

**Company number: 01583260**

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**

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**NEW**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**IONA CAPITAL LTD**  
**(adopted by a special resolution**  
**passed on 21 March 2023)**

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**1 Introduction**

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "Model Articles") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.3 In these Articles:
- 1.3.1 article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
  - 1.3.2 words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa;
  - 1.3.3 Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company;
  - 1.3.4 reference to "issued Shares" of any class shall exclude any Shares of that class held as Treasury Shares from time to time, unless stated otherwise; and
  - 1.3.5 reference to the "holders" of Shares or a class of Share shall exclude the Company holding Treasury Shares from time to time, unless stated otherwise.

**2 Definitions**

- 2.1 In these Articles the following words and expressions shall have the following meanings:

<b>"Act"</b>	means the Companies Act 2006 (as amended from
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	time to time);
<b>"Acting in Concert"</b>	has the meaning set out in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);
<b>"Actions"</b>	has the meaning set out in Article 5.2;
<b>"Arrears"</b>	means in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient Available Profits to pay such dividend or sums, together with all interest and other amounts payable on that Share;
<b>"Asset Sale"</b>	means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);
<b>"Associate"</b>	<p>in relation to any person means:</p> <p>(a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);</p> <p>(b) any Member of the same Group;</p>
<b>"Auditors"</b>	means the auditors of the Company from time to time;
<b>"Available Profits"</b>	means profits available for distribution within the meaning of part 23 of the Act;
<b>"Bad Leaver"</b>	means an Employee who ceases to be an Employee and who is not a Good Leaver;
<b>"Board"</b>	means the board of Directors and any committee of the board of Directors constituted for the purpose of taking any action or decision contemplated by these Articles and references in these Articles to such actions or decisions of the Board shall include those taken at a meeting or in writing;

<b>"Business Day"</b>	means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);
<b>"B Ordinary Shares"</b>	means the B ordinary shares of £1.00 each in the capital of the Company from time to time;
<b>"Civil Partner"</b>	means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;
<b>"Company"</b>	means Iona Capital Ltd, registered in England and Wales with company number 01583260;
<b>"Controlling Interest"</b>	means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010;
<b>"CTA 2010"</b>	means the Corporation Tax Act 2010;
<b>"Date of Adoption"</b>	means the date on which these Articles were adopted;
<b>"Deferred Conversion Date"</b>	means the date any Employee Shares converts into a Deferred Share pursuant to Article 14.5.2;
<b>"Deferred Shares"</b>	means deferred shares of £1.00 each in the capital of the Company from time to time;
<b>"Director(s)"</b>	means a director or directors of the Company from time to time;
<b>"Effective Termination Date"</b>	means the date on which the Employee's employment or consultancy with the Company or any member of the Group terminates or he ceases to be a director of the Company or any member of the Group (whichever is earlier);
<b>"electronic address"</b>	has the same meaning as in section 333 of the Act;
<b>"electronic form"</b>	and "electronic means" have the same meaning as in section 1168 of the Act;
<b>"Eligible Director"</b>	means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors or in writing;

<b>"Employee"</b>	means an individual who is a director of or employed by or who provides consultancy services to, the Company or any member of the Group (whether directly or indirectly through a corporate vehicle);
<b>"Employee Shares"</b>	has the meaning set out in Article 14.5.1;
<b>"Encumbrance"</b>	means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);
<b>"Equity Holder"</b>	means a holder of Equity Shares;
<b>"Equity Securities"</b>	has the meaning set out in sections 560(1) to (3) inclusive of the Act, including a transfer of shares which immediately before such transfer were held by the Company as Treasury Shares;
<b>"Equity Shares"</b>	means the Shares other than the Deferred Shares;
<b>"Exit"</b>	means a Share Sale or an Asset Sale;
<b>"Exit Proceeds"</b>	means, in respect of a Share Sale, the Sale Proceeds, and, in respect of an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities;
<b>"Expert Valuer"</b>	is as determined in accordance with Article 13.2;
<b>"Fair Value"</b>	is as determined in accordance with Article 13.3;
<b>"Family Trust"</b>	means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be

	beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;
<b>"Financial Year"</b>	has the meaning set out in section 390 of the Act;
<b>"Good Leaver"</b>	<p>means an Employee who ceases to be an Employee at any time:</p> <ul style="list-style-type: none"> <li>(i) by reason of death;</li> <li>(ii) by reason of permanent incapacity due to ill-health which, in the opinion of the Board, is sufficiently serious to prevent him from carrying out his normal duties;</li> <li>(iii) in circumstances which have resulted in a successful claim against the Company or a member of the Group for constructive, wrongful or unfair dismissal (otherwise than as a result of procedural error); or</li> <li>(iv) where the Board perceives that special circumstances apply such that the individual in question should be treated as a Good Leaver, provided that such Employee shall not be entitled to vote in respect of the Board's vote to designate any of them a Good Leaver;</li> </ul>
<b>"Group"</b>	means the Company and its Subsidiary Undertaking(s) (if any) from time to time and <b>"Group Company"</b> shall be construed accordingly;
<b>"hard copy form"</b>	has the same meaning as in section 1168 of the Act;
<b>"Holding Company"</b>	means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company (excluding Treasury Shares) immediately prior to the transfer of the issued share capital of the Company to such

	holding company;
<b>"ITEPA"</b>	means Income Tax (Earnings and Pensions) Act 2003;
<b>"Issue Price"</b>	means the price at which the relevant Share is issued or deemed to be issued, including any premium;
<b>"Leaver"</b>	has the meaning set out in Article 14.5;
<b>"a Member of the same Group"</b>	means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;
<b>"New Securities"</b>	means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption excluding any Treasury Shares transferred by the Company after the Date of Adoption;
<b>"Offer Period"</b>	has the meaning set out in Article 12.8.1;
<b>"Ordinary Shareholder(s)"</b>	means the holder or holders from time to time of the Ordinary Shares (but excludes the Company holding Treasury Shares);
<b>"Ordinary Shares"</b>	means the ordinary shares of £1.00 each in the capital of the Company from time to time;
<b>"Original Shareholder"</b>	has the meaning set out in Article 11.1;
<b>"Permitted Transfer"</b>	means a transfer of Shares in accordance with Article 11;
<b>"Permitted Transferee"</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to a Shareholder who is an individual means any of his Privileged Relations, Trustees or Qualifying Companies;</li> <li>(b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group;</li> <li>(c) the Company, in relation to any transfer of Shares with the approval of the Board by a Shareholder to the Company, subject to</li> </ul>

	the Act;
<b>"Priority Rights"</b>	means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 12.7;
<b>"Privileged Relation"</b>	in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);
<b>"Proceeds of Sale"</b>	means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale as approved by the Board;
<b>"Proposed Exit"</b>	has the meaning set out in Article 5;
<b>"Proposed Purchaser"</b>	means a bona fide third party proposed purchaser who at the relevant time has made an offer for Shares on arm's length terms;
<b>"Proposed Seller"</b>	means any person proposing to transfer any shares in the capital of the Company;
<b>"Qualifying Company"</b>	means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);
<b>"Qualifying Person"</b>	has the meaning set out in section 318(3) of the Act;
<b>"Relevant Interest"</b>	has the meaning set out in Article 24.4;
<b>"Sale Proceeds"</b>	means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale as approved by the Board;
<b>"Sale Shares"</b>	has the meaning set out in Article 12.2.1;
<b>"Seller"</b>	has the meaning set out in Article 12.2;

<b>"Shareholder"</b>	means any holder of any Shares (but excludes the Company holding Treasury Shares);
<b>"Share Option Plan(s)"</b>	means the share option plan(s) of the Company, the terms of which (including any amendments from time to time) have been approved by the Board;
<b>"Share Option Pool"</b>	has the meaning set out in Article 9.6.1;
<b>"Shares"</b>	means the Ordinary Shares, the B Ordinary Shares and the Deferred Shares from time to time;
<b>"Share Sale"</b>	means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same or substantially the same as the shareholders and their shareholdings in the Company immediately prior to the sale;
<b>"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking"</b>	have the respective meanings set out in sections 1159 and 1162 of the Act;
<b>"Tag Consideration"</b>	has the meaning set out in Article 16.6;
<b>"Transfer Notice"</b>	has the meaning set out in Article 12.2;
<b>"Transfer Price"</b>	has the meaning set out in Article 12.3;
<b>"Treasury Shares"</b>	means shares in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act; and
<b>"Trustee"</b>	in relation to a Shareholder means the trustee or the trustees of a Family Trust.

### **3 Share capital**

- 3.1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as

to the date from which those shares rank for dividend) with the shares of the relevant class then in issue. Except as otherwise provided in these Articles, the Ordinary Shares and B Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares. The Deferred Shares shall constitute a separate class of shares.

- 3.2 Subject to the Act, the Company may purchase its own Shares with cash to the extent permitted by section 692(1ZA) of the Act.
- 3.3 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".
- 3.4 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine".
- 3.5 The Company shall not exercise any right in respect of any Treasury Shares, including without limitation any right to:
  - 3.5.1 receive notice of or to attend or vote at any general meeting of the Company;
  - 3.5.2 receive or vote on any proposed written resolution; and
  - 3.5.3 receive a dividend or other distribution
 save as otherwise permitted by section 726(4) of the Act.

#### *Deferred Shares*

- 3.6 The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:
  - 3.6.1 appoint any person to execute any transfer (or any agreement to transfer, including a share buyback agreement) of such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise); and/or
  - 3.6.2 give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
  - 3.6.3 purchase such Deferred Shares in accordance with the Act,
 in any such case (i) for a price being not more than an aggregate sum of £1.00 for all the Deferred Shares registered in the name of such holder(s) and (ii) with the Company having authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.
- 3.7 No Deferred Share may be transferred without Board approval.
- 3.8 On any distribution of assets or return of capital the Deferred Shares (if any) shall never be entitled to receive more than £1.00 for all the Deferred Shares in issue.

- 3.9 In the event of any conflict between Articles 3.6, 3.7 and 3.8 and any other provision of the Articles, Articles 3.6, 3.7 and 3.8 shall prevail in respect of any matter relating to the Deferred Shares.

*Liquidation and return of capital*

- 3.10 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares), the surplus assets of the Company remaining after payment of its liabilities ("**Return**") shall be distributed (to the extent that the Company is lawfully permitted to do so):
- 3.10.1 first, in paying the holders of the Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and
  - 3.10.2 thereafter, in distributing the balance (if any) amongst the holders of the Ordinary Shares and the B Ordinary Shares pro rata to the number of Ordinary Shares and B Ordinary Shares held, as if they were one class of shares.

**4 Dividends**

- 4.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4.
- 4.2 Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Equity Shares (pari passu as if the Equity Shares constituted one class of share) pro rata to their respective holdings of Equity Shares.
- 4.3 Subject to the Act and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period.
- 4.4 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.
- 4.5 If there are nil paid or partly paid share(s), any holder of such share(s) shall only be entitled, in case of any dividend, to be paid an amount equal to the amount of the dividend multiplied by the percentage of the amount that is paid up (if any) on such share(s) during any portion or portions of the period in respect of which a dividend is paid.
- 4.6 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any sums unpaid on existing Shares held by the persons entitled to such capitalised sum.
- 4.7 Article 31(1) of the Model Articles shall be amended by:
- 4.7.1 the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs 31(1) (a), 31(1)(b) and 31(1) (c) of that article 31 with the words "in writing"; and
  - 4.7.2 the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".

## **5 Exit provisions**

- 5.1 On an Exit, the Exit Proceeds shall be paid to the holders of the Shares as follows in the order of priority set out in Article 3.10.
- 5.2 In the event of an Exit approved by the Board (the "**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit ("**Actions**"). The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking the Actions as are necessary to effect the Proposed Exit and the Board may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders.

## **6 Votes in general meeting and written resolutions**

- 6.1 The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 6.2 The B Ordinary Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 6.3 The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 6.4 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.
- 6.5 No voting rights attached to a share which is nil paid or partly paid may be exercised:
  - 6.5.1 at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or
  - 6.5.2 on any proposed written resolution,unless all of the amounts payable to the Company in respect of that share have been paid.

## **7 Consolidation of Shares**

- 7.1 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Board may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the

Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Board may authorise any person to execute an instrument of transfer of those Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- 7.2 When the Company sub-divides or consolidates all or any of its Shares, the Company may, subject to the Act and to these Articles, by ordinary resolution determine that, as between the Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

## **8 Variation of rights**

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of at least 75% of the shares of that class, provided that the rights attaching to B Ordinary Shares and/or the Deferred Shares may be varied with the prior consent of at least 75% of all issued Ordinary Shares.

## **9 Allotment of new shares or other securities: pre-emption**

- 9.1 Subject to the requirements of Articles 9.3 to 9.5 (inclusive) and to the provisions of section 551 of the Act, the Board may allot, grant options over or otherwise dispose of any New Securities to any persons at those times and generally on the terms and conditions they think proper.
- 9.2 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.
- 9.3 Subject to Article 9.6, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Shares (the "**Subscribers**") on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Equity Shares held by those holders (as nearly as may be without involving fractions). The offer:
- 9.3.1 shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the "**Subscription Period**") and give details of the number and subscription price of the New Securities; and
- 9.3.2 may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 9.4 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Ordinary Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be

without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).

- 9.5 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities may within a period of three months of the end of the Subscription Period 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 Subscribers.
- 9.6 The provisions of Articles 9.3 to 9.5 (inclusive) shall not apply to:
  - 9.6.1 options to subscribe for B Ordinary Shares under the Share Option Plan(s), up to maximum of 256,072 B Ordinary Shares or such greater number of shares as determined by the Board, and the subsequent allotment of B Ordinary Shares pursuant to those options (the "**Share Option Pool**");
  - 9.6.2 New Securities issued or granted in order for the Company to comply with its obligations under these Articles;
  - 9.6.3 New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by the Board;
  - 9.6.4 New Securities which an ordinary resolution of the Company has approved should be issued without complying with the procedure set out in this Article 9; and
  - 9.6.5 New Securities issued as a result of a bonus issue of shares which has been approved in writing by the Board.
- 9.7 No Shares shall be allotted (nor any Treasury Shares be transferred) to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.

## **10 Transfers of Shares – general**

- 10.1 In Articles 10 to 16 inclusive, reference to the transfer of a Share includes the transfer or assignment 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.
- 10.2 No Share may be transferred unless the transfer is made in accordance with these Articles. B Ordinary Shares and Deferred Shares may only be transferred with the approval of the Board.
- 10.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.
- 10.4 Any transfer of a Share by way of sale which is required to be made under Articles 12 to 16 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee and free from Encumbrances.

10.5 The Board may refuse to register a transfer if:

- 10.5.1 it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
- 10.5.2 the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
- 10.5.3 the transfer is not lodged at the registered office or at such other place as the Board may appoint;
- 10.5.4 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- 10.5.5 the transfer is in respect of more than one class of Shares;
- 10.5.6 the transfer is in favour of more than four transferees; or
- 10.5.7 these Articles otherwise provide that such transfer shall not be registered.

If the Board refuses to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

- 10.6 The Board may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Board may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 10.6 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 10.7 To enable the Board to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Board may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Board may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Board may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Board to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Board is reasonably satisfied that a breach has occurred, the Board shall immediately

notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

- 10.7.1 the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question); or
- 10.7.2 the withholding of payment of all dividends or other distributions otherwise attaching to the relevant shares or to any further shares issued in respect of those shares; and
- 10.7.3 the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Board may require by notice in writing to that holder.

The rights referred to in 10.7.1 and 10.7.2 above may be reinstated by the Board at its discretion and shall in any event be reinstated upon the completion of any transfer referred to in 10.7.3 above.

- 10.8 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.
- 10.9 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:
  - 10.9.1 the Transfer Price for the Sale Shares will be as agreed between the Board (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares; and
  - 10.9.2 the Seller wishes to transfer all of the Shares held by it.
- 10.10 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Board, which is executed by or on behalf of:
  - 10.10.1 the transferor; and
  - 10.10.2 (if any of the shares is partly or nil paid) the transferee.

## **11 Permitted Transfers**

- 11.1 A Shareholder (who is not a Permitted Transferee) (the "**Original Shareholder**") may transfer all or any of his/her or its Ordinary Shares to a Permitted Transferee without restriction as to price or otherwise.
- 11.2 Shares previously transferred as permitted by Article 11.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

- 11.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 11.4 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 11.5 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 11.6 No transfer of Shares may be made to Trustees unless the Board is satisfied:
  - (a) with the terms of the trust instrument and in particular with the powers of the trustees;
  - (b) with the identity of the proposed trustees;
  - (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 11.7 If a company to which a Share has been transferred under Article 11.5, ceases to be a Qualifying Company it must within five Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board to have given a Transfer Notice in respect of such Shares.
- 11.8 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he or she must, within 15 Business Days of so ceasing either:
  - 11.8.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - 11.8.2 give a Transfer Notice to the Company in accordance with Article 12.2, failing which he shall be deemed to have given a Transfer Notice.

- 11.9 On the death (subject to Article 11.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 11.10 A transfer of any Shares approved by the Board, may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Board.
- 11.11 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board .
- 11.12 The Company shall only be permitted to sell or transfer any Shares held as Treasury Shares to any person with the approval of the Board.

## **12 Transfers of Shares subject to pre-emption rights**

- 12.1 Save where the provisions of Articles 11, 14, 15 and 16 apply any Shareholder wishing to transfer any of its Shares may only:
- 12.1.1 transfer its Shares to another Shareholder or an Employee; and
  - 12.1.2 do so in accordance with the procedure set out in the following provisions of this Article 12 and subject to Article 10.2.
- 12.2 A Shareholder who wishes to transfer Equity Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:
- 12.2.1 the number of Equity Shares which he wishes to transfer (the "**Sale Shares**");
  - 12.2.2 if he wishes to sell the Sale Shares to a third party who is a Shareholder or an Employee, the name of the proposed transferee; and
  - 12.2.3 the price at which he wishes to transfer the Sale Shares.
- 12.3 If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the "**Transfer Price**") must be agreed by the Board. In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board. In all cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed between the

Seller and the Board within 5 Business Days of the Company receiving the Transfer Notice.

- 12.4 Except with the consent of the Board (excluding any Seller who is also a director), no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.
- 12.5 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 12.6 As soon as practicable following the later of:
  - 12.6.1 receipt of a Transfer Notice; and
  - 12.6.2 in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 12,

the Board shall offer the Sale Shares in the manner set out in Article 12.7 and Article 12.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

#### 12.7 Priority for offer of Sale Shares

- 12.7.1 The Sale Shares shall, unless otherwise determined by the Board, be offered in the order of priority as follows:
  - (a) first, to the Company (subject to the Act); and
  - (b) second, to the holders of Ordinary Shares and B Ordinary Shares pro rata to the number of Ordinary Shares and B Ordinary Shares held as if they were one class,

in each case on the basis set out in Article 12.8.

#### 12.8 Transfers: Offer

- 12.8.1 The Board shall offer the Sale Shares pursuant to Priority Rights to all shareholders specified in the offer other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.
- 12.8.2 If, 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 Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of the relevant class(es) of Shares bears to the total number of the relevant class(es) of Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- 12.8.3 If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the

Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 12.9.4.

## 12.9 Completion of transfer of Sale Shares

- 12.9.1 The Board shall, when no further offers are required to be made under Article 12.7 and once the requirements of Article 16 have been fulfilled to the extent required, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time, being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- 12.9.2 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- 12.9.3 If the Seller fails to comply with the provisions of Article 12.9.2:
- (a) the chairman of the Company or, failing him, one of the Directors or some other person nominated by a resolution of the Board, may on behalf of the Seller:
    - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (ii) receive the Transfer Price and give a good discharge for it; and
    - (iii) (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
  - (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).
- 12.9.4 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 12.9.5, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.
- 12.9.5 The right of the Seller to transfer Shares under Article 12.9.4 does not apply if the Board is of the opinion on reasonable grounds that:
- (a) the transferee is a person (or a nominee for a person) who the Board determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;

- (b) 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
- (c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

12.10 The restrictions imposed by this Article may be waived in relation to any proposed transfer of shares with the consent of the holders of at least 50% of the Ordinary Shares who, but for the waiver, would have been entitled to have such shares offered to them in accordance with this Article.

### **13 Valuation of Shares**

13.1 If no Transfer Price has been agreed between the Seller and the Board in accordance with provisions of Articles 10.9, 12.2 or then the Board shall either:

- 13.1.1 appoint an expert valuer in accordance with Article 13.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares; or
- 13.1.2 (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

13.2 The Expert Valuer will be an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement as soon as reasonably practicable after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.

13.3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

- 13.3.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
- 13.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 13.3.3 that the Sale Shares are capable of being transferred without restriction;
- 13.3.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares (excluding any Shares held as Treasury Shares) without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent and not taking account of the rights attaching to the Sale Shares;

and

- 13.3.5 reflect any other factors which the Expert Valuer reasonably believes should be taken into account (including the fact that the Company

may be ceasing to have the continued contribution of a departing shareholder whose Sale Shares are being sold).

- 13.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 13.5 The Expert Valuer shall be requested to determine the Fair Value within 40 Business Days of their appointment or such longer period as is agreed by the Board and to notify the Board of their determination.
- 13.6 The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 13.7 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.
- 13.8 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 13.9 The cost of obtaining the certificate shall be paid by the Company unless:
  - 13.9.1 the Seller cancels the Company's authority to sell; or
  - 13.9.2 the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the Board to the Seller for the Sale Share before Expert Valuer was instructed,in which case the Seller shall bear the cost.

#### **14 Compulsory transfers**

- 14.1 Unless otherwise agreed by the Board, a person entitled to a Share in consequence of the bankruptcy or death of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Board.
- 14.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Board may require the legal personal representatives of that deceased Shareholder either:
  - 14.2.1 to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
  - 14.2.2 to show to the satisfaction of the Board that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 14.2 shall not be fulfilled to the satisfaction of the Board a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that the Board may otherwise determine.

- 14.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Board may determine.
- 14.4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Board to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice.

#### Compulsory transfers - Employee

- 14.5 If an Employee ceases at any time to be an Employee ("**Leaver**"), at the election of the Board (which election shall be made within a period of 6 months from the Effective Termination Date and by notice in writing to the Employee), the following provisions shall apply:
- 14.5.1 where the Leaver ceases to be an Employee by reason of being a Good Leaver, he shall be deemed to have given a Transfer Notice in respect of all B Ordinary Shares held by him/her (and his/her Permitted Transferees) ("**Employee Shares**") on the Effective Termination Date and the Transfer Price shall be the Fair Value as at the Effective Termination Date; and
- 14.5.2 where the Leaver ceases to be an Employee by reason of being a Bad Leaver, subject to Article 14.7 all Employee Shares shall automatically convert into Deferred Shares (on the basis of one Deferred Shares for each B Ordinary Share held) on the Effective Termination Date (rounded down to the nearest whole share).
- 14.6 Where Article 14.5.2 applies, upon such conversion into Deferred Shares, the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date. On the Deferred Conversion Date, the Employee (and his Permitted Transferee(s)) shall deliver to the Company at its registered office the share certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for lost certificate in a form acceptable to the Board) for the Employee Shares so converting and upon such delivery there shall be issued to him/her (or his/her Permitted Transferee(s)) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Ordinary Shares.
- 14.7 The Board shall be entitled, to determine that (in the alternative to Article 14.5.2), if at any time the Employee ceases to be employed by a Group Company by reason of being a Bad Leaver, the relevant Employee shall be deemed to have given a Transfer Notice in respect of the Equity Shares held by him/her (and

his/her Permitted Transferees) on the Effective Termination Date (and the provisions of Article 12.9 shall apply accordingly). In such circumstances the Transfer Price shall be the nominal value in respect of such shares.

- 14.8 All voting rights attached to the Equity Shares held by a Leaver ("**Restricted Member**"), if any, shall at the time he ceases to be an Employee be suspended unless the Board notifies him otherwise.
- 14.9 Any B Ordinary Shares whose voting rights are suspended pursuant to Article 14.8 ("**Restricted Shares**") shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. If a Restricted Member transfers any Restricted Shares in the Company in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

## **15 Drag-along**

- 15.1 If the holders of at least 50% of the Ordinary Shares (excluding any Treasury Shares) (the "**Selling Shareholders**") wish with the approval of the Board to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "**Drag Along Option**") to compel each other holder of Shares (each a "**Called Shareholder**") and together the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the "**Drag Purchaser**") in accordance with the provisions of this Article.
- 15.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that:
  - 15.2.1 the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article;
  - 15.2.2 the person to whom they are to be transferred;
  - 15.2.3 the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);
  - 15.2.4 the proposed date of transfer, and
  - 15.2.5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "**Sale Agreement**"),

(and, in the case of Articles 15.2.2 to 15.2.4 above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.
- 15.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser

within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 15.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid, allotted or transferred by the Drag Purchaser were distributed to holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5 (the "**Drag Consideration**").
- 15.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee of the Shares held by such Called Shareholder.
- 15.6 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the "**Drag Completion Date**"), each Called Shareholder shall deliver:
  - 15.6.1 duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;
  - 15.6.2 the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
  - 15.6.3 duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

(together the "**Drag Documents**").
- 15.7 On the Drag Completion Date, the Company shall pay, transfer or allot to each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid, transferred or allotted such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 15.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid, transferred or allotted the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 15 in respect of their Shares.
- 15.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 15.9 and the Board shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has,

by the Drag Completion Date, paid, transferred or allotted the Drag Consideration to the Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.

- 15.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 12.
- 15.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

#### *Asset Sale*

- 15.12 In the event that an Asset Sale is approved by the Board, such consenting Shareholders shall have the right, by notice in writing to all other Shareholders, to require such Shareholders to take any and all such actions as it may be necessary for Shareholders to take in order to give effect to or otherwise implement such Asset Sale.

## **16 Tag-along**

- 16.1 Except in the case of Permitted Transfers and transfers pursuant to Articles 14 or 15, but notwithstanding any other provision in these Articles, no sale or transfer of any interest in any Shares (the "**Specified Shares**") shall have any effect if it would result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company unless before the transfer is lodged with the Company for registration the Proposed Purchaser has made a *bona fide* offer in accordance with these Articles (the "**Tag Along Offer**") to purchase all the Shares including the Shares held by each other Equity Holder who is not Acting in Concert or otherwise connected with the Proposed Purchaser (the "**Tag Shares**") at the same consideration specified in Article 16.6.
- 16.2 The Tag Along Offer shall set out:
- 16.2.1 the identity of the Proposed Purchaser of the Shares referred to in Article 16.1;
  - 16.2.2 the consideration (calculated in accordance with Article 16.6) including the calculation of any element not payable in cash and other terms and conditions of payment;
  - 16.2.3 the proposed date of sale; and
  - 16.2.4 the number of Shares proposed to be purchased;

and shall be given by written notice at least 10 Business Days before the proposed sale or transfer date.

- 16.3 If a Tag Along Offer is not made the proposed sale or transfer shall not be completed and the Board shall not register any transfer to effect it.
- 16.4 The Tag Along Offer shall be in writing open for acceptance for at least 10 Business Days ("**Tag Offer Period**") and shall be deemed to be rejected by any Equity Holder who has not accepted it in accordance with its terms within the time period prescribed for acceptance.
- 16.5 If the Tag Along Offer is accepted by any shareholder (an "**Accepting Shareholder**") within the Tag Offer Period:
  - 16.5.1 the completion of the proposed transfer shall be conditional upon the purchase of all the Shares held by such accepting shareholders; and
  - 16.5.2 the Tag Consideration payable for the Tag Shares shall be settled in full on completion of the purchase and within 30 Business Days of the date of the Tag Along Offer.
- 16.6 For the purpose of Articles 16.1 to 16.5:
  - 16.6.1 the consideration at which the Proposed Purchaser shall be obliged to purchase the Tag Shares from any Equity Holder who accepts the offer shall be the highest price per Share as is paid or to be paid by the Proposed Purchaser or persons acting in concert with him or connected with him for any Shares within the then previous six months (including the Specified Shares) plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares 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; provided always that an equal value shall be attributed to all Shares including the Specified Shares and the total consideration paid by the Proposed Purchaser in respect of the proposed transfer is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of Articles 5 (the "**Tag Consideration**");
  - 16.6.2 if any part of the Tag Consideration is payable otherwise than in cash any Equity Holder may require, as a condition of his acceptance of the offer, to receive in cash on transfer all or any of the price offered for his Tag Shares; and
  - 16.6.3 if the Tag Consideration or its cash equivalent cannot be agreed between the Proposed Purchaser and the Equity Holders of at least 50% of the class of Shares concerned (excluding the Proposed Purchaser and persons acting in concert or otherwise connected with him), within 15 Business Days of the date of the Tag Along Offer the matter may be referred by any Equity Holder to an Expert Valuer in accordance with Article 13.2 to be determined in accordance with the provisions of Articles 13.3 and 13.4.
- 16.7 The Expert Valuer will be either:
  - 16.7.1 the Auditors; or

- 16.7.2 an independent firm of Chartered Accountants to be agreed between the Proposed Purchaser and the Equity Holders of at least 50% of the class of Shares concerned (excluding the Proposed Purchaser and persons acting in concert or otherwise connected with him), or failing agreement not later than the date 20 Business Days after the date of the Tag Along Offer to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.

## **17 General meetings**

- 17.1 If the Board is required by the Shareholders under section 303 of the Act to call a general meeting, the Board shall convene the meeting for a date not later than 28 days after the date on which the Board became subject to the requirement under section 303 of the Act.
- 17.2 The quorum for general meetings shall be one Ordinary Shareholder.
- 17.3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.
- 17.4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 17.5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
- 17.6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 17.7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

## **18 Proxies**

- 18.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: "is signed by or on behalf of the shareholder appointing the proxy and accompanied by the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the Board)".

18.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Board may:

18.2.1 be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

18.2.2 be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director; or

18.2.3 in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

## **19 Directors' borrowing powers**

The Board may, where required, exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party.

## **20 Alternate Directors**

20.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "**Appointer**") may appoint any director or any other person as he thinks fit to be his alternate Director to:

20.1.1 exercise that Director's powers; and

20.1.2 carry out that Director's responsibilities in relation to the taking of decisions by the Board in the absence of the alternate's Appointor.

The appointment of an alternate Director shall not require approval by a resolution of the Board.

20.2 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 Board.

20.3 The notice must:

20.3.1 identify the proposed alternate; and

- 20.3.2 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.
- 20.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.
- 20.5 Except as these Articles specify otherwise, alternate directors:
  - 20.5.1 are deemed for all purposes to be Directors;
  - 20.5.2 are liable for their own acts and omissions;
  - 20.5.3 are subject to the same restrictions as their Appointors; and
  - 20.5.4 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 his Appointor is a member.
- 20.6 A person who is an alternate Director but not a Director:
  - 20.6.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
  - 20.6.2 may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).No alternate may be counted as more than one Director for such purposes.
- 20.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Board (provided that his Appointor is an Eligible Director in relation to that decision).
- 20.8 An alternate Director is not 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.
- 20.9 An alternate Director's appointment as an alternate shall terminate:
  - 20.9.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
  - 20.9.2 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;
  - 20.9.3 on the death of the alternate's Appointor; or
  - 20.9.4 when the alternate's Appointor's appointment as a Director terminates.

## **21     Number of Directors**

- 21.1 Unless and until the Company shall otherwise determine by resolution of the Board, the number of Directors shall be not less than one.

## **22     Disqualification of Directors**

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if he is convicted of a criminal offence (other than a minor motoring offence) and the Board resolves that his office be vacated.

## **23     Proceedings of Directors**

- 23.1 The quorum for Board' meetings shall be two Directors and, if any Director holds Ordinary Shares, the quorum must include that Director. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting.
- 23.2 In the event that a meeting of the Board is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 23.3 If all the Directors participating in a meeting of the Board are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 23.4 Notice of a Board meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 23.5 Provided (if these Articles so require) that he has declared to the Board, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Board in authorising a Relevant Interest), a Director may vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 23.6 Questions arising at any meeting of the Board shall be decided by a majority of votes with each Director having a single vote and provided always that no action, decision or resolution of the Board shall be taken, made or passed unless each Director holding Ordinary Shares (if any) forms part of that majority vote.
- 23.7 A decision of the Board 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 (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

## **24 Directors' interests**

### *Specific interests of a Director*

- 24.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Board in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- 24.1.1 where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
  - 24.1.2 where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
  - 24.1.3 where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
  - 24.1.4 where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
  - 24.1.5 where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
  - 24.1.6 where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
  - 24.1.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - 24.1.8 any other interest authorised by ordinary resolution.

### *Interests of which a Director is not aware*

- 24.2 For the purposes of this Article 24, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

### *Accountability of any benefit and validity of a contract*

- 24.3 In any situation permitted by this Article 24 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

*Terms and conditions of Board authorisation*

- 24.4 Any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Board authorises his interest ("**Relevant Interest**") pursuant to that section may:

- 24.4.1 be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:

- (a) restricting the Interested Director from voting on any resolution put to a meeting of the Board or of a committee of the Board in relation to the Relevant Interest;
- (b) restricting the Interested Director from being counted in the quorum at a meeting of the Board or of a committee of the Board where such Relevant Interest is to be discussed; or
- (c) restricting the application of the provisions in Articles 24.5 and 24.6, so far as is permitted by law, in respect of such Interested Director;

- 24.4.2 be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time; and

an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 24.

*Director's duty of confidentiality to a person other than the Company*

- 24.5 Subject to Article 24.6 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 24), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

- 24.5.1 to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or

- 24.5.2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

- 24.6 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 24.5 shall apply only if the conflict arises out of a matter which falls within Article 24.1 or has been authorised under section 175(5)(a) of the Act.

*Additional steps to be taken by a Director to manage a conflict of interest*

- 24.7 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Board for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Board for the purpose of or in connection with the situation or matter in question, including without limitation:
- 24.7.1 absenting himself from any discussions, whether in meetings of the Board or otherwise, at which the relevant situation or matter falls to be considered; and
  - 24.7.2 excluding himself from documents or information made available to the Board generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

*Requirement of a Director is to declare an interest*

- 24.8 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 24.1 at a meeting of the Board, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Board may determine, except that no declaration of interest shall be required by a Director in relation to an interest:
- 24.8.1 falling under Article 24.1.7;
  - 24.8.2 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
  - 24.8.3 if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Board, or by a committee of Board appointed for the purpose under these Articles.

*Shareholder approval*

- 24.9 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 24.
- 24.10 For the purposes of this Article 24:
- 24.10.1 a conflict of interest includes a conflict of interest and duty and a conflict of duties;
  - 24.10.2 the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
  - 24.10.3 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the

Director has an interest in any such transaction of the nature and extent so specified.

## **25    Notices**

- 25.1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:

25.1.1 in hard copy form; or

25.1.2 in electronic form,

or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 25.

### *Notices in hard copy form*

- 25.2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):

25.2.1 to the Company or any other company at its registered office; or

25.2.2 to the address notified to or by the Company for that purpose; or

25.2.3 in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or

25.2.4 in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or

25.2.5 to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or

25.2.6 where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in 25.2.1 to 25.2.5 above, to the intended recipient's last address known to the Company.

- 25.3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:

25.3.1 if delivered, at the time of delivery;

25.3.2 if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

### *Notices in electronic form*

- 25.4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:

- 25.4.1 if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 25.2; or
  - 25.4.2 be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify by notice (in hard copy or electronic form) to all members of the Company from time to time.
- 25.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:
- 25.5.1 if sent by email (where an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;
  - 25.5.2 if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
  - 25.5.3 if delivered in an electronic form, at the time of delivery; and
  - 25.5.4 if sent by any other electronic means as referred to in Article 25.4.2, at the time such delivery is deemed to occur under the Act.
- 25.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

*General*

- 25.7 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**"). Notice so given shall constitute notice to all the joint holders.
- 25.8 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

## **26 Indemnities and insurance**

- 26.1 Subject to the provisions of and so far as may be permitted by, the Act:
- 26.1.1 every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no Director or any associated company is indemnified by the Company against:

- (a) any liability incurred by the director to the Company or any associated company; or
- (b) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
- (c) any liability incurred by the director:
  - (i) in defending any criminal proceedings in which he is convicted;
  - (ii) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or
  - (iii) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 26.1.1(a), 26.1.1(c)(ii) and 26.1.1(c)(iii) applying;

26.1.2 the Board may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

26.2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

## **27 Data Protection**

The Company processes personal data regarding each of its Shareholders and Directors. The Company has summarised all information regarding its processing of personal data in its privacy policy which can be found here <https://www.ionacapital.co.uk/privacy-policy>.

## **28 Secretary**

Subject to the provisions of the Act, the Board may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

**29     Shares to be fully paid**

The Company shall not issue or allot any Shares which are not fully paid Shares.

**30     Authority to capitalise and appropriation of capitalised sums**

30.1     The Board may, if authorised to do so by an ordinary resolution:

30.1.1     decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

30.1.2     appropriate any sum which they so decide to capitalise (a "**Capitalised Sum**") to such Shareholders and in such proportions as the Board may deem appropriate (the "**Shareholders Entitled**").

Article 36 of the Model Articles shall not apply to the Company.

30.2     Capitalised Sums may be applied on behalf of such Shareholders and in such proportions as the Board may deem appropriate.

30.3     Any Capitalised Sum may be applied in paying up new Shares up to the nominal amount (or such amount as is unpaid) equal to the Capitalised Sum, which are then allotted credited as fully paid to the Shareholders Entitled or as they may direct.

30.4     A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are allotted credited as fully paid to the Shareholders Entitled or as they may direct.

30.5     Subject to the Articles the Board may:

30.5.1     apply Capitalised Sums in accordance with Articles 30.3 and 30.4 partly in one way and partly another;

30.5.2     make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article 30; and

30.5.3     authorise any person to enter into an agreement with the Company on behalf of all of the Shareholders Entitled which is binding on them in respect of the allotment of Shares or debentures under this Article 31.