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.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (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.

Participation in directors' meetings

- 10.**—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (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.
- (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.

Quorum for directors' meetings

- 11.**—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) 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—

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

- 12.**—(1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (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.

Casting vote

- 13.**—(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.
- (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.

Conflicts of interest

- 14.**—(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.
- (2) But if paragraph (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.
- (3) This paragraph applies when—
- (a) 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;
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the director's conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes—
- (a) 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;
 - (b) 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
 - (c) 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.
- (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.
- (6) Subject to paragraph (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.
- (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.

Records of decisions to be kept

15. 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.

Directors' discretion to make further rules

16. Subject to the articles, 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

Methods of appointing directors

17.—(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 ordinary resolution, or
- (b) by a decision of the directors.

(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) For the purposes of paragraph (2), 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.

Termination of director's appointment

18. A person ceases to be a director as soon as—

- (a) 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;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) 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;
- (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
- (f) 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.

Directors' remuneration

19.—(1) Directors may undertake any services for the company that the directors decide.

(2) Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

(3) Subject to the articles, a director's remuneration may—

- (a) take any form, and

(b) 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.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(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.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

(a) meetings of directors or committees of directors,

(b) general meetings, or

(c) 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

SHARES

All shares to be fully paid up

21.—(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.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

22.—(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.

(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.

Company not bound by less than absolute interests

23. 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.

Share certificates

24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

- (2) Every certificate must specify—
 - (a) in respect of how many shares, of what class, it is issued;
 - (b) the nominal value of those shares;
 - (c) that the shares are fully paid; and
 - (d) any distinguishing numbers assigned to them.
- (3) No certificate may be issued in respect of shares of more than one class.
- (4) If more than one person holds a share, only one certificate may be issued in respect of it.
- (5) Certificates must—
 - (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

- 25.**—(1) If a certificate issued in respect of a shareholder's shares is—
 - (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A shareholder exercising the right to be issued with such a replacement certificate—
 - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

- 26.**—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

- 27.**—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
 - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (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.

Exercise of transmitters' rights

28.—(1) Transmitters who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the transmitter wishes to have a share transferred to another person, the transmitter must execute an instrument of transfer in respect of it.

(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 transmitter has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmitters bound by prior notices

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

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30.—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(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.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(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.

(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 arrear.

(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.

(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.

Payment of dividends and other distributions

31.—(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—

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) 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;

(c) 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

(d) 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.

(2) In the articles, “the distribution recipient” means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

No interest on distributions

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

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

33.—(1) All dividends or other sums which are—

(a) payable in respect of shares, and

(b) 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.

(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.

(3) If—

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) 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.

Non-cash distributions

34.—(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 non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(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—

(a) fixing the value of any assets;

(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

(c) vesting any assets in trustees.

Waiver of distributions

35. 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—

(a) the share has more than one holder, or

(b) 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

Authority to capitalise and appropriation of capitalised sums

36.—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

(a) 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
(b) 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.

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled, and

(b) in the same proportions as a dividend would have been distributed to them.

(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.

(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.

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

(b) 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

(c) 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

Attendance and speaking at general meetings

37.—(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.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) 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.

(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.

(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.

(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.

Quorum for general meetings

38. 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.

Chairing general meetings

39.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(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—

(a) the directors present, or

(b) (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.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-shareholders

40.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

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

Adjournment

41.—(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.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) 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.

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

(4) When adjourning a general meeting, the chairman of the meeting must—

(a) 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

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

- (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)—
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (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

Voting: general

42. 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.

Errors and disputes

- 43.—**(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.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

Poll votes

- 44.—**(1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) 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.
- (2) A poll may be demanded by—
- (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) 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.
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

- 45.—**(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—
- (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and

- (d) 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.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (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.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) 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
- (b) 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.

Delivery of proxy notices

- 46.**—(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.
- (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.
- (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.
- (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.

Amendments to resolutions

- 47.**—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) 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
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (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

Means of communication to be used

- 48.**—(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.

(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.

(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.

Company seals

49.—(1) Any common seal may only be used by the authority of the directors.

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

(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.

(4) For the purposes of this article, an authorised person is—

(a) any director of the company;

(b) the company secretary (if any); or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

50. 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.

Provision for employees on cessation of business

51. 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

Indemnity

52.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

(a) 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,

(b) 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),

(c) any other liability incurred by that director as an officer of the company or an associated company.

(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.

(3) In this article—

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

(b) a “relevant director” means any director or former director of the company or an associated company.

Insurance

53.—(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.

(2) In this article—

(a) a “relevant director” means any director or former director of the company or an associated company,

(b) 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

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