

Company number 14788917

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

APPLEBRIDGE GEOENVIRONMENTAL LTD

(Adopted by special resolution passed on06 October.....2023

1 INTERPRETATION

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

"A Shares"	means the A ordinary shares of £1.00 each in the capital of the Company.
"Act"	the Companies Act 2006.
"acting in concert"	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).
"appointor"	has the meaning given in Article 11.1.
"Articles"	the company's articles of association for the time being in force.
"B Shares"	means the B ordinary shares of £1.00 each in the capital of the Company.
"Bad Leaver"	<p>an Employee who ceases to be an Employee as a consequence of:</p> <p>(a) such person's resignation as an Employee, except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect; or</p> <p>(b) that person's dismissal as an Employee for cause, where "cause" shall mean: (i) the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of</p>

	employment or consultancy; and/or (ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996.
"Bankruptcy Event"	an order being made for the bankruptcy of a Shareholder, or an arrangement or composition being made with any of a Shareholder's creditors, or where a Shareholder otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors.
"Business Day"	a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.
"C Shares"	means the C shares of £1.00 each in the capital of the Company.
"Conflict"	has the meaning given in Article 7.1.
"Controlling Interest"	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
"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 any Group Company and who does not continue as, or become, a director or employee of any Group Company.
"eligible director"	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 who is, or has been, an employee of, or who does provide or has provided consultancy services to, any Group Company.
"Equity Shares"	the A Shares and the B Shares.
"Fair Value"	has the meaning given in Article 21.4.
"Family Trust"	in relation to an Original Shareholder, a trust set up wholly for the benefit of that Original Shareholder

	and/or that Original Shareholder's Privileged Relations.
"Good Leaver"	an Employee who ceases to be an Employee and who is not a Bad Leaver and shall include, without limitation, when the directors determine that a person is not a Bad Leaver.
"Group"	the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and Group Company : shall be construed accordingly.
"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 21.
"Minimum Transfer Condition"	has the meaning given in Article 20.2.4.
"Model Articles"	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.
"Original Shareholder"	has the meaning given in Article 19.1.
"Permitted Transfer"	a transfer made in accordance with Article 19.
"Permitted Transferee"	in relation to an Original Shareholder, any of their Privileged Relations or the trustees of their Family Trust(s).
"Privileged Relation"	the spouse or Civil Partner of an Original Shareholder and the Original Shareholder's children and grandchildren.
"Relevant Shares"	in relation to an Employee means all B Shares and all C Shares held by the Employee in question, including any B Shares and/or C Shares acquired by any such person 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 22.5.
"Sale Shares"	has the meaning given in Article 20.2.1.
"Seller"	has the meaning given in Article 20.2.
"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"	<ul style="list-style-type: none">(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 their death;(d) where the Employee concerned is not an employee, the date on which their consultancy agreement (or other terms of appointment) with the relevant Group Company is terminated; or(e) in any other case, the date on which the employment or consultancy arrangements are terminated.
"Transfer Notice"	has the meaning given in Article 20.2.
"Transfer Price"	has the meaning given in Article 21.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "Article" is a reference to the relevant Article of these Articles unless expressly provided otherwise.

- 1.5 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as it is in force on the date when these Articles become binding on the Company.
- 1.6 A reference to legislation or a legislative provision shall include all subordinate legislation made as at the date on which these Articles become binding on the Company under that legislation or legislative provision.
- 1.7 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.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - 1.11.1 the insertion of the words "for the time being" at the end of article 7(2)(a);
 - 1.11.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"; and
 - 1.11.3 the insertion of the words at the end of article 7(2) "A sole director shall be entitled to exercise all powers and discretions conferred on the directors by the Act or the articles and nothing in these articles is to be construed as requiring the Company to have more than one director".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary (if any)" before the words "properly incur".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 10.1," after the word "But".
- 1.14 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".

- 1.15 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DIRECTORS

2 UNANIMOUS DECISIONS

- 2.1 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.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 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.

3 CALLING A DIRECTORS' MEETING

- 3.1 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.

4 QUORUM FOR DIRECTORS' MEETINGS

- 4.1 Subject to Article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors, unless the Shareholders have resolved pursuant to Article 9 that there is to be only one director in office for the time being, that director shall form a quorum.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 4.3.1 to appoint further directors; or
 - 4.3.2 to call a general meeting so as to enable the Shareholders to appoint further directors.

5 CASTING VOTE

- 5.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chair or other director chairing the meeting has a casting vote.
- 5.2 Article 5.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chair or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

6 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 6.1 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:
- 6.1.1 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;
 - 6.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which they are interested;
 - 6.1.3 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;
 - 6.1.4 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;
 - 6.1.5 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
 - 6.1.6 shall not, save as they may otherwise agree, be accountable to the company for any benefit which they (or a person connected with them (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such

interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of their duty under section 176 of the Act.

7 DIRECTORS' CONFLICTS OF INTEREST

7.1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching their duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this Article 7 will be effective only if:

7.2.1 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;

7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and

7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.

7.3 Any authorisation of a Conflict under this Article 7 may (whether at the time of giving the authorisation or subsequently):

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

7.3.2 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;

7.3.3 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;

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

7.3.5 provide that, where the Interested Director obtains, or has obtained (through their involvement in the Conflict and otherwise than through their 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

7.3.6 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.

7.4 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.

7.5 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.

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

8 RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

9 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

10 APPOINTMENT AND REMOVAL OF DIRECTORS

10.1 In any case where, as a result of death or bankruptcy, the company has no Shareholders and no directors, the transmittee(s) of the last Shareholder to have died or to have a

bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

10.2 Model Article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a director:

10.2.1 they are convicted of a criminal offence (other than a minor motoring offence) and a majority of the other directors resolve that they cease to be a director; and

10.2.2 a majority of the other directors resolve that they cease to be a director.

11 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

11.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

11.1.1 exercise that director's powers; and

11.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

11.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

11.3 The notice must:

11.3.1 identify the proposed alternate; and

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

12 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

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

12.2 Except as the Articles specify otherwise, alternate directors:

- 12.2.1 are deemed for all purposes to be directors;
- 12.2.2 are liable for their own acts and omissions;
- 12.2.3 are subject to the same restrictions as their appointors; and
- 12.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which their appointor is a member.

12.3 A person who is an alternate director but not a director:

- 12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- 12.3.2 may participate in a unanimous decision of the directors (but only if their appointor is an eligible director in relation to that decision, but does not participate); and
- 12.3.3 shall not be counted as more than one director for the purposes of Article 12.3.1 and Article 12.3.2.

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

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

13 TERMINATION OF ALTERNATE DIRECTORSHIP

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

- 13.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

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

13.1.3 on the death of the alternate's appointor; or

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

14 SECRETARY

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

SHARES

15 SHARE CLASS RIGHTS

15.1 Except as otherwise provided in these Articles, the A Shares, B Shares and C Shares shall constitute separate classes of Shares and shall have the following rights:

15.1.1 Income

The distributable profits of the Company which are resolved to be distributed shall be distributed amongst the holders of the A Shares, B Shares and C Shares in such proportions as the Shareholders shall determine by special resolution of the holders of the Equity Shares and so that a dividend or dividends may be declared on one or more classes of Share to the exclusion of any other class or classes of Share and different levels of dividend may be declared and payable on each class of Share.

15.1.2 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the A Shares, B Shares and C Shares in proportion to the number of Shares held by them respectively (as if the Shares constituted one class of Share).

15.1.3 Voting

The holders of the A Shares and B Shares shall be entitled to receive notice of and to attend any general meeting of the Company (or to vote on a written resolution of the Company proposed in accordance with Chapter 2 of Part 13 of the Act) and shall be entitled to one vote for every Equity Share held.

The holders of the C Shares shall not be entitled to receive notice of or to attend any general meeting of the company (or to vote on a written resolution of the company proposed in accordance with Chapter 2 of Part 13 of the Act) and shall have no voting rights.

15.2 On the transfer of any Share as permitted or required by these Articles, unless resolved otherwise by special resolution of the holders of the Equity Shares:

15.2.1 a Share transferred to a non-Shareholder shall remain of the same class as before the transfer; and

15.2.2 a Share transferred to a Shareholder shall automatically be redesignated on transfer as a Share of the same class as those Shares already held by the Shareholder.

If no Shares of a class remain in issue following a redesignation under this Article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, Shareholders of that class.

15.3 No variation of the rights attaching to any class of Shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of Shares. Where a special resolution to vary the rights attaching to a class of Shares is proposed at a separate general meeting of that class of Shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy. For the purpose of this Article, one holder present in person or by proxy may constitute a meeting.

16 FURTHER ISSUE OF SHARES: AUTHORITY

16.1 Save to the extent authorised by these Articles or authorised from time to time by an ordinary resolution of the Shareholders, the directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares in the Company.

16.2 Subject to the remaining provisions of this Article 16 and to Article 17, the directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to:

16.2.1 offer or allot;

16.2.2 grant rights to subscribe for or to convert any security into;

16.2.3 otherwise deal in, or dispose of,

any C Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) (**Relevant Securities**) to any person, at any time and subject to any terms and conditions as the directors think proper.

16.3 The authority referred to in Article 16.2:

16.3.1 shall be limited to a maximum nominal amount of £10.00 of C Shares; and

16.3.2 shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution; and

16.3.3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

17 FURTHER ISSUE OF SHARES: PRE-EMPTION RIGHTS

17.1 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.

17.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any Relevant Securities (other than any equity securities to be held under an employees' share scheme or any C Shares issued pursuant to Article 16.2 and Article 16.3), those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Equity Shares (each an **Issue Offeree**) on a pari passu basis (as if those Equity Shares constituted Shares of the same class) and in the respective proportions that the number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

17.3 An offer made under Article 17.2 shall:

- 17.3.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered; and
 - 17.3.2 remain open for a period of at least 15 Business Days from the date of service of the offer; and
 - 17.3.3 stipulate that any Issue Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which they are entitled under Article 17.2 shall, in their acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which they wish to subscribe.
- 17.4 If, on the expiry of an offer made in accordance with Article 17.2, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the directors shall allot the Relevant Securities to the Issue Offerees in accordance with their applications, subject to a maximum of each Issue Offeree's proportionate entitlement.
- 17.5 Any Relevant Securities not accepted by Issue Offerees pursuant to an offer made in accordance with Article 17.2 shall be used to satisfy any requests for Excess Securities made pursuant to Article 17.3.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Equity Shares held by each such applicant bears to the total number of such Equity Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any applicant beyond that applied for by them). After those allotments, any Excess Securities shall, subject to Article 17.6, be offered to any other person(s) as the directors may determine, at the same price and on the same terms as the offer to the Issue Offerees.
- 17.6 No Shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election with the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

18 TRANSFER OF SHARES: GENERAL

- 18.1 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.
- 18.2 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 18.6, the

directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

- 18.3 Notwithstanding any other provisions of these Articles, a Shareholder may not at any time transfer any C Shares without the prior written consent of the directors. If such consent is given, the directors may attach any terms or conditions to such consent as they see fit, including requiring such Shareholder to issue a Transfer Notice in accordance with Article 20.
- 18.4 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.
- 18.5 Any transfer of a Share by way of sale which is required to be made under Article 22, Article 23 or Article 24 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 18.6 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 18.6, 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.
- 18.7 To enable the directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- 18.7.1 any holder (or the legal representatives of a deceased holder); or
 - 18.7.2 any person named as a transferee in a transfer lodged for registration; or
 - 18.7.3 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.
- 18.8 If any such information or evidence referred to in Article 18.7 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, if the holder fails to remedy that situation to the reasonable satisfaction of the directors within 10 Business Days of receipt of such written notice, then:

18.8.1 the relevant Shares shall cease to confer on the holder of them any rights:

18.8.1.1 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;

18.8.1.2 to receive dividends or other distributions otherwise attaching to those Shares; or

18.8.1.3 to participate in any future issue of Shares; and

18.8.2 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 their Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

18.9 The directors may reinstate the rights referred to in Article 18.8.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 18.8.2 on completion of such transfer.

18.10 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:

18.10.1 it does not contain a Minimum Transfer Condition;

18.10.2 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);

18.10.3 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a Proposed Sale Price;

18.10.4 the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation; and

18.10.5 if the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party.

18.11 Any Transfer Notice (but not an Offer Notice (as defined in Article 23) or a Drag Along Notice (as defined in Article 24)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall (save with written consent of the directors to the contrary) automatically be revoked by the service of a Deemed Transfer Notice.

19 PERMITTED TRANSFERS OF SHARES

19.1 Subject to Article 19.3 and Article 19.4, a holder of Equity Shares (the **Original Shareholder**) may transfer all or any of their Equity Shares to a Permitted Transferee without restriction as to price or otherwise.

19.2 An Original Shareholder who has transferred Equity Shares to a Permitted Transferee in accordance with Article 19.1 may require that such Permitted Transferee transfers such Shares back to the Original Shareholder (or, subject to Article 19.4 and if directed by the Original Shareholder, to one or more other Permitted Transferees of that Original Shareholder) at any time, without restriction as to price or otherwise (and the Permitted Transferee shall, upon receipt of such request from the Original Shareholder, promptly execute and deliver to the Original Shareholder a transfer of those Shares in favour of that Original Shareholder or a Permitted Transferee of the Original Shareholder, as the case may be, for such consideration as the Original Shareholder directs).

19.3 A Shareholder holding Equity Shares as a result of:

19.3.1 a transfer by an Original Shareholder under Article 19.1;

19.3.2 a transfer by a Permitted Transferee of an Original Shareholder in accordance with any provisions of this Article 19,

may, subject to Article 19.4, transfer any or all such Shares back to that Original Shareholder (or, if directed by that Original Shareholder, to one or more other Permitted Transferees of that Original Shareholder) without restriction as to price or otherwise.

19.4 Equity Shares may only be transferred to the trustees of a Family Trust if the directors are satisfied:

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

19.4.2 with the identity of the trustees; and

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

19.5 If a Permitted Transfer has been made to a Privileged Relation of an Original Shareholder, that Privileged Relation shall within 10 Business Days of ceasing to be a Privileged Relation of that Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of death) execute and deliver to the Company a transfer of those Shares held pursuant to a Permitted Transfer in favour of that Original Shareholder (or, subject to Article 19.4 and if directed by the Original Shareholder, in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as the Original Shareholder directs.

19.6 In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from an Original Shareholder (or, for the avoidance of doubt, from a transfer by a Permitted Transferee of an Original Shareholder in accordance with the provisions of this Article 19), on the occurrence of:

19.6.1 the Privileged Relation's death;

19.6.2 the Privileged Relation suffering a Bankruptcy Event; or

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

that Privileged Relation and that Privileged Relation's personal representatives, trustee(s) in bankruptcy, and attorney(s) or otherwise (as the case may be) shall, within 10 Business Days after the grant of probate, the making of the bankruptcy order or the determination of lack of capacity (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that Original Shareholder (or, if so directed by the Original Shareholder and subject to Article 19.4, in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as that Original Shareholder directs.

19.7 In relation to a Privileged Relation or Family Trust holding Shares pursuant to any provision of this Article 19, on the occurrence of that Original Shareholder serving a Transfer Notice in accordance with Article 20.2, that Privileged Relation or Family Trust (as the case may be) shall, unless the directors agree otherwise, be deemed to have served a Transfer Notice in respect of all Shares they hold as a result of such Permitted Transfer.

19.8 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 10 Business Days of that Family Trust ceasing to be wholly for the benefit of the Original Shareholder and/or the Original Shareholder's Privileged Relations execute and deliver to the Company a transfer of those Shares held by them or the Family Trust pursuant to a Permitted Transfer in favour of the Original Shareholder (or, if so directed by the Original Shareholder and subject to Article 19.4, in favour of one of more other Permitted Transferees of the Original Shareholder), for such consideration as the Original Shareholder directs.

20 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

20.1 Except where the provisions of Article 19, Article 23 or Article 24 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 20.

20.2 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:

20.2.1 subject to Article 18.10.2, the number of Shares they wish to transfer (**Sale Shares**);

20.2.2 the name of the proposed transferee, if any;

20.2.3 subject to Article 22.4, the price per Sale Share (in cash), if any, at which they wish to transfer the Sale Shares (the **Proposed Sale Price**); and

20.2.4 subject to Article 18.10.1, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).

20.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value less than the Proposed Sale Price the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice.

20.4 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.

20.5 As soon as practicable following the later of:

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

20.5.2 the determination of the Transfer Price,

the directors shall (unless the Transfer Notice is withdrawn in accordance with Article 20.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 20 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.

20.6 The directors shall offer the Sale Shares to the Original Shareholders (other than the Seller) (**Offerees**), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.

20.7 If:

20.7.1 at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which their existing holding of Equity Shares bears to the total number of Equity Shares held by all Offerees (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the directors. No allocation shall be made to an Offeree of more than the maximum number of Sale Shares which that Shareholder has stated they are willing to buy;

20.7.2 not all Sale Shares are allocated following allocations in accordance with Article 20.7.1, but there are applications for Sale 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 20.7.1. The procedure set out in this Article 20.7.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

20.7.3 at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Offerees in accordance with their applications. The balance (the **Surplus Shares**) shall be dealt with in accordance with Article 20.12.

20.8 Where the Transfer Notice contains a Minimum Transfer Condition:

20.8.1 any allocation made under Article 20.7 shall be conditional on the fulfilment of the Minimum Transfer Condition; and

20.8.2 if the total number of Sale Shares applied for under Article 20.7 does not meet the Minimum Transfer Condition, the directors shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

20.9 Where either:

20.9.1 the Transfer Notice does not contain a Minimum Transfer Condition; or

20.9.2 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 20.7, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Offeree to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 20 Business Days, but not more than 40 Business Days, after the date of the Allocation Notice).

20.10 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.

20.11 If the Seller fails to comply with Article 20.10:

20.11.1 the chair (or, failing the chair, any other director or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:

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

20.11.1.2 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

20.11.1.3 (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

20.11.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered the 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.

20.12 Where a Transfer Notice lapses pursuant to Article 20.8.2 or an Allocation Notice does not relate to all the Sale Shares, then, subject to Article 20.13, the Seller may, at any time during the 40 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this Article 20.12 shall continue to be subject to any Minimum Transfer Condition.

20.13 The Seller's right to transfer Shares under Article 20.12 does not apply if the directors reasonably consider that:

20.13.1 the transferee is a person (or a nominee for a person or otherwise connected to a person) whom the directors determine to be a competitor of the business of any Group Company;

20.13.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

20.13.3 the Seller has failed or refused to promptly provide information available to them and reasonably requested to enable it to form the opinion(s) referred to above.

21 VALUATION

21.1 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 directors first have actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.

- 21.2 If the accountants for the time being of the Company decline an instruction to make a certification or a determination in accordance with these Articles, the Company and the Seller shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Independent Expert and to agree terms of appointment with the Independent Expert. Neither party shall unreasonably withhold its agreement to the terms of appointment proposed by the Independent Expert or the other party.
- 21.3 If the parties fail to agree on an Independent Expert and the terms of their appointment within 10 Business Days of either party serving details of a proposed Independent Expert on the other then the parties shall make a joint application requesting the President of the Institute of Chartered Accountants (**ICAEW**) in England and Wales to nominate the Independent Expert under the President's Nomination Scheme. The Company and the Seller shall:
- 21.3.1 co-operate fully and promptly in all actions necessary to make a joint application for the nomination of an Independent Expert in accordance with this Article including (but not limited to) completing and signing all forms, indemnities and any other documentation required to complete the application to the ICAEW;
 - 21.3.2 use their reasonable endeavours and co-operate to agree, as soon as reasonably practicable, the terms of appointment with the person nominated to act as Independent Expert in accordance with this Article; and
 - 21.3.3 bear equally between them the administration fee or other charges or expenses payable to the ICAEW in connection with the application to nominate an Independent Expert.
- 21.4 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- 21.4.1 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);
 - 21.4.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 21.4.3 that the Sale Shares are capable of being transferred without restriction;
 - 21.4.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and

- 21.4.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 21.5 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.
- 21.6 The directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the directors may reasonably impose.
- 21.7 The parties are entitled to make 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.
- 21.8 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).
- 21.9 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.
- 21.10 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:
- 21.10.1 the Seller withdraws the relevant Transfer Notice in accordance with Article 20.3; or
- 21.10.2 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.

22 COMPULSORY TRANSFERS

- 22.1 A person entitled to a Share in consequence of the death of a Shareholder or the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall, subject to Article 19.6, be deemed to have given a Transfer Notice in respect of that Share at such time as the directors) may determine (save that where the Shareholder is an Employee, any B Shares and any C Shares held by that Employee immediately prior to his or her death will be dealt with in accordance with Article 22.3 and Article 22.4).

- 22.2 A Shareholder is deemed to have served a Transfer Notice immediately before any of the following events:
- 22.2.1 the Shareholder having a disqualification order made against them under the Company Directors Disqualification Act 1986;
 - 22.2.2 subject to Article 19.6, the Shareholder lacking capacity (under section 2 of the Mental Health Act 2005) to make decisions in relation to the Company or their shareholding; or
 - 22.2.3 committing a material or persistent breach of any shareholders' agreement entered into between any of the Shareholders and the Company which, if capable of remedy, has not been so remedied within 20 Business Days of notice to remedy the breach being served by the directors.
- 22.3 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 10 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares held by that Departing Employee (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.
- 22.4 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee is:
- 22.4.1 a Bad Leaver, be restricted to a maximum of the lower of the subscription price paid in respect of such Sale Shares and the aggregate Fair Value of such Sale Shares; and
 - 22.4.2 a Good Leaver, be the aggregate Fair Value of such Sale Shares.
- 22.5 Forthwith upon a Transfer Notice being deemed to be served under Article 22 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights they may have:
- 22.5.1 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;
 - 22.5.2 to receive dividends or other distributions otherwise attaching to those Shares; or

22.5.3 to participate in any future issue of Shares.

22.6 The directors may reinstate the rights referred to in Article 22.5 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 22 on completion of such transfer.

22.7 A Transfer Notice deemed to have been served by an Original Shareholder under this Article 22 shall immediately deem a Transfer Notice to have been served by any Permitted Transferee of that Shareholder in respect of all Shares held by such Permitted Transferee(s) (excluding any Shares that the directors declare themselves satisfied were not acquired pursuant to a Permitted Transfer by that Original Shareholder (or by another Permitted Transferee of that Original Shareholder)).

23 MANDATORY OFFER ON CHANGE OF CONTROL

23.1 In the event that a proposed transfer of Equity Shares (other than a transfer made pursuant to Article 19 or Article 22, but after the operation of the pre-emption procedure set out in Article 20), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this Article 23 shall apply.

23.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Original Shareholder (each a **Tag Offeree**) on the date of the Offer, to buy all of the Equity Shares held by such Tag Offerees on the date of the Offer for a consideration in cash per Equity Share (the **Offer Price**) which is equal to the highest price per Equity Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Equity Shares in connection with the Proposed Transfer.

23.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Tag Offeree on the date of the Offer at least 20 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall specify:

23.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);

23.3.2 the Offer Price and any other terms and conditions of the Offer;

23.3.3 the Sale Date; and

23.3.4 the number of Equity Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

23.4 The completion of the Proposed Transfer shall be conditional in all respects on:

23.4.1 the making of an Offer in accordance with this Article 23; and

23.4.2 the completion of the transfer of any Equity Shares by any Tag Offeree (each an **Accepting Offeree**) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this Article 23.

23.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this Article 23 shall not be, subject to the pre-emption provisions of Article 20.

24 DRAG ALONG

24.1 If the holders of 75% by nominal value of the Equity Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Equity Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 24.

24.2 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:

24.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 24;

24.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

24.2.3 the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares; and

24.2.4 the proposed date of completion of transfer of the Called Shares.

24.3 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 40 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.

24.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 24.

24.5 Completion of the sale and purchase of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of Sellers' Shares unless:

24.5.1 all of the Called Shareholders and the Selling Shareholders otherwise agree in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or

24.5.2 that date is less than 20 Business Days after the date of service of the Drag Along Notice, in which case the Completion Date shall be the 20th Business Day after the date of service of the Drag Along Notice.

24.6 On or before the Completion Date, 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 Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 24.2.3 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 24.2.3 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.

24.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the amounts due pursuant to Article 24.2.3, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 24 in respect of their Shares.

24.8 If any Called Shareholder fails, on or before the Completion Date, 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 irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent 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 24.

24.9 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 Shares acquired by them to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 24 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the company, if later.

24.10 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, and a transfer of the Sellers' Shares to a Proposed Buyer in accordance with the provisions of this Article 24, shall not be subject to the pre-emption provisions of Article 20.

24.11 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.

25 PURCHASE OF OWN SHARES

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

25.1.1 £15,000; and

- 25.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

DECISION MAKING BY SHAREHOLDERS

26 POLL VOTES

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

27 PROXIES

- 27.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 27.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

28 MEANS OF COMMUNICATION TO BE USED

- 28.1 Subject to Article 28.3, any notice, document or other information shall be deemed received by the intended recipient:
- 28.1.1 if delivered by hand at the time the notice, document or other information is left at the address;
- 28.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of postage, at 9.00 am on the second Business Day after posting;
- 28.1.3 if sent by pre-paid airmail providing proof of postage, at 9.00 am on the fifth Business Day after posting;

28.1.4 if sent by email, at the time of transmission; or

28.1.5 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.

28.2 If deemed receipt under Article 28.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this Article 28.2, 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.

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

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

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

28.3.3 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

29 INDEMNITY

29.1 Subject to Article 29.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

29.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a relevant officer:

29.1.1.1 in the actual or purported execution and/or discharge of their duties, or in relation to them; and

29.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part or in connection with any application in which the court grants them, in their capacity as a relevant officer,

relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

29.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred to in Article 29.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

29.2 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.

29.3 In this Article:

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

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

30 INSURANCE

30.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

30.2 In this Article:

30.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not they are also a director or other officer), to the extent they act in their capacity as auditor);

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

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