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THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
of
SOFTCAT PLC

(Adopted by special resolution passed on 16 October 2015)

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SOFTCAT PLC

(Adopted by special resolution passed on 16 October 2015)

1. INTRODUCTION

- 1 1 The Model Articles for public companies limited by shares contained in Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) (the "**Model Articles**") as amended prior to the date of adoption of these Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 1 2 Article headings are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 3 Words in the singular shall include the plural and vice versa
- 1 4 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles

2. INTERPRETATION

In these Articles, the following words have the following meanings

‘A’ Ordinary Shares: the ‘A’ ordinary shares of £0.01 each in the capital of the Company

Acting in Concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time)

Allocation Notice: has the meaning given in Article 10.9

Applicant: has the meaning given in Article 10.9

Auditors: means the auditors of the Company from time to time

Bad Leaver: a Departing Employee Shareholder who is not a Good Leaver

Board: the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles

Business Day: a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for the transaction of normal banking business

Called Shareholders: has the meaning given in Article 13.1

Called Shares: has the meaning given in Article 13.2(a)

Company: Softcat plc, a company registered in England and Wales with company number 02174990

Companies Act: the Companies Act 2006

Continuing Shareholders: has the meaning given in Article 10.7

Controlling Interest: means an interest in shares giving to the holder or holders control of the Company within the meaning of section 995 of ITA

Departing Employee Shareholder: an Employee Shareholder who ceases to be a director or employee of the Company (or any other Group Company) and does not continue as, or become, a director or employee of any other Group Company

Director: a director of the Company from time to time

Drag Along Notice: has the meaning given in Article 13.2

Drag Along Option: has the meaning given in Article 13.1

Employee Shareholder: a holder of ‘A’ Ordinary Shares who is, or has been, a director and/or an employee of any Group Company

Employee Trust: means any trust established or to be established by the Company to hold ‘A’ Ordinary Shares for the benefit of employees of the Company or any Subsidiary of the Company

Encumbrance: 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)

Expert Valuers: is as determined in accordance with Article 11 2,

Family Trust: as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (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 for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (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 any such person or any voting or other rights attaching thereto are exercisable by or as directed by any 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)

Fair Value: is as determined in accordance with Article 11 3

First Offer Period: has the meaning given in Article 10 7

Good Leaver: a Departing Employee Shareholder, who ceases to be an Employee Shareholder at any time by reason of

- (a) death,
- (b) permanent incapacity, or
- (c) the Board determining that he is a Good Leaver

Group: the Company and each and any of its Subsidiaries from time to time, and **Group Company** shall be construed accordingly

Holding Company: shall have the meaning given in the Companies Act

ITA: the Income Tax Act 2007

Initial Surplus Shares: has the meaning given in Article 10 7

Majority Holding: has the meaning given in Article 14 1

Member of the Same Group: as regards any company, a company which is from time to time a Holding Company or a Subsidiary of that company or a Subsidiary of any such Holding Company

Minimum Transfer Condition: has the meaning given in Article 10 2(d)

'MR' Shares: the 'MR' shares of £0 01 each in the capital of the Company

New Shareholder: has the meaning given in Article 13 11

Ordinary Shares: the ordinary shares of £0 01 each in the capital of the Company

Permitted Transfer: a transfer of Shares made in accordance with Article 9

Permitted Transferee: in relation to

- (a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust, and

- (b) a Shareholder which is a company, a Member of the Same Group as that company

Privileged Relation: in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted children and their issue) sibling (including a step brother or step sister) or parent (including a step father or step mother)

Proposed Buyer: has the meaning given in Article 13 1

Proposed Offeror: has the meaning given in Article 14 2

Proposed Sale Date: has the meaning given in Article 14 2

Proposed Sale Notice: has the meaning given in Article 14 2

Proposed Sale Shares: has the meaning given in Article 14 2

Proposed Sellers: has the meaning given in Article 14 1

Relevant Shares: in relation to a Shareholder means all Shares held by

(a) the Shareholder in question, and

(b) any Permitted Transferee of that Shareholder (other than those Shares held by those persons that the Board otherwise declares),

and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice

Restricted Shares: has the meaning given in Article 12 5

Sale Shares: the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice

Second Offer Period: has the meaning given in Article 10 8

Second Surplus Shares: has the meaning given in Article 10 8

Seller: the transferor of shares pursuant to a Transfer Notice

Sellers' Shares: has the meaning given in Article 13 1

Selling Shareholders: has the meaning given in Article 13 1

Shares: the 'A' Ordinary Shares, the 'MR' Shares and the Ordinary Shares

Share Sale: the sale of (or the grant of a right to acquire or to dispose of) any of the Shares (in one transaction or as a series of transactions) which will result in the buyer 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 the shareholders and the proportion of shares held by each of them following completion of the sale are the same as the shareholders and their shareholdings in the Company immediately before the sale

Shareholder: a holder of Shares in the Company

Subsidiary and Subsidiary Undertaking: shall have the meanings given to them in the Companies Act

Tag Along Shares: has the meaning given in Article 14 3

Termination Date:

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,
- (c) where an Employee Shareholder dies, the date of his death,
- (d) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement with the Company is terminated,

and in any other case, the date on which the employment agreement is terminated

Transfer Notice: a notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any Shares Where such notice is deemed to have been served, it shall be referred to as a **Deemed Transfer Notice**

Transfer Price: has the meaning given in Article 10 2(c)

3. SHARE CAPITAL

- 3 1 The issued share capital at the date of adoption of these Articles comprises 9,041,991 Ordinary Shares, 118,500 'MR' Shares and 607,255 'A' Ordinary Shares
- 3 2 Unless the context requires otherwise, references in these Articles to shares of a particular class shall include shares created and/or issued after the date of adoption of these Articles 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
- 3 3 Except as provided in these Articles, the 'A' Ordinary Shares, the 'MR' Shares and the Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares

4. DIVIDENDS

- 4 1 Subject to the Companies Act and these Articles, the Company may by ordinary resolution declare

- (a) dividends in accordance with the respective rights of the member, but no dividend shall exceed the amount recommended by the Directors, and
- (b) such dividend may, subject to Article 4 2 be declared either in respect of one or more classes of shares to the exclusion of the other classes, or in respect of all classes of shares

4 2 Any dividend declared on the Ordinary Shares shall be so declared on the 'A' Ordinary Shares and the 'MR' Shares as if they all constituted shares of the same class

5. CAPITAL

5 1 On a return of assets on liquidation, capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall

- (a) in the event that the assets are equal to or less than £13,843,253 (to the extent that the Company is lawfully able to do so) shall be distributed amongst the holders of the 'MR' Shares and the Ordinary Shares only,
- (b) in the event that the assets are greater than £13,843,253 (to the extent that the Company is lawfully able to do so) shall be distributed in the following order of priority
 - (i) first, an amount equal to £13,843,253 shall be distributed amongst the holders of the 'MR' Shares and the Ordinary Shares,
 - (ii) second, an amount equal to the excess over £13,843,253 shall be distributed amongst the holders of the 'A' Ordinary Shares, the 'MR' Shares and the Ordinary Shares in proportion to the number of Shares held by each Shareholder as if they constituted one class of shares

6. VOTING

6 1 Subject to any other provisions in these Articles concerning voting rights, Shares in the Company shall carry votes as follows

- (a) 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 each Ordinary Share shall carry one vote per share,
- (b) the 'MR' Shares shall confer on each holder of 'MR' Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each 'MR' Share shall carry one vote per share, and
- (c) the 'A' Ordinary Shares shall confer on each holder of 'A' Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each 'A' Ordinary Share shall carry one vote per share

6 2 Where shares confer a right to vote, votes may be exercised:

- (a) on a show of hands by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding shares with votes shall have one vote), or
- (b) on a poll by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding shares with votes shall have one vote for each such share held)

7. FURTHER ISSUES OF SHARES

7 1 Subject to the remaining provisions of this Article 7, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Companies Act, to exercise any power of the Company to

- (a) offer, allot or grant rights to subscribe for, or
- (b) convert securities into, or
- (c) otherwise deal in, or dispose of,

any Shares to any person, at any time and subject to any terms and conditions as the Directors think proper

7 2 The authority referred to in Article 7 1

- (a) shall be limited to a maximum nominal amount of Shares equal to £20,922 54,
- (b) shall only apply insofar as the Company in general meeting has not renewed, waived or revoked it, and
- (c) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Directors may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the Directors may allot share in pursuance of an offer or agreement as if such authority had not expired)

7 3 Sections 561 and 562 of the Companies Act shall not apply to an allotment of equity securities made by the Company pursuant to the authority referred to in Articles 7 1 and 7 2

8. TRANSFER OF SHARES

8 1 In Article 9, Article 10, Article 12, Article 13 and Article 14 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

- 8 2 No Share shall be transferred unless the transfer is made in accordance with these Articles
- 8 3 The Directors may refuse to register the transfer of any Share
- (a) which is not fully paid, to a person of whom they do not approve,
 - (b) on which the Company has a lien,
 - (c) unless
 - (i) it is lodged at the registered office of the Company or at such other place in England as the Directors may appoint and is accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,
 - (ii) it is in respect of only one class of Shares, and
 - (iii) it is in favour of not more than four transferees,
- 8 4 In addition to the provisions of Article 8 3, the Directors may refuse to register a transfer if it is a transfer of a Share to a bankrupt or a minor
- 8 5 The holders of the 'A' Ordinary Shares shall not be entitled to transfer any 'A' Ordinary Shares (unless such transfer is made with the prior consent in writing of the Board) other than
- (a) a transfer pursuant to a Share Sale, or
 - (b) in accordance with Article 12, Article 13 and Article 14
- 8 6 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have served a Transfer Notice immediately in respect of all Relevant Shares
- 8 7 Any transfer of a Share by way of sale that is required to be made under Article 10, Article 12 and Article 13 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee
- 8 8 To enable the Directors to determine whether or not there has been any disposal of Shares (or any interest in Shares) in breach of these Articles, the Directors 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 Directors may reasonably believe to have information relevant to that purpose, to provide to the Company with any information and evidence that

the Directors request regarding any matter which they deem relevant to that purpose. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares in the capital of the Company in writing of that fact and the following shall occur:

- (a) the Relevant Shares shall cease to confer on the holder of them (or any proxy) any rights
 - (i) to vote, whether on a show of hands or on a poll, and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question
 - (ii) to receive dividends or other distributions otherwise attaching to those Shares or to any further shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant holder, and
- (b) the holder may be required, at any time following receipt of the notice, to transfer or procure the transfer of some or all of its Relevant Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in Article 8 8(a) may be reinstated at the discretion of the Board or, if earlier, shall be reinstated on the completion of any transfer referred to in Article 8 8(b).

8 9 Where a Transfer Notice is required to be given in respect of any Shares under these Articles and is not duly given within 10 Business Days, a Deemed Transfer Notice shall be deemed given at the end of that period. If a Transfer Notice is required to be given, or is deemed to have been given, under these Articles, the Transfer Notice shall be treated as having specified that

- (a) the Transfer Price (as defined in Article 10) for the Sale Shares shall be as agreed between the Board (any Director with whom the Seller is connected (within the meaning of section 252 of the Companies Act) not voting) and the Seller, or, failing agreement within 10 Business Days after the date on which the Board became aware that a Deemed Transfer Notice has been given, the Transfer Price shall be the Fair Value of the Sale Shares, and
- (b) the Seller wishes to transfer all Relevant Shares

9. PERMITTED TRANSFERS

9 1 A Shareholder (**Original Shareholder**) may transfer his or its Shares to a Permitted Transferee

9 2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to

- (a) the Original Shareholder,
- (b) any Privileged Relation(s) of the Original Shareholder,
- (c) subject to Article 9 3, the trustee(s) of another Family Trust of which the Original Shareholder is the settlor, or
- (d) subject to Article 9 3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction

9 3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Board (acting reasonably) is satisfied

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s),
- (b) with the identity of the proposed trustee(s),
- (c) that 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 that Family Trust are to be paid by the Company

9 4 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to

- (a) the Original Shareholder, or
- (b) a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 9 4, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 9 4

9 5 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either

- (a) 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
- (b) give a Transfer Notice to the Company,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 9 5 This Article 9 5 shall not apply to a transferee of a Permitted Transferee if that transferee is also a Permitted Transferee of the Original Shareholder, to the extent that such transferee is legally or beneficially entitled to those Shares.

9 6 The trustees or nominees for the time being of any Employee Trust shall be permitted, with the prior consent of the Board, to transfer Shares to

- (a) any beneficiary of such Employee Trust, or
- (b) to the new (or remaining) trustee(s) upon a change of trustee(s) of an Employee Trust

10. TRANSFER OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

10 1 Except where the provisions of Article 9, Article 12, Article 13 and Article 14 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 10

10 2 A Seller shall, before transferring or agreeing to transfer any Shares, give notice a Transfer Notice to the Company specifying

- (a) the number of Sale Shares,
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,
- (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board) (**Transfer Price**), and
- (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**)

10 3 Once given (or deemed to have been given under) these Articles, a Transfer Notice may not be withdrawn without the consent of the Board

10 4 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price

10 5 As soon as practicable following the later of

- (a) receipt of a Transfer Notice, or
- (b) where the Transfer Price has not been specified, or a Deemed Transfer Notice has been served, the determination of the Transfer Price under Article 11,

the Board shall offer the Sale Shares for sale in the manner set out in Article 10 6 to Article 10 7 Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered

10 6 The Company shall offer the Sale Shares in the following priority

- (a) firstly, to the holders of 'MR' Shares,
- (b) secondly, subject to the Companies Act, to the Company,
- (c) thirdly, to other participants (or potential participants) in, or trustees of, the Employee Trust, and
- (d) fourthly, to the holders of Ordinary Shares,

in each case on the basis as set out in Article 10 7

10 7 The Board shall offer the Sale Shares in the priority referred to in Article 10.6, and in the case of Article 10 6(a), 10 6(c) and 10 6(d) to all shareholders/participants specified in the offer other than the Seller (**Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (**First Offer Period**) for the maximum number of Sale Shares they wish to buy

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under Article 10 7 and Article 10 8 shall be conditional on the fulfilment of the Minimum Transfer Condition

If, at the end of the First 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 in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares Fractional entitlements shall be rounded to the nearest whole number 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

If only some of the Sale Shares are allocated in accordance with this Article 10 7, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this Article 10 7

If, at the end of the First Offer Period, the total 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. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with Article 10.8.

- 10.8 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion that his existing holding of Shares (including Sale Shares) bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (**Second Surplus Shares**) shall be offered to any other person in accordance with Article 10.11.

- 10.9 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 10.7 and Article 10.8, stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If

- (a) the Transfer Notice does not include a Minimum Transfer Condition, and
- (b) allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under Article 10.7 and Article 10.8, give written notice of allocation (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (**Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days not more than 20 Business Days after the date of the Allocation Notice).

- 10 10 On the service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it

If the Seller fails to comply with this Article 10 10

- (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) for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

- 10 11 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 10 12 and within 6 weeks following service of the Allocation Notice, the Seller may transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price. The sale of the Second Surplus Shares in accordance with this Article 10 11 shall continue to be subject to any Minimum Transfer Condition

- 10 12 The Seller's right to transfer Shares under Article 10 11 does not apply if the Board reasonably considers 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, or
 - (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 to enable it to form the opinion mentioned above

- 10 13 The restrictions imposed by this Article 10 may be waived in relation to any proposed transfer of Shares with the consent of Shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this Article

11. VALUATION

- 11 1 If no Transfer Price is specified in a Transfer Notice, or if a Deemed Transfer Notice is served, then, on service of the Transfer Notice or, in the case of a Deemed Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to the deemed service of such a notice, the Board shall either

- (a) appoint expert valuers in accordance with Article 11 2 (**Expert Valuers**) to certify the Fair Value of the Sale Shares, or
- (b) if the Fair Value has been determined by Expert Valuers within the preceding 12 weeks, specify that the Fair Value of the Sale Shares shall be calculated by dividing that Fair Value 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 or Deemed Transfer Notice

- 11 2 The Expert Valuers will be either

- (a) the Auditors, or
- (b) if so specified in the relevant Transfer Notice an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party

- 11 3 The “**Fair Value**” of the Sale Shares shall be determined by the Expert Valuers on the following assumptions and bases

- (a) having regard to the restrictions attached to the Sale Shares pursuant to these Articles,
- (b) any rights attaching to the Sale Shares under Article 5, and
- (c) with a premium or discount being attributable to the percentage of the issued share capital of the Company which they represent.

- 11 4 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and notify the Board of their determination

- 11 5 Subject to any confidentiality provisions, the Expert Valuers may have access to all accounting records or other relevant documents of the Company

- 11 6 The Expert Valuers' determination shall be final and binding on the parties (in the absence of fraud or manifest error)

12. COMPULSORY TRANSFERS

- 12 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be regarded as giving a Deemed Transfer Notice in relation to such Share at such time as the Directors determine
- 12 2 If a company that is a Shareholder resolves to appoint a liquidator, administrator or administrative receiver over it (or a material part of its business), that Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all Shares held by it at such time as the Directors determine
- 12 3 If an Employee Shareholder becomes a Bad Leaver, that Employee Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all Relevant Shares held by that Employee Shareholder on the Termination Date. In such circumstances the Transfer Price shall be the Fair Value of the Sale Shares
- 12 4 A Bad Leaver's Shares shall be offered in the following order of priority
- (a) to a person (or persons) as agreed by the Board to take the Departing Employee Shareholder's place, conditionally on that person commencing their employment with the Company,
 - (b) to any of the other existing Employee Shareholders,
 - (c) to other participants (or potential participants) in, or trustees of, the Employee Trust (other than the Bad Leaver),
 - (d) to any other person (or persons) who are approved by the Board, and then
 - (e) subject to the Companies Act, to the Company
- 12 5 All voting rights attached to the Bad Leaver's Relevant Shares, if any, shall be suspended on the Termination Date (**Restricted Shares**). In addition, the holders of Restricted Shares shall not have the right to receive a notice of, nor to attend, all general meetings of the Company
- 12 6 All voting rights attached to the Restricted Shares transferred under this Article 12 shall be automatically restored on completion of the transfer

13 DRAG ALONG

- 13 1 If the holder(s) of 51% or more of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in their Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling

Shareholders may require all the other holders of Shares (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**)

- 13.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that
- (a) the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 13,
 - (b) the person to whom the Called Shares are to be transferred,
 - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the fair market value of the Called Shares, calculated as a pro rata proportion of the market value of the Shares of the Company as a whole, between a willing seller and a willing third party buyer without any premium or discount by reference to the percentage of the Called Shares being sold or transferred;
 - (d) the amount of the consideration, taking into account Article 13.4, that the Called Shareholders are entitled to receive, and
 - (e) the proposed date of the transfer
- 13.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 40 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 13.4 The Called Shareholders shall participate in the proceeds of sale of the Called Shares in the amounts which they would be entitled to receive if the total consideration proposed to be paid by the third party purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5.
- 13.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 13.
- 13.6 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.
- 13.7 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.

- 13 8 Within 5 Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 5 Business Day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to Article 13 4 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 13 4 in trust for the Called Shareholders without any obligation to pay interest.
- 13 9 To the extent that the Proposed Buyer has not, on the expiration of the 5 Business Days period referred to in Article 13 8, put the Company in funds to pay the consideration due pursuant to Article 13 4, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 13 in respect of their Shares.
- 13 10 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 13.
- 13 11 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or on 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. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 13 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.

14 TAG ALONG

- 14.1 If at any time one or more Shareholders (**Proposed Sellers**) propose to sell, in one or a series of related transactions, 51% or more of the Shares (**Majority Holding**) to any person (not being a Proposed Buyer for the purposes of Article 13.1), the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this Article
- 14.2 The Proposed Sellers shall give written notice (**Proposed Sale Notice**) to the other holders of the Shares of such intended sale at least 10 Business Days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed offeror (**Proposed Offeror**), the purchase price and other terms and conditions of payment, the proposed date of sale (**Proposed Sale Date**) and the number of Shares proposed to be purchased by the Proposed Offeror (**Proposed Sale Shares**)
- 14.3 Subject to Article 14.4, any other holder of Shares shall be entitled, by written notice given to the Proposed Sellers within 5 Business Days of receipt of the Proposed Sale Notice, to sell all of his Shares (**Tag Along Shares**) to the Proposed Offeror on the same terms and conditions as those set out in the Proposed Sale Notice
- 14.4 If the holders of 'A' Ordinary Shares exercise their right under Article 14.3 they shall participate in the proceeds of sale of their 'A' Ordinary Shares for an amount that they would be entitled to receive if the total consideration proposed to be paid by the Proposed Offeror were distributed to the holders of the Tag Along Shares and the Majority Holding in accordance with the provisions of Article 5 although if the Tag Along Shares and the Majority Holding do not represent the entire issued share capital of the Company then the sum of £13,843,253 in Article 5 shall be replaced throughout Article 5 (for the purpose of calculating how much of the proceeds of the intended sale which is the subject of the Proposed Sale Notice shall be distributed to the holders of the 'A' Ordinary Shares in accordance with Article 5) with a sum calculated in accordance with the following formula

$$\frac{A}{B} \times £13,843,253$$

where

"A" is the total number of 'MR' Shares and Ordinary Shares that form the Tag Along Shares and the Majority Holding, and

"B" is the total number of 'MR' Shares and Ordinary Shares in issue as at the date of the completion of the intended sale which is the subject of the Proposed Sale Notice

14 5 If any other holder of Shares is not given the rights accorded him by the provisions of this Article 14, the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect

14 6 Sales made in accordance with this Article shall not be subject to Article 10

15. NUMBER OF DIRECTORS

Unless and until the Company in general meeting determines otherwise, subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be two

16. PROCEEDINGS AT MEETINGS OF DIRECTORS

16 1 Any Director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him

16 2 Unless otherwise determined by the Company by ordinary resolution an alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct

16 3 A Director, or any such other person as is mentioned in Article 16 1, may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present

16 4 Any Director who participates in the proceedings of a meeting by means of a communication device (including, without limitation, a telephone) that allows all the other Directors present at the meeting (whether in person, alternate or using a communication device) to hear that Director at all times, and that Director to hear all other Directors present at the meeting (by whatever means) at all times, shall be deemed to be present at the meeting and counted in the quorum. A meeting held by these means shall be deemed to take place where the largest number of participants is assembled. In the absence of a majority, the Chairman's location shall be deemed to be the place of the meeting

- 16 5 A Director may vote at a Board meeting, and form part of a quorum present at that meeting, in relation to any matter in which he has, directly or indirectly, an interest or duty which conflicts (or may conflict) with the interests of the Company, provided that he has previously disclosed the nature of such duty or interest to the Directors. The provisions of Regulation 16 of the Model Articles shall apply equally to any disclosure to be made under the provisions of this Article 16

17. LIEN, CALLS ON SHARES AND FORFEITURE

- 17 1 In this Article 17

- (a) “call” has the meaning given in Article 17 10,
- (b) “call notice” has the meaning given in Article 17 10,
- (c) “Company’s lien” has the meaning given in Article 17 2

The Company’s lien shall apply to all Shares of the Company whether fully paid or not and to all Shares registered in the name of any person indebted or under liability to the Company, whether he is the sole registered hold of the Shares or one of several joint holders

Company’s lien over partly paid shares

- 17 2 The Company has a lien (**Company’s lien**) over every Share which is partly paid for any part of
- (a) that Share’s nominal value, and
 - (b) any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it

- 17 3 The Company’s lien over a Share
- (a) takes priority over any third party’s interest in that Share, and
 - (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

- 17 4 The directors may at any time decide that a Share which or would otherwise be subject to the Company’s Lien shall not be subject to it, either in whole or in part

Enforcement of the Company's lien

- 17 5 Subject to the provisions of articles 17 6 to 17 9, if

- (a) a lien enforcement notice has been given in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,
- (c) the Company may sell that Share in such manner as the directors decide

17 6 A lien enforcement notice

- (a) may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the Share concerned,
- (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

17 7 Where Shares are sold under these articles 17 5 to 17 9

- (a) the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

17 8 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the lien enforcement notice

17 9 A statutory declaration by a director or the Company Secretary that the declarant is a director or the Company Secretary and that a Share has been sold to satisfy the Company's lien on a specified date

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

Call notices

- 17 10 Subject to the Articles and the terms on which Shares are allotted, the directors may send a notice (**call notice**) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (**call**) which is payable to the Company at the date when the directors decide to send the call notice
- 17 11 A call notice
 - (a) may not require a Shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the Company,
 - (b) must state when and how any call to which it relates is to be paid, and
 - (c) may permit or require the call to be made in instalments
- 17 12 A Shareholder must comply with the requirements of a call notice, but no Shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent
- 17 13 Before the Company has received any call due under a call notice the directors may
 - (a) revoke it wholly or in part, or
 - (b) specify a later time for payment than is specified in the notice,
 - (c) by a further notice in writing to the Shareholder in respect of whose Shares the call is made

Liability to pay calls

- 17 14 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid
- 17 15 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share

17 16 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them

- (a) to pay calls which are not the same, or
- (b) to pay calls at different times

When call notice need not be issued

17 17 A call notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share

- (a) on allotment,
- (b) on the occurrence of a particular event, or
- (c) on a date fixed by or in accordance with the terms of issue

17 18 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

Failure to comply with call notice: automatic consequences

17 19 If a person is liable to pay a call and fails to do so by the call payment date

- (a) the directors may issue a notice of intended forfeiture to that person, and
- (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate

17 20 For the purposes of this article

- (a) the “call payment date” is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “call payment date” is that later date,
- (b) the “relevant rate” is
 - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted,
 - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or
 - (iii) if no rate is fixed in either of these ways, 5 per cent per annum

17 21 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998 (as amended)

17 22 The directors may waive any obligation to pay interest on a call wholly or in part

17 23 Notice of intended forfeiture

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice,
- (b) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder,
- (c) must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
- (d) must state how the payment is to be made, and
- (e) must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited

Directors' power to forfeit shares

17 24 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

Effect of forfeiture

17 25 Subject to the articles, the forfeiture of a share extinguishes

- (a) all interests in that share, and all claims and demands against the Company in respect of it, and
- (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company

17 26 Any Share which is forfeited in accordance with the Articles

- (a) is deemed to have been forfeited when the directors decide that it is forfeited,

- (b) is deemed to be the property of the Company, and
- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit

17 27 If a person's Shares have been forfeited

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of members,
- (b) that person ceases to be a member in respect of those shares,
- (c) that person must surrender the certificate for the shares forfeited to the Company for cancellation,
- (d) that person remains liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal

17 28 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit

Procedure following forfeiture

17 29 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer

17 30 A statutory declaration by a Director or the Company Secretary that the declarant is a Director or the Company Secretary and that a Share has been forfeited on a specified date

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

17 31 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share

17 32 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which

- (a) was, or would have become, payable, and
- (b) had not, when that share was forfeited, been paid by that person in respect of that Share,

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

Surrender of Shares

17 33 A member may surrender any Share

- (a) in respect of which the directors may issue a notice of intended forfeiture,
- (b) which the directors may forfeit, or
- (c) which has been forfeited

17 34 The directors may accept the surrender of any such Share

17 35 The effect of surrender on a Share is the same as the effect of forfeiture on that Share

17 36 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited

18. PARTLY PAID SHARES

18 1 If

- (a) a Share is subject to the company's lien, and
- (b) the directors are entitled to issue a lien enforcement notice in respect of it,
- (c) they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a lien enforcement notice

18 2 Money so deducted must be used to pay any of the sums payable in respect of that Share

18 3 The Company must notify the distribution recipient in writing of

- (a) the fact and amount of any such deduction,
- (b) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction, and
- (c) how the money deducted has been applied

19. INDEMNITY

- 19 1 Subject to the Companies Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act) in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs
- 19 2 The Company may buy and maintain insurance against any liability falling upon its Directors or other officers or auditors which arises out of their respective duties to the Company, or in relation to its affairs