

The Companies Act 2006
Private Company Limited by Shares

Articles of Association

of Connected Pictures Ltd. (company number: 03113519)
(the **Company**)

(Adopted by written resolution passed on 22 July 2021)



Part 1: Interpretation

1 Defined terms

1.1 In these Articles, unless the context otherwise requires:

Act means the Companies Act 2006 (as amended)

Acting in Concert has the meaning set out in the City Code on Takeovers and Mergers for the time being

appointor has the meaning given in **Article 19.1**

Articles means the Company's articles of association for the time being in force

A Shares means the A ordinary shares of £1 each in the capital of the Company from time to time

Bad Leaver means a holder of D Shares who becomes a Leaver as a consequence of the lawful termination of that person's employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of employment or consultancy

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

B Shares means the B ordinary shares of £1 each in the capital of the Company from time to time

business day means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business

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

Controlling Interest means an interest (within the meaning of section 820 of the Act) in shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company

C Shares means the C ordinary shares of £1 each in the capital of the Company from time to time

directors means the directors for the time being of the Company or (as the context shall require) any of them acting as the Board

D Shares means the D ordinary shares of £1 each in the capital of the Company from time to time

Early Leaver means a holder of D Shares who becomes a Leaver by virtue of voluntary resignation at any time during the first 5 years of his employment with the Company

eligible director means a director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of directors (but excluding any director whose vote is not to be counted in respect of a particular matter)

executed includes any mode of execution

holder means, in relation to shares, the member whose name is entered in the register of members as the holder of the shares

Leaver means any member who:

- (a) who dies;
- (b) who has a bankruptcy order made against him (or equivalent procedure in any jurisdiction outside England and Wales) (a **Bankrupt Leaver**); or
- (c) in the case of the holder of D Shares only, who ceases to be engaged or employed by the Company,

unless determined otherwise in writing by the Board (excluding the relevant member(s) who would otherwise be deemed a Leaver)

Leaving Date means in relation to any Leaver, the date on which he becomes a Leaver (which, in the case of any Leaver who becomes a Leaver by virtue of ceasing to be an employee, shall be the Termination Date in relation to that former employee)

Model Articles means the model articles for private companies limited by shares contained in Schedule 1 of the Model Articles Regulations

Model Articles Regulations means the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles

Sale means the transfer of any interest in shares to any person (whether by one transaction or a series of transactions) resulting in that person alone or together with persons Acting in Concert with such person having the right to exercise a Controlling Interest (but excluding any transfer of shares to an existing holder of shares)

secretary means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary

shares means any shares of any class in the capital of the Company, and reference to a **share** shall be construed accordingly

Termination Date means

- (a) where employment ceases by virtue of notice given by the employer to the employee concerned, the date on which that notice expires; or
- (b) where a contract of employment is terminated by notice given by the employer and a payment is made in lieu of notice, the date on which that notice was given or, if later, the date the employee concerned ceases to be an employee

United Kingdom means Great Britain and Northern Ireland.

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

- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 References to **persons** will include bodies corporate, unincorporated associations and partnerships.
- 1.8 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 2 Application of the Model Articles**
- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 2.2 Articles 7, 8, 9(1) and (3), 11, 13(1), 14(1), (2), (3) and (4), 17, 20, 21, 44(2), 52 and 53 of the Model Articles shall not apply to the Company.

Part 2: Directors

Decision making

3 Collective decisions

- 3.1 The general rule about decision-making by directors is that any decision of the directors must be by a majority decision taken in one of the following ways:
- (a) at a meeting of the directors;
 - (b) by written resolution, copies of which have been signed by a majority of the eligible directors or to which a majority of the eligible directors have otherwise indicated their agreement in writing; or
 - (c) by a majority of the eligible directors indicating to each other, by any means, that they share a common view on a matter.
- 3.2 If the Company has only one director, the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

4 Calling a directors' meeting

- 4.1 Any director may call a directors' meeting by giving not less than seven business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 4.2 Notice of a directors' meeting shall be given to each director in writing.

5 Quorum for directors' meetings

- 5.1 If there are insufficient directors present to make a quorum at a directors' meeting, the only proposal that may be voted on is a proposal to call another meeting.
- 5.2 Subject to **articles 5.3 and 5.3**, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by ordinary resolution and, unless otherwise fixed, shall be any two eligible directors which must include at least two eligible directors who hold A Shares and/or C Shares.
- 5.3 For the purposes of any meeting (or part of a meeting) held pursuant to **Article 9** to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director who must hold either A Shares and/or C Shares.
- 5.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

6 Casting vote

- 6.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

7 Records of decisions to be kept

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

8 Secretary

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

Directors' interests

9 Conflicts

- 9.1 For the purposes of section 175 of the Act the directors may authorise any matter which would or might, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any relevant situation. Any such matter shall be proposed in writing for consideration at a meeting of the directors in accordance with any procedures for the time being established for the purpose by the directors or in such other manner as the directors may approve.
- 9.2 Any authorisation pursuant to **Article 9.1**:
- (a) shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - (b) will be subject to any restrictions or conditions expressly imposed by the directors at the time of authorisation or subsequently, or as varied from time to

time, including (without limitation) as to whether the director in question or any other interested director may vote or be counted in the quorum at a meeting or otherwise participate in the decision-making process in relation to any resolution relating to the relevant situation; and

(c) may be terminated by the directors at any time.

9.3 For the purposes of these Articles, a reference to:

- (a) a relevant situation means any matter which relates to a situation in which a director has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest);
- (b) a conflict of interest includes a conflict of interest and duty and a conflict of duties; and
- (c) general duties means the general duties a director owes to the Company pursuant to sections 171 to 177 of the Act.

9.4 No authority under this Article is required in respect of a conflict of interest arising in relation to a transaction or arrangement with the Company, but this is without prejudice to a director's obligation to declare any interest pursuant to **Article 10**.

10 **Transactions or arrangements with the Company**

10.1 Subject to:

- (a) the provisions of the Act;
- (b) compliance with the provisions of **Article 9** and this **Article 10**,

a director notwithstanding his office:

- (c) may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (d) may hold any other office or employment with the Company (except that of auditor of the Company or of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the directors may arrange, either in addition to or instead of any remuneration provided for by any other Article; and
- (e) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested.

10.2 Where a director is in any way (directly or indirectly) interested in a proposed transaction or arrangement with the Company, he:

- (a) shall declare the nature and extent of his interest to the directors before the Company enters into the transaction or arrangement; and

- (b) may in accordance with section 177 of the Act make the declaration at a meeting of the directors or give it to the directors by notice in writing, by general notice or by any other means.
- 10.3 Except to the extent that an interest has been declared in accordance with **Article 10.2**, where a director is in any way (directly or indirectly) interested in a transaction or arrangement that has been entered into by the Company, he:
- (a) shall as soon as is reasonably practicable declare the nature and extent of his interest to the directors; and
 - (b) must make the declaration at a meeting of the directors or give it to the directors by notice in writing or by general notice in accordance with section 182 of the Act.
- 10.4 In the case of **Articles 10.2 and 10.3**:
- (a) a director need not declare an interest:
 - (i) if it cannot be reasonably regarded as likely to give rise to a conflict of interest;
 - (ii) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
 - (iii) if, or to the extent that, it concerns the terms of his service contract that have been or are to be considered by a meeting of the directors or by a committee of the directors appointed for the purpose under these Articles; and
 - (b) if a declaration made pursuant to either Article proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.
- 11 **Liability to account**
- A director shall not by reason of his office be liable to account to the Company for any remuneration, profit or other benefit derived as a result of:
- (a) any relevant situation authorised pursuant to **Article 9.1** (subject to any restrictions or conditions to which such authorisation was subject); or
 - (b) any interest permitted under **Article 10.1**,
- and no transaction or arrangement shall be liable to be void on the grounds of a director having an interest or benefit authorised or permitted pursuant to these Articles.
- 12 **Proceedings of directors**
- 12.1 A director may vote, and shall be counted in the quorum present, at a meeting of the directors or of a committee of directors or otherwise participate in the decision-making process in relation to any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which conflicts, or possibly may conflict, with the interests of the Company.
- 12.2 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles

prohibiting a director from voting at a meeting of the directors or a committee of directors or otherwise participating in the decision-making processes of the directors.

- 12.3 Where a director finds himself in a situation in which he has an interest which conflicts, or possibly may conflict, with the interests of the Company, the general duties will not be infringed by anything done (or omitted to be done) in accordance with the following provisions. The director may, for as long as he reasonably believes the situation subsists:
- (a) absent himself from meetings of the directors or from the discussion of any matter at a meeting;
 - (b) make such arrangements as he sees fit for relevant board papers not to be sent to him; and/or
 - (c) behave in any other way authorised by any guidance which may from time to time be issued by the directors.

- 12.4 The directors shall have regard to **Article 40** in carrying out their functions as directors.

13 **Confidential information**

Where a director obtains (otherwise than as director or employee of the Company) information in respect of which he owes a duty of confidentiality to another person he shall not be obliged to disclose such information or use it for the benefit of the Company (in circumstances in which he would otherwise be so obliged) if it relates to:

- (a) a relevant situation authorised pursuant to **Article 9** (unless any restrictions or conditions to which such authorisation is subject provide otherwise); or
- (b) an interest permitted under **Article 10.1**,

and any failure on the part of that director to disclose or use any such information in performing his duties as a director of the Company will not constitute a breach by him of the general duties. This Article is without prejudice to any equitable principle or rule of law which may excuse or regulatory requirement which may prevent, a director from disclosing information.

14 **Third party benefits**

The acceptance of a benefit by a director from a third party (within the meaning of section 176 of the Act) will not constitute a breach of that section if:

- (a) the acceptance of the benefit is in accordance with guidelines from time to time approved by the Company for these purposes; or
- (b) the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.

Appointment and removal of directors

15 Number of directors

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

16 Methods of appointing directors

16.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed as a director:

- (a) by ordinary resolution;
- (b) by a decision of the directors.

16.2 If, as a result of death, the Company has no shareholders and no directors the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

16.3 For the purposes of **Article 16.2**, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

17 Removal of directors

The office of a director shall be vacated if:

- (a) a member or members holding a majority of the voting rights in the Company (within the meaning of Schedule 6 of the Act) vote to remove from office any director. Any such removal shall be made by notice in writing to the Company signed by the member or members making the same or, in the case of a member being a corporate body, signed by one of its directors or duly authorised officers or by its duly authorised attorney and shall take effect upon lodgement of such notice at the office; or
- (b) he shall for more than six consecutive months have been absent without permission of the directors from meetings of the directors held during that period and the directors resolve that his office be vacated,

and Article 18 of the Model Articles shall be modified accordingly.

18 Directors' expenses

The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary (if any) properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors;
- (b) general meetings; or
- (c) separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

Alternate directors

19 Appointment and removal of alternate directors

- 19.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- (a) exercise that director's powers; and
 - (b) carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the appointor.
- 19.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- 19.3 The notice must:
- (a) identify the proposed alternate; and
 - (b) 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 appointor.

20 Rights and responsibilities of alternate directors

- 20.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as his appointor.
- 20.2 Except as the Articles specify otherwise, alternate directors:
- (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their appointors; and
 - (d) 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.
- 20.3 A person who is an alternate director but not a director:
- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
 - (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
 - (c) shall not be counted as more than one director for the purposes of **Articles 20.3(a) and 20.3(b)**.
- 20.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

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

21 Termination of alternate directorship

An alternate director's appointment as an alternate terminates:

- (a) when the appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the appointor, would result in the termination of the appointor's appointment as a director;
- (c) on the death of the appointor; or
- (d) when the alternate's appointment as a director terminates.

Part 3: Shares

Partly paid shares

22 Partly paid shares and company's lien

Articles 52 – 62 of the model articles for public limited companies contained in Schedule 3 of the Model Articles Regulations shall apply to the Company, save that:

- (a) the following words shall be substituted in place of article 53(5), "A written statement signed by a director that a share has been sold to satisfy the Company's lien on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share"; and
- (b) the following words shall be substituted in place of article 61(2), "A written statement signed by a director that a share has been forfeited on a specified date is conclusive evidence of the facts stated in it against all persons claiming to be entitled to the share."

23 **Variation of rights**

Whenever the share capital of the Company is divided into different classes of share, the special rights attaching to any such class can only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the prior approval of three quarters in nominal value of the issued shares held by the holders of that class of share.

24 **Powers to issue different classes of shares**

Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the directors may decide.

25 **Share rights**

Except as otherwise provided for in these Articles and/or the Shareholders Agreement, the A Shares, B Shares, C Shares and D Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

26 **Income**

The holders of the A Shares, B Shares, C Shares and D Shares shall be entitled to participate in the profits of the Company available for distribution in such amounts and in such manner as the Company may resolve from time to time, recognising that:

- (a) the A Shares and the C Shares shall be treated as one class for such purpose (the **Combined Class**) and shall be entitled to dividends on a pro rata basis; and
- (b) the Combined Class, the B Shares and D Shares are separate classes for the purpose of this Article and any dividend declared in relation to any one of such classes need not be declared in relation to any other class nor, save as set out in Article 26 (b), shall such dividends be required to be declared on a pro rata basis between the different classes.

27 **Capital**

On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

- (a) first in distributing the aggregate sum of up to £857,593 to the holders of the A Shares and B Shares in proportion to the number of Shares held by them respectively;
- (b) thereafter, in distributing the balance of such assets among the holders of the A Shares, B Shares, C Shares and D Shares in proportion to the number of Shares held by them respectively.

28 **Sale of the share capital of the Company**

In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale the selling holders (immediately prior to such Sale) shall procure that the consideration (whenever received) shall be distributed amongst such selling holders in the following order of priority:

- (a) first in paying an amount up to £857,593 pro rata to the holders of the A Shares and B Shares the subject of the Sale; and
- (b) thereafter, distributing the balance to the holders of the A Shares, B Shares, C Shares and D Shares the subject of the Sale in proportion to the aggregate number of Shares held by them respectively.

29 **Transfer of shares**

29.1 Any transfer of shares shall be subject to the pre-emption rights in this **Article 29**, except for:

- (a) where the provisions of **Articles 30** (*tag along*) or **31** (*drag along*) apply; or
- (b) in relation to the purchase by the Company of its own shares in accordance with the provisions of the Act (including pursuant to **Article 33**); or
- (c) any transfer made with the consent of the Board.

29.2 Any person (hereinafter called the **proposing transferor**) proposing to transfer any shares shall give notice in writing (hereinafter called the **transfer notice**) to the other members and the Company that he desires to transfer the same and specifying the price per share at which he is willing to sell them. A transfer notice shall not be revocable except with the sanction of the Board.

29.3 The shares comprised in a transfer notice shall be offered to the other members (hereinafter called the **offerees**), as nearly may be in proportion to the number of shares held by them respectively. The transfer notice shall:

- (a) state the identity of the proposing transferor, the number of shares comprised in the transfer notice and the price per share and inform the offerees that shares are offered to them in accordance with the provisions of this **Article 29.3**;
- (b) contain a statement to the effect that the shares are offered in the first instance in the proportion referred to in the opening sentence of this **Article 29.3** but go on to invite each offeree to state in his reply whether he wishes to purchase more or less shares than his proportionate entitlement and if so what number;

- (c) contain a statement of the right of each member to request a certificate of fair value under **Article 29.5**, the form of such statement to be as near as circumstances permit to that of the first sentence of that Article;
- (d) contain a statement to the effect that each of the shares in question is being offered to the offerees at the lower of the price specified in the transfer notice and (if applicable) its fair value certified in accordance with **Article 29.5**;
- (e) state the period in which the offer may be accepted, if no such certificate of fair value is requested (not being less than twenty-two days or more than forty-two days after the date of the offer notice); and
- (f) contain a statement to the effect that, if such a certificate of fair value is requested, the offer will remain open for acceptance until the expiry of a period of fourteen days commencing on the date of the notice of the certified fair value given to offerees pursuant to **Article 29.5** or until the expiry of the period referred to in **Article 29.3(e)**, whichever is the later.

For the purpose of this **Article 29** an offer shall be deemed to be accepted on the day on which the acceptance is received by the proposing transferor and may, if so specified in the acceptance, be accepted by an offeree in respect of a lesser number of shares than his full proportionate entitlement. If all the offerees do not accept the offer in respect of their respective proportionate entitlement in full, the shares not so accepted shall be used to satisfy any claims for additional shares (notified in response to the invitation referred to in **Article 29.3(b)**) as nearly as may be in proportion to the number of shares already held by the offerees claiming additional shares, provided that no offeree shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable of being offered to the offeree in proportion to their existing holdings, except by way of fractions, the same shall be offered to the offerees, or some of them, in such proportions as the directors may think fit.

- 29.4 If purchasers cannot be found for all the shares comprised in the transfer notice from amongst the offerees within the period specified in **Article 29.3(e)** or **29.3(f)** (as the case may be) the Company shall not later than 7 days after expiry of such period offer the remaining shares comprised in the transfer notice to those offerees who have accepted all of their proportionate entitlement or more. Such offer shall be made by notice in writing in (so far as appropriate) the same terms as the transfer notice described in this **Article 29.3** save that the offer must be accepted within a period of 10 days from the date of service of the notice.
- 29.5 Any offeree may, not later than forty-two days after the date of the transfer notice, serve on the proposing transferor a notice in writing requesting that the auditors or accountants (as the case may be) for the time being of the Company certify in writing the sum which in their opinion represents the fair value of each of the shares comprised in the transfer notice as at the date of the transfer notice. If the auditors or accountants (as the case may be) decline such appointment at their discretion then a person nominated by the President for the time being of the Institute of Chartered Accountants of England and Wales on the application by any offeree (the auditors or accountants or such person (as the case may be) being the **auditors**) shall be instructed to give such certificate and any following reference in these Articles to the auditors shall include any person so nominated. Forthwith upon receipt of such notice the proposing transferor and the offeree(s) who request the certificate shall instruct the auditors to certify as aforesaid and the costs of producing such certificate shall be apportioned among the proposing transferor and the

offeree(s) and borne by any one or more of them as the auditors in their absolute discretion shall decide. In certifying the fair value as aforesaid the auditors shall:

- (a) be entitled to obtain professional valuations in respect of any of the Company's assets;
- (b) be considered to be acting as experts and not as arbitrators or arbiters and accordingly any provisions of law or statute relating to arbitration shall not apply; and
- (c) value each share on the basis of the value of the Company as a going concern at the date of the transfer notice and multiplying such valuation of the Company by the fraction the numerator of which shall be the nominal value of each share comprised in the transfer notice and the denominator of which shall be the nominal value of all the shares of the Company in issue at such date and shall then apply a reasonable discount to reflect the percentage of the entire issued share capital of the Company which they represent.

Forthwith upon receipt of the certificate of the auditors, the proposing transferor shall by notice in writing inform all offeree(s) of the certified fair value of each share and of the price per share (being the lower of the price specified in the transfer notice and the certified fair value of each share) at which the shares comprised in the transfer notice are offered for sale.

- 29.6 If purchasing offeree(s) shall be found for all the shares comprised in the transfer notice within the appropriate period specified in **Article 29.3 or 29.4** (as applicable), the Company shall promptly give details of the allocation in writing to the proposing transferor and each offeree who has stated his willingness to purchase shares and within 21 days after such details are given, the persons to whom the allocation has been made shall be bound to pay the purchase price for the shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchase price, to immediately transfer the shares to the respective purchasing offeree(s).
- 29.7 If in any case the proposing transferor, after having become bound in accordance with the provisions of this **Article 29** to transfer shares, makes default in transferring any such shares the Company may receive the purchase money on his behalf and may authorise some person to execute a transfer of such shares on behalf of and as attorney and / or agent for the proposing transferor in favour of the purchasing offeree(s). The receipt by the Company for the purchase money shall be a good discharge to the purchasing offeree(s). The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the proposing transferor.
- 29.8 To the extent that the other offerees do not buy all or any of the shares in accordance with **Articles 29.3 or 29.4**, the proposing transferor shall, during the period of thirty days next following the expiry of the time so specified in **Article 29.4**, be at liberty to transfer all or any of the shares comprised in the transfer notice and which have not been sold pursuant to **Articles 29.3 or 29.4** to any person or persons provided that:
- (a) the proposing transferor has obtained the written consent of the Board (excluding, for this purpose, any shares held by the proposing transferor) to such transfer;
 - (b) the price per share obtained upon such share transfer shall in no circumstances be less than the price per share specified in the transfer notice served in accordance with **Article 29.1** or as certified in accordance with

Article 29.5 (whichever shall be the lower) and the proposing transferor shall upon request furnish such information to the directors as they shall require in relation to the price per share obtained as aforesaid.

The directors may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied, may refuse to register the instrument of transfer.

- 29.9 Any transfer or purported transfer of a share (other than (subject always to the provisions of **Article 32**) upon transmission of a share pursuant to article 27 of the Model Articles upon the death of a member or upon a person becoming entitled to a share in consequence of the bankruptcy of a member) made otherwise than in accordance with the foregoing provisions of **Articles 29.1 to 29.8** (inclusive) shall be null and void and of no effect.
- 29.10 If and when required by notice in writing by the holder or holders of (in aggregate) in excess of 25% in nominal value of the other shares in the Company so to do (the **call notice**):
- (a) a member who transfers or purports to transfer any share in the Company in breach of the foregoing provisions of these Articles, or transfers or purports to transfer any share without the transferor adhering to the Shareholders Agreement, shall be bound to give a transfer notice in respect of the shares which he has transferred or purported to transfer in breach of these Articles or the Shareholders Agreement; or
 - (b) a member who causes or permits any of the events specified in **Article 29.11** to occur shall be bound to give a transfer notice in respect of all the shares registered in the name of such member.

In the event of such member failing to serve a transfer notice pursuant to **Article 29.10(a)** or **29.10(b)** within thirty days of the date of the call notice such member shall be deemed to have given a transfer notice at the expiration of such period of thirty days and to have specified therein as the price per share the fair value of each share to be certified in accordance with **Article 29.5**. The provisions of **Articles 29.2 to 29.8** (inclusive) shall mutatis mutandis apply.

- 29.11 The events specified for the purposes of **Article 29.10(b)** are:
- (a) any direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment or transfer of shares to the effect that such shares or any of them be allotted or issued or transferred to some person other than himself;
 - (b) any sale; dealing with or other disposition of any beneficial interest in a share (whether or not for consideration or otherwise but excluding any transmission of a share to any person becoming entitled to such share in consequence of the death or bankruptcy of a member) by whomsoever made and whether or not effected by an instrument in writing save where the disposition is by service of a transfer notice in accordance with these Articles; or
 - (c) the holding of a share as a bare nominee for any person.
- 29.12 The provisions of **Articles 29.1 to 29.9** (inclusive) may be waived in any particular case if the members holding not less than 75% of the voting rights at general meetings of the Company give their consent in writing.

29.13 For the purpose of ensuring that a transfer of shares is permitted pursuant to the provisions of these Articles, or that no circumstances have arisen whereby a transfer notice may be required to be given, the directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after request, the directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a transfer notice be given in respect of the shares concerned. In any case where the directors have duly required by notice in writing a transfer notice to be given in respect of any shares and such transfer notice is not duly given within a period of thirty days from such notice such transfer notice shall be deemed to have been given at the end of the period of thirty days and such transfer notice shall be deemed to specify as the price per share the fair value of each share to be certified in accordance with **Article 29.5** and the provisions of **Articles 29.3 to 29.7** (inclusive) shall mutatis mutandis apply.

30 **Tag along**

30.1 Subject to **Article 30.2**, if the effect of any transfer of shares by a proposing transferor would, if completed, result in the transferee together with persons Acting in Concert or connected with that transferee obtaining a Controlling Interest, the proposing transferor shall procure the making, by the proposed transferee of the proposed transferor's shares, of a Come Along Offer (as defined in **Article 30.2**) to all of the other holders of shares of the Company. Every holder or recipient of such offer, on receipt of a Come Along Offer, shall be bound within 10 clear days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Come Along Offer has been made and completed the directors shall not sanction the making and registration of the relevant transfer or transfers.

30.2 The provisions of **Article 30.1** shall not apply to any transfer of shares pursuant to **Article 29** or **Article 32**.

30.3 **Come Along Offer** means an unconditional offer, open for acceptance for not less than 10 clear days, to purchase shares held by the recipients of a Come Along Offer at a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in **Article 30.1** (or any person with whom such transferee is connected with or with whom such transferee is Acting in Concert) for shares (inclusive of the shares giving rise to the obligation to make the Come Along Offer) within the period of one year prior to and on the proposed date of completion of such transfer of shares.

31 Drag along

- 31.1 If the holder(s) of 75% of the total voting rights exercisable at a general meeting of the Company (in **Articles 31.1** and **31.3**, the **Seller(s)**) wish to transfer their shares in the Company pursuant to an offer (the **Offer**) to any person (the **Buyer**), then the Seller(s) shall also have the option to require all of the other holders of shares, and any persons who become holders of shares upon exercise of any options, warrants or other rights to subscribe for shares which exist at the date of the Offer, to transfer all their shares in the Company to the Buyer, or as the Buyer directs, by giving notice (the **Drag Along Notice**) to that effect to all such other holders (the **Called Shareholders**) specifying that the Called Shareholders are, or will, in accordance with **Articles 31.1** and **31.2**, be required to transfer their shares pursuant to **Articles 31.1** and **31.2** on the same proposed date of transfer free from all liens, charges and encumbrances and the price at which such shares are proposed to be transferred (such price being the price per share offered by the Buyer to the Seller(s)).
- 31.2 If the Called Shareholders (or any of them) shall make default in transferring their shares pursuant to **Articles 31.1**, the provisions of **Article 29.7** shall apply to the transfer of such shares mutatis mutandis but the transfer price shall be the price offered for such shares as set out in **Article 31.1**.
- 31.3 Completion of the sale of the shares the subject of a Drag Along Notice shall take place on the same date as the date proposed for completion of the sale of the Seller(s) shares.

32 Compulsory transfer

- 32.1 Upon a member (**Compulsory Seller**) becoming a Leaver, such member shall be deemed to have served a transfer notice pursuant to **Article 29.2** (a **deemed transfer notice**) relating to the shares held by him immediately on the Leaving Date and the provisions of **Articles 29.2** to **29.13** (inclusive) shall mutatis mutandis apply, provided that:
- (a) the price for the shares the subject of a deemed transfer notice shall be:
 - (i) where the Compulsory Seller is an Early Leaver, a sum equal to 50% of the fair value as determined in accordance with **Article 29.5**;
 - (ii) where the Compulsory Seller is a Bad Leaver or a Bankrupt Leaver, the nominal value of such shares;
 - (iii) where the Compulsory Seller has died:
 - (A) such value as may be agreed between the personal representatives of the Compulsory Seller and the Board; or
 - (B) failing such agreement, the fair value as determined in accordance with **Article 29.5**;
 - (iv) in all other circumstances, the fair value as determined in accordance with **Article 29.5**;
 - (b) the period in which the offer may be accepted shall be not less than five days but not more than 364 days after the date on which the deemed transfer notice is deemed served, such that any deemed transfer notice shall remain open for acceptance until such time as a revised deemed transfer notice is served pursuant to **Article 29.2**.

- (c) whilst the Compulsory Seller remains a holder of shares, the deemed transfer notice shall be repeated on each annual anniversary of the Leaving Date;
 - (d) the deemed transfer notice shall not be capable of revocation;
 - (e) the shares the subject of the deemed transfer notice may not be sold to any third party pursuant to **Article 29**.
- 32.2 All voting rights attached to shares which are subject to a deemed transfer notice pursuant to **Article 32.1** shall, unless the Board (at its absolute discretion) decides otherwise, from the time they become subject to a deemed transfer notice, be suspended.
- 32.3 Any shares whose voting rights are suspended pursuant to **Article 32.2** above (**Restricted Shares**) shall confer on the holders the right to receive a notice of and attend all general meetings of the Company but shall confer no right to vote either in person or by proxy. If a 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.
- 33 **Purchase of own shares out of cash**
- In accordance with section 692(1) of the Act the Company may purchase its own shares with cash up to an amount not exceeding £15,000 or the value of 5% of its share capital (whichever is lower) in each financial year.

Part 4: Decision making by shareholders

Voting

34 Poll votes

- 34.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 34.2 A demand withdrawn in accordance with Article 44(3) if the Model Articles shall not invalidate the result of a show of hands declared before the demand was made.

35 Proxies

- 35.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

- 35.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Article.

Administrative arrangements

36 Resolution of deadlock

36.1 The provisions of this **Article 36** shall apply in any case where:

- (a) a matter relating to the affairs of the Company has been considered by a meeting of the directors; and
- (b) no resolution has been carried at such meeting of the directors in relation to the matter by reason of an equality of votes for and against any proposal for dealing with it or by reason of a director voting against it; and
- (c) such matter is not resolved within fourteen working days from the date of such meeting as a result of any intervention by the members.

Any such case is hereinafter referred to as a **deadlock**.

36.2 In any case of deadlock each of the members shall, within seven working days of such deadlock having arisen or become apparent, in his capacity as a director/cause his appointee or appointees on the board of directors to prepare and circulate to the other member(s) entitled to vote at a general meeting of the Company and other director(s) a memorandum or other form of statement setting out his position on the matter in dispute and his reasons for adopting such position. Each such memorandum or statement shall be considered by the members who shall respectively use their reasonable endeavours to resolve such dispute. If a majority of the members agree upon a resolution or disposition of the dispute, they shall jointly execute a statement setting forth the terms of such resolution or disposition and the members shall exercise the voting rights and other powers of control available to them in relation to the Company to procure that such resolution or disposition is fully and promptly carried into effect.

36.3 In the event that the dispute and deadlock remains unresolved for ninety days after the deadlock has arisen the members shall thereafter procure that their appointees on the board of directors shall, at the earliest practicable dates:

- (a) make or concur in the making of a statutory declaration in the terms mentioned in section 89 of the Insolvency Act 1986 (if the state of the Company's affairs admits the making of such a declaration);
- (b) convene a general meeting of the Company to consider:
 - (i) the matter from which the deadlock arose; and
 - (ii) the passing of a special resolution to place the Company in members' voluntary liquidation (if such a declaration as is mentioned in **Article 36.3(a)** has been made) or (in any other case) in creditors' voluntary liquidation,

such meeting or meetings to be held within five weeks of being convened; and

- (c) where the state of the Company's affairs does not admit of the making of such a declaration as is mentioned in **Article 36.3(a)**, convene a meeting of the Company's creditors in accordance with section 98 of the Insolvency Act 1986.

- 36.4 If, at the general meeting referred to in **Article 36.3(b)**, no resolution is carried in relation to the matter from which the deadlock arose, the members shall vote in favour of the special resolution for winding up the Company.
- 36.5 In no circumstances shall any member create an artificial deadlock with a view to the Company being placed in liquidation. For the purposes of this **Article 36**, an **artificial deadlock** shall be a deadlock caused by any member, or his appointee(s) on the board of directors, voting against an issue or proposal in any case where the passage or approval of the same is required to enable the Company to carry on its business properly and efficiently.

37 **Means of communication to be used**

- 37.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this **Article 37**, no account shall be taken of any part of a day that is not a working day.

- 37.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

38 **Indemnity**

- 38.1 Subject to **Article 38.2**, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment 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, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in **Article 38.1(a)** and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 38.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 38.3 In this **Article 38**:
 - (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - (b) a **relevant officer** means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).
- 39 **Insurance**
- 39.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 39.2 In this article:
 - (a) a **relevant officer** means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
 - (b) a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
 - (c) companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate.
- 40 **B CORP**
- 40.1 The objects of the Company are to promote the success of the Company:
 - (a) for the benefit of its members as a whole; and
 - (b) through its business and operations, to have a material positive impact on (a) society and (b) the environment,

taken as a whole.
- 40.2 A director must act in the way he or she considers, in good faith, most likely to promote the success of the Company in achieving the objects set out in **Article 40.1** above, and in doing so shall have regard (amongst other matters) to:
 - (a) the likely consequences of any decision of the directors in the long term and the impact any such decision may have on any affected stakeholders,

- (b) the interests of the Company's employees,
- (c) the need to foster the Company's business relationships with suppliers, customers and others,
- (d) the impact of the Company's operations on the community and the environment and on affected stakeholders,
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct and the impact this has on affected stakeholders, and
- (f) the need to act fairly as between members of the Company,

(together, the matters referred to above shall be defined for the purposes of this Article as "**Stakeholder Interests**" and each a "**Stakeholder Interest**").

- 40.2 For the purposes of a director's duty to act in the way he or she considers, in good faith, most likely to promote the success of the Company, a director shall not be required to regard the benefit of any particular Stakeholder Interest or group of Stakeholders Interests as more important than any other.
- 40.3 Nothing in this Article express or implied, is intended to or shall create or grant any right or any cause of action to, by or for any person (other than the Company).
- 40.4 The directors of the Company shall, for the financial year of the Company, prepare and circulate to its members an impact report. The impact report shall contain a balanced and comprehensive analysis of the impact the Company's business has had, in a manner proportionate to the size and complexity of the business. The impact report shall contain such detail as is necessary to enable the members to have an understanding of the way in which the Company has promoted its success for the benefit of its members as a whole and, through its business and operations, sought to have a material positive impact on society and the environment, taken as a whole. If the Company is also required to prepare a strategic report under the Companies Act 2006, the Company may choose to publish the impact report as part of its strategic report and in accordance with the requirement applying to the strategic report.