

**Company Number: 13068651**

**The Companies Act 2006**

**Private Company Limited by Shares**

**Articles of Association**

**of**

**FORECOURT LTD**

**(the Company)**

**(As adopted by members' written resolution passed on 13 SEPTEMBER 2022)**

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**Forecourt Ltd**

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**1 PRELIMINARY**

- 1.1 In these Articles, if not inconsistent with the context, the following expressions have the following meanings:

**Accepting Shareholder** has the meaning given in Article 12.5;

**Act** means the Companies Act 2006 including any statutory re-enactment or modification thereof from time to time in force;

**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 from time to time);

**Allocation Notice** has the meaning given in Article 7.15;

**Articles** means these articles of association;

**Associate** means any person who in relation to a Shareholder is a Family Member;

**Board** means the board of directors of the Company from time to time;

**Business Day** means a day when banks in London are open for general business (other than a Saturday, Sunday or public holiday in England);

**Buyer** has the meaning given in Article 7.15;

**Call** has the meaning given in Article 6.1;

**Call Notice** has the meaning given in Article 6.1;

**Call Payment Date** has the meaning given in Article 6.10.1;

**Called Shareholders** has the meaning given in Article 13.3;

**Called Shares** has the meaning given in Article 13.3;

**Change of Control** means where a person (including a body corporate) who has Control of any undertaking ceases to do so if another person acquires Control of it;

**Clear Days** means in relation to a period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

**Company's Lien Call** has the meaning given in Article 5.1;

**Completion Date** has the meaning given in Article 13.5;

**Conflict Authorisation** has the meaning given in Article 25.1;

**Conflict Authorisation Terms** has the meaning given in Article 25.7;

**Conflict Situation** has the meaning given in Article 25.1;

**Control** means the ability to direct the affairs of another whether by the ownership of more than fifty per cent (50%) of the voting rights exercisable at general meetings, or by contract or otherwise;

**Defaulting Shareholder** has the meaning given in Article 13.9;

**Departing Shareholder** has the meaning given in Article 8.1;

**director** means a director of the Company from time to time;

**Drag Along Notice** has the meaning in Article 13.3;

**Drag Along Completion** has the meaning given in Article 13.2;

**eligible director** means a director who would be entitled to vote on the matter at a meeting of the Board (but excluding any director whose vote is not to be counted in respect of the particular matter);

**electronic communication** has the meaning given to it in the Electronic Communications Act 2000;

**Encumbrance** means any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, title retention or any other security agreement or arrangement;

**Excess Shares** has the meaning given in Article 4.2.2;

**Expert** means such firm of chartered accountants agreed in writing between the Seller and the Board or, failing such agreement, as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of any such party;

**Fair Value** means the value of a Sale Share determined by reference to the following:

- (a) firstly, by valuing the entire issued share capital of the Company (the **Equity Value**) on the basis of an arm's-length sale between a willing seller and a willing buyer using, inter alia, the following assumptions:
  - (i) if the Company (and each member of its Group, as applicable) is then carrying on business as a going concern, on the assumption that it will continue to do so and that no clients or suppliers of the Company (or any member of its Group, as applicable) will cease dealing with it as a result of the sale, save where any such person or entity has already ceased to deal with the Company (or any member of its Group, as applicable) as a consequence of a Seller or Departing Shareholder (as the case may be) leaving the Company;

- (ii) that the then current Board and staff (other than the Seller or Departing Shareholder) will remain engaged or employed by the Company (or any member of it's Group, as applicable) on their then current terms;
  - (iii) that all the Shares are capable of being transferred without restriction or Encumbrance;
  - (iv) that all Shareholders are willing vendors and would join in giving customary warranties and indemnities, subject to all relevant disclosures; and
  - (v) that the sale is taking place on the day of the Transfer Notice; and
- (b) secondly, by valuing the Sale Shares as a rateable proportion of the Equity Value, taking account of the following:
- (i) so as not to have regard to any premium or discount being attributable to the percentage of the issued share capital of the Company which the Sale Shares in question represent; and
  - (ii) disregarding the class of the Sale Shares;

**Family Member** means the spouse (or widow or widower), civil partner, child or grandchild (including any step and adopted child and its issue) of any Shareholder;

**Family Trust** means a trust established by a Shareholder (being an individual) which only permits such Shareholder and/or his Family Members to be beneficiaries;

**Group** means in relation to any body corporate, any Holding Company or Subsidiary Undertaking of such body corporate or any Subsidiary Undertaking of a Holding Company of such body corporate and **member of a Group** be interpreted accordingly;

**Holding Company** means a holding company within the meaning ascribed to such expression by section 1159 of the Act;

**in writing** means written, or produced by any visible substitute for writing, which is in or capable of being converted into non-transitory form or partly one and partly another;

**Insolvency Event** means when the Shareholder in question (being a body corporate):

- (c) ceases or threatens to cease to carry on its business or any material part thereof; or
- (d) voluntarily or involuntarily suspends or discontinues its business, liquidates or sells its assets or a substantial part thereof, makes an assignment for the benefit of its creditors, becomes, or admits in writing that it is unable to pay its debts as they mature or becomes insolvent; or
- (e) is the subject of any reorganisation, moratorium, insolvency or similar proceedings for the relief of financially distressed debtors instituted by or against such Shareholder; or
- (f) has a receiver, liquidator or other third party appointed over any of its assets or business; or

(g) is the subject of winding-up, dissolution or liquidation (judicial or non-judicial) proceedings initiated by such Shareholder or by the creditors of such Shareholder;

or any event occurs or proceeding is taken, with respect to such Shareholder in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned above;

**Interested Director** has the meaning given in Article 25.1;

**Lien Enforcement Notice** has the meaning given in Article 5.6;

**Majority Shares** has the meaning given in Article 13.1;

**Mandatory Transfer Event** has the meaning given in Article 8.1;

**member** has the meaning given in section 112 of the Act;

**Model Articles** means the model articles prescribed by Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

**Nominal Value** means in relation to any Share, the nominal amount of such Share;

**Offer Notice** means the notice set out in Article 7.12;

**Offer Shares** has the meaning given in Article 12.3.4;

**Permitted Transferee** means a person to whom Shares are transferred pursuant to Article 9 (other than Article 9.1.4);

**Proposed Buyer** has the meaning given in Article 13.2

**Proposed Sale Price** has the meaning given in Article 7.4.3;

**Proposed Transfer** has the meaning given in Article 12.1;

**Proposing Seller** has the meaning given in Article 12.1;

**PRs** means the legal personal representatives of a deceased Shareholder;

**Relevant Rate** has the meaning given in Article 6.10.2;

**Relevant Shares** has the meaning given in Article 8.2;

**Sale Date** has the meaning given in Article 12.3;

**Sale Notice** has the meaning given in Article 13.2;

**Sale Price** has the meaning given in Article 7.6;

**Sale Shares** has the meaning given in Article 7.4.1;

**Seller** has the meaning given in Article 7.3;

**Selling Shareholder** has the meaning given in Article 13.1;

**Share** means a share in the capital of the Company of whatever class;

**Shareholder** means any of the holders of Shares and the expression **Shareholders** shall mean all of them;

**Shareholders' Agreement** means any shareholders' agreement entered into between (1) the Shareholders and (2) the Company from time to time, as amended from time to time;

**Share Option** means the share option to be granted by the Company on or around the date of adoption of these Articles;

**Specified Price** has the meaning given in Article 12.2;

**Subscription Price** means in relation to any Share, the amount paid up or credited as paid up on such Share including the full amount of any premium at which such Share was issued or transferred;

**Subsidiary Undertaking** means a subsidiary undertaking within the meaning ascribed to such expression by section 1162 of the Act;

**Tag Along Buyer** has the meaning given in Article 12.1;

**Tag Along Offer** has the meaning given in Article 12.2;

**Tag Along Offer Notice** has the meaning given in Article 12.3;

**Total Transfer Condition** has the meaning given in Article 7.4.4; and

**Transfer Notice** has the meaning given in Article 7.4.

1.2 In these Articles:

1.2.1 use of the singular includes the plural and vice versa;

1.2.2 use of any gender includes the other genders;

1.2.3 any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts; and

1.2.4 headings are included for convenience only and do not affect the interpretation of these Articles.

1.3 Save as aforesaid unless the context otherwise requires:

1.3.1 any words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles became binding on the Company; and

1.3.2 words or expressions defined in the Model Articles shall bear the same meaning in these Articles and reference in these Articles to a **Model Article** is a reference to the relevant article of the Model Articles.

1.4 The Model Articles shall, except in so far as they are excluded or modified by these Articles, apply to the Company and together with these Articles shall constitute the articles of the Company.

1.5 Model Articles 6(2), 8(3), 11(2), 13, 14(1) to 14(4) (inclusive), 16, 26(5), 27 to 29 (inclusive), 52 and 53 of the Model Articles shall not apply to the Company.

## **2 SHARE CAPITAL**

### ***Consolidation of Shares***

2.1 This Article applies where:

2.1.1 there has been a consolidation or division of Shares; and

2.1.2 as a result, members are entitled to fractions of Shares.

2.2 The Board may:

2.2.1 sell the Shares representing the fractions to any person including the Company for the best price reasonably obtainable;

2.2.2 authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and

2.2.3 distribute the net proceeds of sale in due proportion among the holders of the Shares.

2.3 The person to whom the Shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

2.4 The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## **3 FURTHER ISSUES OF SHARES: AUTHORITY**

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

3.2 Subject to the remaining provisions of this Article 3, the Board are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to:

3.2.1 offer or allot;

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

3.2.3 otherwise deal in, or dispose of,

any relevant securities, at any time and subject to any terms and conditions as the Board think proper.

3.3 The authority referred to in Article 3.2:

3.3.1 is subject to the provisions of Article 4;



3.3.2 shall be limited to Shares (including the Shares in issue at the date of adoption of these Articles) with an aggregate nominal value of £3.00;

3.3.3 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution of the Shareholders; and

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

#### **4 PRE-EMPTION RIGHTS ON FURTHER ISSUE OF SHARES**

4.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Shares made by the Company.

4.2 Subject to Article 3, if the Company proposes to allot further Shares, those Shares shall not be allotted to any person unless the Company has first offered them to all Shareholders on the date of the offer on the same terms, and at the same price, as those Shares are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those Shareholders (as nearly as possible without involving fractions). The offer:

4.2.1 shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant Shares; and

4.2.2 may stipulate that any Shareholders who wish to subscribe for a number of Shares in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess Shares (the **Excess Shares**) for which he wishes to subscribe.

4.3 Any Shares not accepted by the Shareholders pursuant to the offer made to them in accordance with Article 4.2 shall be used for satisfying any requests for Excess Shares made pursuant to Article 4.2.2. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to the Shareholders in accordance with Article 4.2 (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any Shareholders beyond that applied for by him). After that allotment, any Shares remaining to be allotted shall be offered to any other person as the Board may determine, at the same price and on the same terms as the offer to the Shareholders.

4.4 The restrictions set out in Articles 4.2 and 4.3 shall not apply to the grant of the Share Option or any Shares allotted and issued pursuant to the Share Option.

4.5 Subject to Articles 3, 4.2 and 4.3 and to section 551 of the Act, any Shares shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

#### **5 LIEN ON SHARES**

##### ***Company's lien on Shares***

- 5.1 The Company shall have a first and paramount lien (the **Company's Lien**) on every Share registered in the name of any Shareholder (whether solely or jointly with others and whether or not it is a fully paid Share) for all monies (whether presently payable or not and whether by way of Nominal Value or Subscription Price) due to the Company from him or his estate, whether solely or jointly with any person (whether a Shareholder or not). The Board may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's Lien on a Share shall extend to all dividends and other monies payable thereon.

***Enforcement of the Company's Lien***

- 5.2 Subject to the provisions of this Article 5, if:

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

5.2.2 the person to whom the notice was given has failed to comply with it,  
the Company may sell that Share in such manner as the Board decide.

- 5.3 Where Shares are sold under this Article 5:

5.3.1 the Board may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and

5.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

- 5.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

5.4.1 first, in payment of so much of the sum for which the Company's Lien exists as was payable at the date of the Lien Enforcement Notice; and

5.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Board has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether payable immediately or at some time in the future) as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.

- 5.5 A statutory declaration by a director that the declarant is a director and that a Share has been sold to satisfy the Company's Lien on a specified date:

5.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

5.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes good title to the Share.

5.6 For the purposes of this Article 5, a **Lien Enforcement Notice** means a notice given by the Company in accordance with Article 26 which:

5.6.1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

5.6.2 must specify the Share concerned;

5.6.3 must require payment of the sum within 14 Clear Days of the notice;

5.6.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and

5.6.5 must state the Company's intention to sell the Share if the notice is not complied with.

## 6 **FORFEITURE OF SHARES**

### ***Call Notices***

6.1 Subject to the Articles and the terms on which Shares are allotted, the Board may send a notice (a **Call Notice**) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a **Call**) which is payable to the Company by that Shareholder at the date of the Call Notice.

6.2 A Call Notice:

6.2.1 may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;

6.2.2 must state when and how any Call to which it relates is to be paid; and

6.2.3 may permit or require the Call to be made in instalments.

6.3 A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 Clear Days have passed since the notice was sent.

6.4 Before the Company has received any Call due under a Call Notice the Board may:

6.4.1 revoke it wholly or in part; or

6.4.2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the Shareholder in respect of whose Shares the Call is made.

### ***Liability to pay Calls***

6.5 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it relates.

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

6.7 Subject to the terms on which Shares are allotted, the Board may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them:

6.7.1 to pay Calls which are not the same; or

6.7.2 to pay Calls at different times.

***When Call Notice need not be issued***

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

6.8.1 on allotment;

6.8.2 on the occurrence of a particular event; or

6.8.3 on a date fixed by or in accordance with the terms of issue.

However if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

***Failure to comply***

6.9 If a person is liable to pay a Call and fails to do so by the Call Payment Date:

6.9.1 the Board may issue a notice of intended forfeiture to that person; and

6.9.2 until the Call is paid, that person must pay the Company interest on the Call from the Call Payment Date at the Relevant Rate.

6.10 For the purposes of this Article 6:

6.10.1 the **Call Payment Date** is the date when the Call Notice states that a Call is payable, unless the Board give a notice specifying a later date, in which case the **Call Payment Date** is that later date; and

6.10.2 subject to Article 6.11, the **Relevant Rate** is

(a) the rate fixed by the terms on which the Share in respect of which the Call is due was allotted;

(b) such other rate as was fixed in the Call Notice which required payment of the Call, or has otherwise been determined by the Board; or

(c) if no rate is fixed in either of these ways, five per cent per annum.

6.11 The Relevant Rate must not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

6.12 The Board may waive any obligation to pay interest on a Call wholly or in part.

***Notice of intended forfeiture***

6.13 A notice of intended forfeiture:

6.13.1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;

6.13.2 must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;

6.13.3 must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 Clear Days after the date of the notice;

6.13.4 must state how the payment is to be made; and

6.13.5 must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.

***Board's power to forfeit Shares***

6.14 If a notice of intended forfeiture is not complied with before the date by which payment of the Call is required in the notice of intended forfeiture, the Board may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends and other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

***Effect of forfeiture***

6.15 Subject to the Articles, the forfeiture of a Share extinguishes:

6.15.1 all interests in that Share, and all claims and demands against the Company in respect of it; and

6.15.2 all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.

6.16 Any Share which is forfeited in accordance with the Articles:

6.16.1 is deemed to have been forfeited when the Board decide that it is forfeited;

6.16.2 is deemed to be the property of the Company; and

6.16.3 may be sold, re-allotted or otherwise disposed of as the Board think fit.

6.17 If a person's Shares have been forfeited:

6.17.1 the Company must send that person notice that forfeiture has occurred and record it in the Company's register of members;

6.17.2 that person ceases to be a Shareholder in respect of those Shares;

6.17.3 that person must surrender the certificate for the Shares forfeited to the Company for cancellation;

6.17.4 that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and

6.17.5 the Board may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

6.18 At any time before the Company disposes of a forfeited Share, the Board may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit.

***Procedure following forfeiture***

6.19 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Board may authorise any person to execute the instrument of transfer.

6.20 A statutory declaration by a director that the declarant is a director and that a Share has been forfeited on a specified date:

6.20.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

6.20.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

6.21 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

6.22 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:

6.22.1 was, or would have become, payable; and

6.22.2 had not, when that Share was forfeited, been paid by that person in respect of that Share,

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

***Surrender of Shares***

6.23 A Shareholder may surrender any Share:

6.23.1 in respect of which the Board may issue a notice of intended forfeiture;

6.23.2 which the Board may forfeit; or

6.23.3 which has been forfeited.

6.24 The Board may accept the surrender of any such Share.

- 6.25 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.
- 6.26 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

## 7 **TRANSFER OF SHARES**

### ***Registration of transfers***

- 7.1 The transferor of a Share shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of members of the Company in respect thereof.
- 7.2 The Board shall refuse to register any instrument of transfer of Shares which has not been entered into in accordance with the provisions of these Articles or which purports to be made to a minor, a bankrupt or a person of unsound mind.

### ***Pre-emption rights***

#### *Transfer notices*

- 7.3 If any Shareholder wishes to transfer any Shares (**Seller**) other than pursuant to the terms of Article 8 (*Mandatory Transfers*), Article 9 (*Permitted Transfers*), Article 12 (*Tag Along Rights*) and Article 13 (*Drag Along Rights*) such Shares must first be offered to the other Shareholders in the manner set out in the following provisions of Article 7 before the Seller is able to transfer or agree to transfer such Shares to a third party.
- 7.4 A Seller shall give to the Company notice in writing (the **Transfer Notice**) of his wish to make a transfer of Shares and such Transfer Notice shall specify:
- 7.4.1 the number and class of Shares the Seller wishes to transfer (the **Sale Shares** and each one a **Sale Share**);
  - 7.4.2 if there is a specific proposed transferee to whom the Seller wishes to transfer the Sale Shares, the identity of such third party;
  - 7.4.3 the price per Share at which the Seller wishes to transfer the Sale Shares (**Proposed Sale Price**); and
  - 7.4.4 whether the Transfer Notice is conditional upon all (and not some) of the Sale Shares being sold pursuant to the following provisions of this Article 7 (**Total Transfer Condition**),
- and such Transfer Notice shall be accompanied by the share certificate(s) for the Sale Shares or a suitable indemnity in lieu.
- 7.5 Each Transfer Notice shall
- 7.5.1 relate to one class of Shares only,
  - 7.5.2 constitute the Company as the agent of the Seller for the sale of the Sale Shares on the terms of this Article 7, and
  - 7.5.3 save as provided in Article 7.9, be irrevocable.

#### *Sale price*

- 7.6 After the Transfer Notice is served on the Company by the Seller, the Sale Shares shall be offered for purchase in accordance with this Article 7 at a price per Sale Share (**Sale Price**) agreed between the Seller and the Board. In the absence of such agreement within 20 Business Days of service (or deemed service) of the Transfer Notice (whether by reason of disagreement, absence, death or otherwise), the Sale Price shall be the price per Sale Share which the Expert (acting as experts and not as arbitrators) shall certify to be the Fair Value as at the date of the Transfer Notice, their terms of reference for such to include the matters identified in the definition of such expression contained in Article 1.1.
- 7.7 The Board will use its reasonable endeavours to procure that the Expert delivers their written opinion of the Fair Value to the Board and the Seller within twenty-eight days of being requested to do so. The Expert's certificate shall (in the absence of fraud or manifest error) be final and binding for all purposes.
- 7.8 The Expert's fees for reporting on their opinion of the Fair Value shall be borne as the Expert shall specify in their valuation having regard to the conduct of the parties and the merit of their arguments in respect of the matters in dispute or otherwise (in the absence of any such specification by the Expert) as to one half by the Seller and as to the other half by the Company unless the Seller revokes the Transfer Notice pursuant to Article 7.9, in which case the Seller shall pay all the Expert's fees.
- 7.9 If the Expert is asked to certify the Fair Value pursuant to Article 7.6, the Company shall within five Business Days of issue of the certificate furnish a copy of it to the Seller and if the Fair Value per Sale Share is reported on by the Expert to be less than the Proposed Sale Price the Seller shall (save to the extent it is deemed given pursuant to Article 8.1) be entitled, by notice in writing within the period of five Business Days after the date the Seller is provided the Expert's written opinion of the Fair Value, to withdraw the Transfer Notice.
- 7.10 The Expert shall be given access to all accounting records and other relevant documents of the Company and all such other facilities and information as they may reasonably require for the purpose of their determination, on a confidential basis where appropriate.

#### *Offer and allocation of the Sale Shares*

- 7.11 Subject to Article 7.19, within 15 Business Days of the Sale Price being agreed or determined in accordance with Article 7.6, and provided that the Seller does not validly withdraw the Transfer Notice in accordance with Article 7.9, the Board shall offer the Sale Shares to the Shareholders, pro rata to the number of Shares held by them, by serving an Offer Notice.
- 7.12 An offer notice (**Offer Notice**) shall:
- 7.12.1 specify the Sale Price,
  - 7.12.2 contain the other details included in the Transfer Notice, and
  - 7.12.3 invite each of the relevant Shareholders entitled pursuant to Article 7.11 (other than the Seller) to apply in writing within 60 Business Days after service of such Offer Notice setting out the number of Sale Shares he wishes to acquire and, if he so desires, that he would be willing to purchase a particular proportionate entitlement of such Sale Shares as set out in Article 7.14.1,



and shall expire 60 Business Days after its service

- 7.13 If the Company shall not have found Shareholders who wish to purchase all the Sale Shares, then any remaining Sale Shares shall, for a period of 30 Business Days after the expiry of the 60 Business Days period referred to in Article 7.12, be at the disposal of the Board who may offer any remaining Sale Shares at the Sale Price to such persons as they in their discretion may choose.
- 7.14 After the expiry date of the Offer Notice and the 30 Business Days period referred to in Article 7.13 (if applicable), the Board shall allocate the Sale Shares in accordance with the applications received save that:
- 7.14.1 if there are applications from the relevant Shareholders for more than the number of Sale Shares available, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any member more Sale Shares than the maximum number applied for by him) to the number of Shares then held by them respectively, however, if any Shareholders indicate that they would be willing to purchase a particular proportionate entitlement (**Excess Shares**), then applications for Excess Shares shall be allocated in accordance with such applications, or in the event of competition among those Shareholders applying for Excess Shares in such proportions as equal (as nearly as may be) to the proportions of all the Shares held by such Shareholders;
- 7.14.2 if it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst the Shareholders and to other persons chosen by the directors in such manner as the Board shall think fit; and
- 7.14.3 if the Transfer Notice contained a valid Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated between Shareholders and/or other persons chosen by the Board.
- 7.15 The Board shall, within five Business Days of the expiry date of the Offer Notice (or the 30 Business Day period referred to in Article 7.13 (if applicable)), give notice in writing (**Allocation Notice**) to the Seller and to each person to whom Sale Shares have been allocated (each a **Buyer**) setting out:
- 7.15.1 the name and address of each Buyer,
- 7.15.2 the number and class of Sale Shares agreed to be purchased by each Buyer,
- 7.15.3 the aggregate price payable for them, and
- 7.15.4 the date and time when each Buyer must pay the Seller in respect of the Sale Shares allocated to such Buyer and the Seller must deliver the relative share certificate(s), or indemnity in lieu, to that Buyer.
- 7.16 Completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the registered office of the Company at the date and time specified in the Allocation Notice when the Seller shall, upon payment to him by a Buyer of the Sale Price in respect of the Sale Shares allocated to that Buyer, transfer those Sale Shares and deliver the relative share certificate(s), or indemnity in lieu, to that Buyer.

- 7.17 The Seller may, during the period of 20 Business Days immediately following the expiry date of the Offer Notice (or the 30 Business Day period referred to in Article 7.13 (if applicable)), sell all or any of these Sale Shares, for which an Allocation Notice has not been given, by way of bona fide sale to the proposed transferee named in the Transfer Notice or, if none was so named, to any transferee, in either case at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled, save with the written consent of the Board, to sell only some of the Sale Shares under this Article 7.17.
- 7.18 If a Seller fails for any reason (including death) to transfer any Sale Shares when required pursuant to this Article 7, the Board may authorise any director of the Company (who shall be deemed to be irrevocably appointed as the agent of the Seller for the purpose) to execute each necessary transfer and a reasonable lost share certificate indemnity if necessary of such Sale Shares and deliver it on the Seller's behalf. The Company may receive the purchase money for such Sale Shares from the Buyer and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Buyer as the holder of such Sale Shares. The Company shall hold such purchase money in a separate bank account on trust for the Seller but shall not be bound to earn or pay interest on any money so held. The Company's receipt for such purchase money shall be a good discharge to the Buyer who shall not be bound to see to the application of it, and after the name of the Buyer has been entered in the register of members in purported exercise of the power conferred by this Article 7.18 the validity of the proceedings shall not be questioned by any person.

*Preliminary offer to the Company*

- 7.19 Before the provisions of Articles 7.11 to 7.18 shall apply the Board may determine that the Sale Shares which are the subject of the Transfer Notice or deemed Transfer Notice shall be allocated at the Sale Price to:
- 7.19.1 the Company, subject to the Company being legally able to do so in accordance with the Act;
- 7.19.2 one or more persons replacing the Departing Shareholder in question as an employee or director, provided that such replacement is found within three months of the date of the deemed Transfer Notice; or
- 7.19.3 a suitable nominee (pending allocation to a person under Article 7.19.2).
- 7.20 Such determination shall be made within 20 Business Days of the date of the Transfer Notice or deemed Transfer Notice and shall be communicated in writing to the Seller or Departing Shareholder (as the case may be). If no such determination is made within this period, or if a determination is made and (if applicable) no replacement is found within the period specified in Article 7.19.2, the Sale Shares shall be offered in accordance with the provisions of Articles 7.11 to 7.18.

## 8 MANDATORY TRANSFER

8.1 For the purposes of this Article 8 the following will be deemed to be a **Mandatory Transfer Event** in relation to the Shareholder concerned (a **Departing Shareholder**):

8.1.1 a transfer of any interest in a Share (whether or not for consideration) by the Shareholder otherwise than in accordance with the provisions of these Articles and whether or not made in writing;

8.1.2 the Shareholder (being a body corporate) suffers an Insolvency Event or the Shareholder (being an individual) is subject to a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;

8.1.3 save to the extent Article 9.1.5 applies, the death of the Shareholder;

8.1.4 the permanent mental or physical incapacity of a Shareholder which, in the reasonable opinion of a doctor, appointed by the Company, is sufficiently serious to prevent him from carrying out his current directorship, employment or consultancy role (if or as applicable);

8.1.5 he fails to remedy a material breach by him of any obligations under these Articles or the Shareholders Agreement within 20 Business Days of notice to remedy the breach being served by the Board; or

8.1.6 any chargee enforcing any charge created by the Shareholder over any Shares.

8.2 In the event of a Mandatory Transfer Event happening in respect of a Shareholder (unless a Shareholder or Shareholders holding more than 50% of the voting rights attached to the Shares in issue from time to time (excluding those held by the Departing Shareholder) agree otherwise within 10 Business Days following such Mandatory Transfer Event) a Transfer Notice shall be deemed to have been given by that Departing Shareholder in respect of all of the Shares then registered in his name and in the name of any Associates or Family Trusts of that Departing Shareholder (the **Relevant Shares**).

8.3 If any Transfer Notice is deemed to have been given under Article 8.1 the provisions of Article 7 will apply except as varied below:

8.3.1 the Transfer Notice shall be irrevocable;

8.3.2 the price shall be subject to Article 8.6;

8.3.3 the Transfer Notice is deemed to contain a Total Transfer Condition and

8.3.4 if neither the Company nor the remaining Shareholders accept the offer in the deemed Transfer Notice, the Seller (or their trustee in bankruptcy or PRs as the case may be) will have the right to retain his Shares.

8.4 If a Transfer Notice in respect of any Share is deemed to have been given under this Article 8 and the circumstances are such that the Board (as a whole) are unaware of the facts giving rise to it, the Board will be deemed to have received the Transfer Notice on the date on

which the directors (as a whole) actually become aware of the facts giving rise to it. The provisions of this Article 8 are to apply accordingly.

#### ***Existing Transfer Notices***

- 8.5 Once a Transfer Notice is deemed to have been given by virtue of this Article 8, all prior outstanding Transfer Notices in respect of the Relevant Shares (or any of them) shall be immediately cancelled and no further Transfer Notices may be served in respect of any of the Relevant Shares until the Company has notified the Departing Shareholder that not all of the Sale Shares have been sold in accordance with the provisions of Article 7.

#### ***Sale Price***

- 8.6 If a Departing Shareholder gives or is deemed to give a Transfer Notice the Sale Price at which each of the Relevant Shares shall be offered will be their Fair Value and for the avoidance of doubt, the provisions of Article 7.6 shall apply for the purposes of agreeing or determining the Fair Value thereof.

### **9 PERMITTED AND RESTRICTED TRANSFERS**

- 9.1 The restrictions on transfer contained in Article 7 (*Transfers of Shares*) and Article 11 (*Registration of Transfers*) shall not apply to:
- 9.1.1 save in respect of transmission on death, any transfer of some (but not all) Shares by a Shareholder to an Associate;
  - 9.1.2 any transfer of some (but not all) Shares by a Shareholder to trustees of a Family Trust on its establishment by a Shareholder;
  - 9.1.3 without prejudice to Articles 12 (*Tag Along Rights*) and 13 (*Drag Along Rights*), any transfer of Shares made with the consent of the holders of 100% of the issued Shares, provided that this Article 9.1.3 shall not of itself enable Shares to be transferred more than once;
  - 9.1.4 any transfer of Shares pursuant to an offer made in accordance with Article 12 (*Tag Along Rights*) or 13 (*Drag Along Rights*); and
  - 9.1.5 on the death of a Shareholder, any transfer of Shares by transmission to the wife of such Shareholder.
- 9.2 No Shares may be transferred under this Article 9 if they are the subject of a Transfer Notice given or deemed to be given pursuant to Article 7 or Article 8.
- 9.3 Any transfer of Shares pursuant to Article 9.1.1, 9.1.2, 9.1.3 or 9.1.5 shall require the new shareholder to execute a deed of adherence (under which he undertakes to adhere to and be bound by the provisions of the Shareholders Agreement as if he were an original party to it) as a condition of such transfer.

## **10 INFORMATION ABOUT SHAREHOLDINGS AND TRANSFERS**

10.1 For the purpose of ensuring that a transfer of Shares is duly authorised under these Articles or that no circumstances have arisen whereby a Transfer Notice is required to be given, the Board may from time to time require:

10.1.1 any Shareholder;

10.1.2 the PRs;

10.1.3 any person named as transferee in any transfer lodged for registration; or

10.1.4 any person who was, is or may be an Associate or trustee of a Family Trust of any of the foregoing,

to provide the Company with such information and evidence as the Board may think fit including (but not limited to) the names, addresses and interests of all persons having interests in the Shares from time to time registered in the Shareholder's name.

10.2 If such information or evidence discloses that a Transfer Notice ought to have been given (or deemed given) in respect of any Shares, the Board may by notice in writing require that a Transfer Notice be given in respect of the Shares concerned.

10.3 If such information or evidence is not provided to the satisfaction of the Board within 10 Business Days after request, the Board:

10.3.1 shall refuse to register the transfer in question or (if there is no transfer in question) require by notice in writing to the holder of the relevant Shares that a Transfer Notice be given in respect of the Shares concerned; and

10.3.2 may serve a notice on the Shareholder or other person entitled or claiming to be entitled to be registered as the holder of the Shares stating that the Shareholder or such other person may not:

(a) attend or vote (personally or by proxy) at any general meeting or at any class meeting; or

(b) receive dividends on his Shares,

until the evidence or information has been provided to the Board's satisfaction.

## **11 REGISTRATION OF TRANSFERS**

11.1 The Board may refuse to register a transfer of a Share on which the Company has a lien.

11.2 The Board shall refuse to register an allottee or transferee of Shares or a person entitled to Shares by transmission if he is required to execute a deed of adherence to the Shareholders' Agreement (under which he undertakes to adhere to and be bound by the provisions of such agreement as if he were an original party to it) until the allottee or transferee has executed and delivered such deed.

- 11.3 If the Board refuse to register a transfer of Shares they shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of, and the reasons for, refusal.

## 12 TAG ALONG RIGHTS

- 12.1 The provisions of Article 12.2 to Article 12.7 shall apply if, in one or a series of related transactions, one or more Shareholders (**Proposing Seller(s)**) propose to transfer any of his Shares (**Proposed Transfer**) which would result in any person (**Tag Along Buyer**) other than a Permitted Transferee, and any person other than a Permitted Transferee acting in concert with the Tag Along Buyer, acquiring Control in the Company.

- 12.2 Before making a Proposed Transfer, the Proposing Seller(s) shall procure that the Tag Along Buyer makes an offer (**Tag Along Offer**) to

12.2.1 the other Shareholders to purchase all of the Shares held by them, and

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

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

- 12.3 The Tag Along Offer shall be made by written notice (**Tag Along Offer Notice**), at least ten Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Tag Along Offer Notice shall set out

12.3.1 the identity of the Tag Along Buyer,

12.3.2 the purchase price and other terms and conditions of payment,

12.3.3 the Sale Date, and

12.3.4 the number of Shares proposed to be purchased by the Tag Along Buyer (**Offer Shares**).

- 12.4 If the Tag Along Buyer fails to make the Tag Along Offer to all of the persons listed in Article 12.2 in accordance with Article 12.2 and Article 12.3, the Proposing Seller(s) shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

- 12.5 If the Tag Along Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within ten Business Days of receipt of the Tag Along Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

12.6 Neither the Proposed Transfer nor the purchase of Offer Shares from Accepting Shareholders shall be subject to the pre-emption provisions set out in these Articles.

12.7 Any sums payable pursuant this Article 12 to a Proposing Seller shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the specified Shares and, in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall, in the absence of fraud or manifest error, be final and binding.

### 13 **DRAG ALONG RIGHTS**

13.1 The provisions of this Article 13 shall apply if any Shareholder (on his own or acting in concert with one or more other Shareholders (each a **Selling Shareholder**)) proposes to sell or transfer Shares (the **Majority Shares**) that in aggregate constitute in number more than 50% of all the Shares in issue at the time of the proposed sale or transfer as part of a bona fide arm's length transaction to any person other than another Shareholder or a Permitted Transferee.

13.2 The Selling Shareholder may (but shall not, subject to Article 12, be obliged to) give to the Company not less than 15 Business Days' prior written notice of that proposed sale or transfer. That notice (the **Sale Notice**) will include details of the Majority Shares, the payment terms and the proposed price per Majority Share to be paid by the proposed buyer (the **Proposed Buyer**), details of the Proposed Buyer and the place, date and time for completion of the proposed purchase being a date not less than 15 Business Days from service of the Sale Notice (the **Drag Along Completion**). Any Sale Notice received by the Company less than 15 Business Days before the proposed date of the Drag Along Completion shall be ineffective.

13.3 As soon as practicable upon receipt of a Sale Notice, the Company shall give notice in writing (**Drag Along Notice**) to each of the Shareholders (other than the Selling Shareholder) (**Called Shareholders**) giving the details contained in the Sale Notice and requiring each of them to sell and transfer to the Proposed Buyer at the Drag Along Completion all Shares held by them (and any of their Permitted Transferees) (the **Called Shares**), provided that the Selling Shareholder may withdraw a Sale Notice at any time prior to the Drag Along Completion by written notice to the Company to that effect and, on service of that notice, each Drag Along Notice shall no longer be binding and shall cease to have any effect.

13.4 Each Called Shareholder who is given a Drag Along Notice shall, in the event of the proposed sale or transfer proceeding, sell (or procure the sale of) all the Shares referred to in his Drag Along Notice to the Proposed Buyer on the payment terms set out in the Drag Along Notice at the highest price per Majority Share proposed by the Proposed Buyer or, if higher, at which Shares have been purchased by the Proposed Buyer or any person acting in concert with the Proposed Buyer during the period of six months prior to the date of the Sale Notice and otherwise on terms no less favourable than those applicable to the sale of Shares by the Selling Shareholder.

- 13.5 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Majority's Shares (the **Completion Date**) unless all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders.
- 13.6 Neither the proposed sale of the Majority Shares by the Selling Shareholder(s) to the Proposed Buyer nor the sale of the Called Shares by the Called Shareholders shall be subject to the rights of pre-emption set out in these Articles.
- 13.7 Within 15 Business Days of the Company serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver correctly executed stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares on the Completion Date pursuant to Article 13.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt of the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 13.2 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 Completion Date, put the Company in funds to pay the consideration due in the Completion Date pursuant to Article 13.2, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 13 in respect of their Shares.
- 13.9 If any of the Shareholders or their Permitted Transferees shall fail to comply with the terms of Article 13.4 in any respect (each a **Defaulting Shareholder**):
- 13.9.1 the Company shall be constituted the agent of each Defaulting Shareholder for the sale of his Shares (together with all rights then attached to those Shares) referred to in his Drag Along Notice in accordance with that notice;
- 13.9.2 the Board may authorise a director to execute and deliver on behalf of each Defaulting Shareholder the necessary transfers;
- 13.9.3 the Company may receive the purchase money in trust for each Defaulting Shareholder and cause the Proposed Buyer to be registered as the holder of such Shares;
- 13.9.4 the receipt by the Company of the purchase money pursuant to those transfers shall constitute a good and valid discharge to the Proposed Buyer (who shall not be bound to see to the application of those monies);
- 13.9.5 after the Proposed Buyer has been registered in purported exercise of the powers in this Article 13 the validity of the proceedings shall not be questioned by any person; and



13.9.6 the Company shall not pay the purchase monies to a Defaulting Shareholder until he shall, in respect of the Shares subject to the Drag Along Notice, have delivered a share certificate (or a suitable indemnity in lieu) and the necessary transfers to the Company.

13.10 Any sums payable pursuant to this Article 13 to the Called Shareholders and the Selling Shareholders shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the specified Shares and, in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall, in the absence of fraud or manifest error, be final and binding.

13.11 Upon any person, following the giving of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to subscribe for or otherwise acquire Shares in the Company (a **New Member**), a Drag Along Notice shall be deemed to have been given to the New Member forthwith on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer or as the Proposed Buyer may direct and the provisions of this Article shall apply mutatis mutandis to the New Member save that completion of the sale of such Shares shall take place forthwith upon the Drag Along Notice being deemed to have been given to the New Member.

#### **14 NOTICE OF GENERAL MEETINGS**

14.1 All general meetings of the Company shall be called by at least 14 Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the Shareholders having a right to attend and vote at the meeting.

14.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted. If a Shareholder is not in the United Kingdom he shall still be entitled to receive notice of a general meeting if he has provided the Company with an address for service to be used whilst he is outside of the United Kingdom.

14.3 General meetings shall be held as and when required.

14.4 Subject to the provisions of the Articles and to any restrictions imposed on any Shares, the notice shall be given to all the Shareholders, to all persons entitled to a Share in consequence of the death, bankruptcy or insolvency of a Shareholder and to each of the directors and auditors (if any) of the Company.

#### **15 PROCEEDINGS AT GENERAL MEETINGS**

15.1 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business and whilst the business of the meeting is being transacted. A quorum shall consist of two Shareholders.

- 15.2 If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting shall be adjourned for the same day in the next week at the same time and in the same place or as near to the same time and in the same place as is practicable. If, at the adjourned meeting, a quorum is not present (such meetings having been validly convened in accordance with the Articles), the Shareholders present at such adjourned meeting shall constitute a quorum.
- 15.3 A poll may be demanded at any general meeting by the chairman or by any Shareholder present in person or by proxy and entitled to vote.
- 15.4 The chairman shall not be entitled to a second or casting vote at any general meeting.
- 15.5 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 10 Business Days or more, at least seven Clear Days' notice shall be given specifying the time and the place of the adjourned meeting and the general nature of the business to be transacted. Otherwise, it shall not be necessary to give any such notice.
- 15.6 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman of the meeting or by any Shareholder present in person or by proxy and entitled to vote. Unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- 15.7 If and for so long as the Company has only one member that member present in person or by proxy or, where that member is a corporation, its duly authorised representative shall be a quorum at any general or class meeting of the Company. Model Article 38 shall be modified accordingly.

## **16 GENERAL MEETING ON MEMBERS' REQUISITION**

- 16.1 In addition to any relevant provisions of the Act, the Board shall forthwith proceed to convene a general meeting of the Company on the requisition of holders of not less than 50% in nominal value of the Shares in issue at the date of deposit of the requisition, such meeting to be convened for such date as is specified in the requisition or as soon thereafter as the Act permits.
- 16.2 The requisition must state the objects of the meeting, and must be signed by or on behalf of the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by or on behalf of one or more requisitionists.
- 16.3 If the Board does not within seven days from the date of deposit of the requisition proceed to convene a meeting in accordance with this Article 16, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves

convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date.

- 16.4 A meeting convened under this Article by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.
- 16.5 Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to convene a meeting in accordance with this Article shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the directors as were in default.

## 17 PROXIES

- 17.1 Model Article 45(1)(d) 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"*.
- 17.2 Model Article 45(1) 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 Board, in their discretion, accept the notice at any time before the meeting"* as a new paragraph at the end of that Model Article.

## 18 DIRECTORS: NUMBER AND APPOINTMENT OF DIRECTORS

- 18.1 Subject to any ordinary resolution of the Company, the number of directors (other than alternate directors) shall be subject to a minimum of one and shall not be subject to any maximum, provided that if at any time there are insufficient directors appointed to make up a quorum:
- 18.1.1 if there is only one director he may call a general meeting to appoint sufficient directors to make up a quorum; and
- 18.1.2 if there is more than one director:
- (a) a Board meeting may take place, if it is called in accordance with these Articles and at least two directors participate in it, with a view to calling a general meeting to appoint sufficient directors to make up a quorum; and
  - (b) if a Board meeting is called but only one director attends at the appointed date and time to participate in it, that director may call a general meeting to appoint sufficient directors to make up a quorum.
- 18.2 No shareholding qualification for directors or alternate directors shall be required, but nevertheless they shall be entitled to attend and speak at any general meeting of the Company.
- 18.3 Model Article 17(1) shall be amended by the insertion, at the end of that article, of the words *"provided that the appointment does not cause the number of directors in office for the time*

*being (excluding alternate directors who are not also directors) to exceed any maximum number fixed or otherwise determined in accordance with these articles".*

- 18.4 A person may be appointed a director notwithstanding that he shall have attained the age of 70 years and no director shall be liable to vacate office by reason of his attaining that or any other age.
- 18.5 In any case where, as a result of death, bankruptcy or insolvency, 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.
- 18.6 If the numbers of votes for and against a proposal at a Board meeting are equal, the chairman of the meeting shall have a casting vote.

*Termination of director's appointment*

- 18.7 Without prejudice to Model Article 18, any director may be removed from office (no matter how he was appointed) by notice in writing delivered to the registered office or tendered at a Board meeting and signed by any member or members holding Shares entitling such member or members to exercise 65% or more of the votes at any general meeting of the Company.

**19 ALTERNATE DIRECTORS**

- 19.1 Each director (other than an alternate director) shall have the power at any time to appoint as an alternate director either another director or any other person approved for that purpose by a resolution of the Board (such approval not to be unreasonably withheld) and, at any time, to terminate such appointment. Every appointment and removal of an alternate director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the directors agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.
- 19.2 An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to directors. An alternate director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.
- 19.3 An alternate director shall (subject to his giving to the Company an address at which notice may be served upon him) be entitled to receive notices of all Board meetings and of any committee of the directors of which his appointor is a member and to attend and to vote as a director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties of his appointor as a director and to receive notice of all general meetings.
- 19.4 The appointment of an alternate director shall automatically determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor shall cease for any reason to be a director.

- 19.5 A director or any other person may act as alternate director to represent more than one director and an alternate director shall be entitled at Board meetings or of any committee of the Board to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

## 20 REMUNERATION OF DIRECTORS

Each of the directors shall be entitled to fees for his services at such rate as may from time to time be determined by the Board or by a committee authorised by the Board. Each of the directors shall also be entitled to be repaid by the Company all such reasonable expenses (including travelling, hotel and incidental expenses) as they may incur in attending Board meetings or of committees of the Board or general meetings, or separate meetings of the holders of any class of shares or which they may otherwise properly incur in or about the business of the Company.

## 21 DIRECTORS' EXPENSES

Model Article 20 shall be amended by the insertion of the words "*(including alternate directors)*" before the words "*properly incur*".

## 22 POWERS OF DIRECTORS

The Board may (by establishment or maintenance of schemes or otherwise) pay or procure the payment of pensions, annuities, allowances, gratuities and superannuation or other benefits to or for the benefit of past or present directors or employees who are or were at any time employed by or in the service of the Company or held any place of profit with the Company or any of its Subsidiary Undertakings or any company associated with, or any business acquired by, any of them or to or for the benefit of persons who are or were related to or dependants of any such directors or employees and may make contributions to any fund and pay premiums for the purchase or payment of any such pension, annuity, allowance, gratuity, superannuation or other benefit or make payments for or towards the insurance of any such person.

## 23 PROCEEDINGS OF THE DIRECTORS

- 23.1 The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. A Board meeting at which a quorum is present shall be competent to exercise all powers, authorities and discretions for the time being vested in or exercisable by the Board. Questions arising at any meeting shall be determined by a majority of votes. A director may, and the secretary (if any) on the requisition of a director shall, call a meeting of the Board. Notice of any meeting of the Board shall be in writing and shall be given to all directors, whether within or outside the UK, at the address specified by such directors for the service of such notice, not less than seven days before the proposed date of the meeting. A director may waive notice of any meeting either before or after the meeting.

23.2 The quorum necessary for the transaction of business of the Board shall be any two eligible directors, provided that:

23.2.1 if there is only one director in office, he may exercise all the powers and authorities vested in the directors by these Articles and accordingly the quorum for the transaction of business in these circumstances shall be one;

23.2.2 if a quorum is not present or ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed and those present shall constitute a quorum; and

23.2.3 for the purposes of any meeting (or part of a meeting) held pursuant to Article 25 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.

23.3 Any or all of the directors may take part in a meeting of the Board by way of a conference telephone, skype or similar equipment that allows all persons participating in the meeting to hear and speak to each other. Each director taking part in this way shall be counted as being present at the meeting. Meetings shall be treated as taking place where most of the participants are or, if there is no such place, where the chairman of the meeting is.

23.4 All acts done by any meeting of the Board, or of a committee or sub-committee of the Board, or by any person acting as a director or by an alternate director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any director, alternate director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a director or, as the case may be, an alternate director and had been entitled to vote.

## 24 **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

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

24.1.1 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;

24.1.2 shall be an eligible director for the purposes of any proposed decision of the Board (or committee of the Board) in respect of such contract or proposed contract in which he is interested;

24.1.3 shall be entitled to vote and count in the quorum at a meeting of the Board (or of a committee of the Board) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;

24.1.4 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

24.1.5 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him, as defined in section 252 of the Act) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 25 DIRECTORS' INTERESTS

25.1 For the purposes of section 175 of the Act, the Board shall have the power to authorise, on such terms and subject to such conditions as they may determine (a **Conflict Authorisation**) any matter proposed to them in accordance with these Articles which otherwise might give rise to a situation (a **Conflict Situation**) in which a director (an **Interested Director**) would have a direct or indirect interest which conflicts, or may conflict, with the interests of the Company (including in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it). Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised.

25.2 Where the Board give a Conflict Authorisation:

25.2.1 it shall be recorded in writing (but the authorisation shall be effective whether or not it is recorded); and

25.2.2 the Board may revoke or vary the authority at any time but this will not affect anything done by the Interested Director in accordance with the authorisation before the revocation or variation.

25.3 A Conflict Authorisation will be only effective if:

25.3.1 at the meeting of the Board at which the Conflict Situation is considered, any requirement as to quorum is met without counting the Interested Director; and

25.3.2 it is agreed to without any Interested Director voting, or would have been agreed to if the votes of any Interested Director had not been counted.

25.4 Subject to Article 25.3 and the provisions of the Act, any matter proposed to the Board and any authorisation by the Board in relation to a Conflict Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Board.

25.5 For the purposes of Article 25.1, a conflict of interest includes a conflict of interest and duty and/or a conflict of duties.

25.6 An Interested Director shall be obliged:

25.6.1 to disclose to the other directors, as soon as reasonably practicable, the nature and extent of his interest in any Conflict Situation; and

25.6.2 to act in accordance with any conditions determined by the Board under Article 25.1.

25.7 Any conditions to which a Conflict Authorisation is made subject (**Conflict Authorisation Terms**) may include (without limitation to Article 25.1) provision that:

25.7.1 where the Interested Director obtains (other than in his capacity as a director or as its employee or agent or, if the Board so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a director in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party;

25.7.2 the Interested Director may (but shall be under no obligation to) absent himself from the discussion of, or the making of decisions relating to, the relevant matter (whether at any meeting of the Board or otherwise) and be excused from reviewing documents and information prepared by or for the Board to the extent that they relate to that matter; and

25.7.3 the Interested Director be excluded from the receipt of documents and information, the participation in discussion or the making of decisions (whether at Board meetings or otherwise) related to the relevant matter,

and anything done (or omitted to be done) by the Interested Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 25.1) will not constitute a breach by him of his duties under sections 172 to 174 of the Act.

## 26 NOTICES

26.1 A notice may be given:

26.1.1 by the Company to any Shareholder or director either personally or by sending it by first class post (airmail if abroad) or means of electronic communications to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him; or

26.1.2 to the Company for the purpose of these Articles by like method at its registered office for the time being.

26.2 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted. A notice contained in an electronic communication shall be deemed to be effected at the time the electronic communication was sent.

26.3 Every director and every alternate director shall, upon supplying the Company with an address for the giving of notices, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any director or alternate director shall not invalidate the proceedings at the meeting convened by such notice.



## **27 INDEMNITY AND INSURANCE**

- 27.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company (other than any person, whether an officer or not, engaged by the Company as auditor) will be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, including any liability incurred by him in defending any proceedings in relation thereto but this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act.
- 27.2 Without prejudice to the provisions of Article 27.1 the Board shall have power to purchase and maintain for or for the benefit of any such persons as are indemnified or entitled to indemnification under that Article insurance against any losses or liabilities to which that Article applies.

## **28 TRANSMISSION OF SHARES**

- 28.1 If title to a Share passes to a transmittee, the company may only recognise the transmittee as having any title to that Share.
- 28.2 A transmittee who produces such evidence of entitlement to Shares as the directors may properly require:
- 28.2.1 may, subject to these Articles (including, for the avoidance of doubt, Article 8 which shall prevail over this Article 28), choose either to become the holder of those Shares or to have them transferred to a Permitted Transferee of the holder, and
- 28.2.2 subject to these Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.
- 28.3 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.

## **29 EXERCISE OF TRANSMITTEES' RIGHTS**

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

**TRANSMITTEES BOUND BY PRIOR NOTICES**

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