

**Company No. 03856670**

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**ARTICLES OF ASSOCIATION OF SIGNALS LIMITED**

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**A private company limited by shares**

**Incorporated on 11 October 1999**

**Adopted by special resolution passed on 24 September 2021**

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# THE COMPANIES ACT 2006

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## PRIVATE COMPANY LIMITED BY SHARES

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### ARTICLES OF ASSOCIATION OF BATTERIES 4 U LIMITED (the Company)

Adopted by special resolution passed on 24 September 2021

#### INTRODUCTION

##### 1. PRELIMINARY

- 1.1 The model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 in force on the date of adoption of these Articles (**Model Articles**) apply to the Company except insofar as they are excluded or varied by these Articles.

##### 2. DEFINITIONS AND INTERPRETATION

- 2.1 The following definitions apply in these Articles:

<b>appointor</b>	has the meaning given in Article 10.1
<b>Articles</b>	these articles of association as amended, supplemented, varied or replaced from time to time
<b>Accountants</b>	the accountants of the Company for the time being
<b>Bankruptcy Event</b>	a bankruptcy order made against a Shareholder or an arrangement or composition being made with his creditors
<b>Board</b>	the board of directors from time to time of the Company

<b>Business Day</b>	any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business
<b>CA 2006</b>	the Companies Act 2006
<b>Deemed Sale Notice</b>	has the meaning given to it in Article 16.2
<b>eligible director</b>	a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter)
<b>Fair Value</b>	the amount agreed between the Board (with Majority Consent) and the Seller or, in the absence of agreement within 12 Business Days of the date of receipt by the Company of the Deemed Sale Notice, as may be determined by the Accountants in accordance with Article 17
<b>Family Member</b>	the wife or husband or civil partner (or widow or widower or surviving civil partner), children and grandchildren (including step and adopted children and grandchildren) of a holder
<b>Family Trust</b>	in relation to a Shareholder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Shareholder or any of his Family Members and under which no power of control over the voting powers conferred by any such Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Shareholder or any of his Family Members
<b>Majority Consent</b>	written consent of those Shareholders for the time being holding not less than 75 per cent by nominal value of all Shares held by Shareholders
<b>Offer Notice</b>	as the context requires, has the meaning given to it in Article 15.6 or Article 16.6

<b>Offer Period</b>	as the context requires, has the meaning given to it in Article 15.7 or Article 16.7
<b>Sale Notice</b>	has the meaning given to it in Article 15.2
<b>Sale Shares</b>	as the context requires, has the meaning given to it in Article 15.2.1 or 16.2
<b>Seller</b>	any Shareholder who wishes, or is required, to transfer any Share to a person to whom Article 14 does not apply
<b>Shareholder</b>	all those persons who are holders of Shares (excluding the Company)
<b>Shareholders' Agreement</b>	the shareholders' agreement dated 24 September 2021 made between the Company and the Shareholders as the same may be amended, supplemented or replaced from time to time
<b>Shares</b>	the ordinary shares of £1.00 each in the Company from time to time.

- 2.2 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 CA 2006 shall have the same meanings in these Articles.
- 2.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 2.4 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as modified, replaced, extended, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision.
- 2.5 The terms **including**, **include**, **in particular** or any similar expression will not limit the sense or application of any words preceding those terms.
- 2.6 A reference to a **subsidiary** means a subsidiary as defined in Section 1159 CA 2006.
- 2.7 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17, 22, 26(5), 44(2), 52 and 53 of the Model Articles shall not apply to the company.

- 2.8 Article 7 of the Model Articles shall be amended by:
- 2.8.1 the insertion of the words **for the time being** at the end of Article 7(2)(a);  
and
  - 2.8.2 the insertion in Article 7(2) of the words **(for so long as he remains the sole director)** after the words **and the director may**.
- 2.9 Article 20 of the Model Articles shall be amended by the insertion of the words **(including alternate directors) and the secretary** before the words **properly incur**.
- 2.10 Article 29 of the Model Articles shall be amended by the insertion of the words **, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 28(2) of the Model Articles**, after the words **the transmittee's name**.

## **DIRECTORS**

### **3. UNANIMOUS DECISIONS**

- 3.1 A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 3.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 3.3 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

### **4. CALLING A DIRECTORS' MEETING**

- 4.1 Any director may call a directors' meeting by giving not less than 4 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.

### **5. QUORUM FOR DIRECTORS' MEETINGS**

- 5.1 Subject to Article 5.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 5.2 For the purposes of any meeting (or part of a meeting) held pursuant to section 175(4)(b) CA 2006 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.

5.3 If within 15 minutes of the date and time set for a meeting of the directors a quorum is not present, those directors shall have the option to either:

5.3.1 dissolve the meeting; or

5.3.2 adjourn the meeting for a date and time not less than 7 days after the date of the inquorate meeting in which case, provided all directors have been given valid notice of the date and timing of the adjourned meeting, those directors present at the adjourned meeting shall constitute a quorum.

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:

5.4.1 to appoint further directors; or

5.4.2 to call a general meeting so as to enable the shareholders to appoint further directors

## **6. CASTING VOTE**

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 will not have a casting vote.

## **7. DIRECTORS' INTERESTS**

7.1 Subject to these Articles and CA 2006, and provided he has disclosed to the directors the nature and extent of any interest of his, a director:

7.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

7.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

7.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

7.1.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;

7.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and

7.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 CA 2006) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 CA 2006.

## **8. RECORDS OF DECISIONS TO BE KEPT**

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

## **9. NUMBER OF DIRECTORS**

9.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not exceed four but shall not be less than two.

9.2 Shield Batteries Limited shall, for so long as Shield Batteries Limited, David Butterfield and Neil Butterfield together hold not less than 50% of the issued Shares in the Company, from time to time have the right to appoint, by notice in writing addressed to the Company, and to maintain in office, two persons as directors and to remove any such directors and to appoint their replacements.

9.3 Stephen Heaton shall, for so long as he holds not less than 15% of the issued Shares in the Company, from time to time have the right to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a director and to remove any such director and to appoint a replacement.

9.4 Any other Shareholder holding not less than 15% of the issued Shares in the Company shall from time to time have the right to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a director and to remove any such director and to appoint a replacement.

9.5 Any appointment or removal of a director made in accordance with Articles 9.2 to 9.4 (inclusive) shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Board or, if later, the date (if any) specified in such notice



10. **APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

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

10.1.1 exercise that director's powers; and

10.1.2 carry out that director's responsibilities,

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

10.2 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.

10.3 The notice must:

10.3.1 identify the proposed alternate; and

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

11. **RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

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

11.2 Except as the Articles specify otherwise, alternate directors:

11.2.1 are deemed for all purposes to be directors;

11.2.2 are liable for their own acts and omissions;

11.2.3 are subject to the same restrictions as their appointors; and

11.2.4 are not deemed to be agents of or for their appointors

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

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

- 11.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
  - 11.3.2 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
  - 11.3.3 shall not be counted as more than one director for the purposes of this Article 11.3.
- 11.4 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.
- 11.5 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 alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

## **12. TERMINATION OF ALTERNATE DIRECTORSHIP**

- 12.1 An alternate director's appointment as an alternate terminates:
  - 12.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
  - 12.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
  - 12.1.3 on the death of the alternate's appointor; or
  - 12.1.4 when the alternate's appointor's appointment as a director terminates.

## **TRANSFER OF SHARES**

### **13. GENERAL**

The directors of the Company shall only refuse to register a transfer if it is made in contravention of the Articles and/or the Shareholders' Agreement, is a transfer which they suspect to be fraudulent or where the directors are otherwise authorised by these Articles to refuse to register the transfer. If the directors do refuse to register a

transfer of Shares, they must, as soon as practicable and in any event within two months after the date on which the relevant transfer form was lodged with the Company, return the transfer form to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

#### **14. PERMITTED TRANSFERS**

##### **14.1 Permitted transfers by all Shareholders**

14.1.1 Any Shareholder may at any time transfer any Shares, in accordance with the provisions of CA 2006, to the Company.

14.1.2 Any Shareholder may at any time transfer all or any of his Shares to any other person with the prior written consent of all other Shareholders.

##### **14.2 Permitted family transfers**

14.2.1 Subject to Articles 14.2.2 to 14.2.6 inclusive, any Shareholder may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board (with Majority Consent) acting in good faith to be:

14.2.1.1 a Family Member of his; or

14.2.1.2 trustees to be held under a Family Trust in relation to that individual.

14.2.2 Subject to Article 14.2.4, no Shares shall be transferred under Article 14.2.1 by an individual who previously acquired those Shares by way of transfer under Article 14.2.1 save to another individual who is a Family Member of the original holder of such Shares or to trustees to be held under a Family Trust in relation to the original holder of such Shares.

14.2.3 No transfer of Shares shall be made by a holder under Article 14.2.1 if the proposed transfer will result in 50 per cent or more by nominal value of the Shares originally held by the Shareholder being held by that Shareholder's Family Trust and Family Members.

14.2.4 Where Shares are held by trustees under a Family Trust:

14.2.4.1 those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved by Majority Consent; and

14.2.4.2 those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that

settlor could have transferred them under Article 14.2.1 if he had remained the Shareholder in relation to them.

14.2.5 If any person has acquired Shares as a Family Member of a Shareholder by way of one or more transfers permitted under this Article 14.2 and:

14.2.5.1 that person dies or ceases to be a Family Member of that Shareholder; or

14.2.5.2 that person suffers a Bankruptcy Event,

then that person (or, where applicable, his personal representatives or trustee in bankruptcy) shall forthwith transfer all the Shares then held by that person back to that Shareholder, for such consideration as they agree, within 15 Business Days of the cessation, or, failing such transfer within that period, shall be treated as having given a Deemed Sale Notice in respect of all the Shares then held by that person pursuant to Article 16 (Compulsory Transfer).

14.2.6 If where the personal representatives of a deceased Shareholder are permitted to transfer Shares pursuant to Article 16.12 then those Shares may be transferred by those personal representatives to any person to whom the deceased holder could have transferred such Shares under this Article 14.2 if he had remained the Shareholder of them.

#### 14.3 **Other permitted transfers**

14.3.1 Where Shield Batteries Limited (company number 01114834) (**SBL**) holds any Shares, and Neil Butterfield and/or David Butterfield continue to hold shares in SBL, SBL may, at any time transfer any of its Shares in the Company to either Neil Butterfield and/or David Butterfield without restriction, and the Board shall approve any such transfer(s).

#### 15. **VOLUNTARY TRANSFERS**

15.1 Except as permitted under Article 14 (Permitted Transfers) or Article 16 (Compulsory Transfers) no transfer of Shares can take place without prior written consent of all Shareholders.

15.2 Subject to Article 15.1 above, any Seller, who wishes to transfer Shares in accordance with this Article 15 and has obtained written consent of all Shareholders in relation to any such transfer, shall give notice in writing (the **Sale Notice**) to the Company of his wish specifying:

15.2.1 the number of Shares which he wishes to transfer (the **Sale Shares**); and

- 15.2.2 the name of any third party to whom he proposes to sell or transfer the Sale Shares.
- 15.3 The Seller may state in the Sale Notice that he is only willing to transfer all the Sale Shares in which case no Sale Shares can be sold unless offers are received for all of them.
- 15.4 The price at which the Sale Shares shall be transferred pursuant to the Sale Notice (the **Sale Price**) shall be their Fair Value.
- 15.5 The Sale Notice shall constitute the Company the agent of the Seller for the sale of the Sale Shares upon the following terms:
- 15.5.1 the price for the Sale Shares is the Sale Price; and
- 15.5.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 15.6 Within five Business Days of the receipt by the Company of a Sale Notice (or, if later, within five Business Days of the date of determination of Fair Value pursuant to Article 19), the Company shall offer the Sale Shares comprised in the Sale Notice to persons in the following priority (the **Offer Notice**):
- 15.6.1 To the Company; and subject thereto
- 15.6.2 To the Shareholders (other than the Seller) pro rata to their respective holdings of Shares;
- and any person to whom the Sale Shares are offered will be at liberty to accept some or all of the Shares so offered.
- 15.7 Every Offer Notice shall be made in writing and shall remain open for acceptance for the period (the **Offer Period**) expiring 15 Business Days after the date on which the offer is made.
- 15.8 In the event that a Shareholder declines to accept all of the Sale Shares offered to him such Sale Shares shall be re-offered in like manner and upon the same terms to those Shareholders who accepted all the Sale Shares previously offered to them and such re-offering shall be repeated until such time as all the Sale Shares have been accepted or until the Shareholders shall have declined to accept any more of them. In such event, any remaining Sale Shares may, if the Board elects, be purchased by the Company. For the avoidance of doubt, every further offer of Shares pursuant to this Article 15.8 shall be deemed to extend the Offer Period by a further 5 Business Days.

- 15.9 If the Company shall during the Offer Period find a Shareholder or Shareholders willing to purchase any of the Sale Shares comprised in a Sale Notice or if the Company itself wishes to purchase any of the Sale Shares (all such persons called the **Purchasers**), the Company shall give written notice to the Seller of the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by such Purchaser, whereupon the Seller shall be bound, upon payment of the Sale Price, to transfer to the Purchasers the Sale Shares agreed to be purchased by them respectively.
- 15.10 Except in the case of a purchase by the Company, the sale and purchase shall be completed at a place and time (being not less than 5 Business Days nor more than 10 Business Days after the expiry of the Offer Period) to be appointed by the Directors. In the case of a purchase by the Company, such purchase shall be completed not more than 10 Business Days after the requirements of Chapter 4 of Part 18 CA 2006 (Purchase of own shares) have been complied with and the Shareholders hereby undertake that they will exercise their votes so that (as far as they can) the requirements of CA 2006 are complied with.
- 15.11 If the Seller makes default in transferring the Sale Shares the Board are irrevocably authorised to appoint any person they nominate as agent or attorney on behalf of the Seller to transfer the Sale Shares on the Seller's behalf and to do anything else that the other Shareholders may reasonably require to complete the sale and the Company may receive the purchase price on trust for the Seller (without any obligation to pay interest) giving a receipt that shall discharge the other Shareholders.
- 15.12 In the event of all the Sale Shares not being sold under the preceding paragraphs of this Article 14.3 the Seller may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer all the Sale Shares (if Article 15.3 does apply) or any Sale Shares which have not been sold (if Article 15.3 does not apply) to any person or persons at any price not less than the Sale Price provided that:
- 15.12.1 the Board shall be entitled to refuse registration of the proposed transferee if he is, or is believed to be a nominee for a person reasonably considered by the Board to be, a competitor or connected with a competitor of the business of the Company;
- 15.12.2 if the provisions of Article 15.3 applied to the Sale Notice, the Seller shall not be entitled, save with the written consent of all the other Shareholders, to sell hereunder only some of the Sale Shares comprised in the Sale Notice to such person or persons; and
- 15.12.3 any such sale shall be a bona fide sale and the Board may request such information as it reasonably deems necessary to satisfy itself that the

Sale Shares are being sold in pursuance of a bona fide sale for not less than the Sale Price without any deduction, rebate or allowance whatsoever to the Buyer and, if not so satisfied, may refuse to register the instrument of transfer.

16. **COMPULSORY TRANSFERS**

16.1 In this Article 16 a **Sale Event** means in relation to a Shareholder:

- 16.1.1 subject to Article 14.2.5, a Bankruptcy Event;
- 16.1.2 subject to Article 14.2.5, the death of a Shareholder;
- 16.1.3 a Shareholder attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles;
- 16.1.4 a Shareholder failing to make a transfer of Shares required by Article 14.2.5;
- 16.1.5 a Shareholder committing a material or persistent breach of any obligation under the Shareholders' Agreement and, where capable of remedy, fails to remedy within 30 Business Days of notice to remedy the breach being served by all the other Shareholders; or
- 16.1.6 a Shareholder committing a breach of any restrictive covenant given in favour of the Company.

16.2 Upon the happening of any Sale Event, the Shareholder in question (and any other Shareholder who has acquired Shares from him under a permitted transfer under Article 14.2) shall be deemed to have immediately given notice to the Company (a **Deemed Sale Notice**) in respect of all the Shares then held by him (the **Sale Shares**). A Deemed Sale Notice shall supersede and cancel any then current Sale Notice insofar as it relates to the same Shares except for Shares which have already been validly transferred pursuant to that Sale Notice. For the purposes of this Article 16.2 **Shareholder** will include, where relevant, any trustee in bankruptcy or personal representative(s) of a Shareholder.

16.3 A Deemed Sale Notice shall be deemed to have given on the date of the relevant Sale Event.

16.4 The price at which the Sale Shares shall be transferred pursuant to the Deemed Sale Notice (the **Compulsory Sale Price**) shall be their Fair Value.

16.5 The Company shall be constituted as the agent of the Seller with effect from the date of the Deemed Sale Notice for the sale of the Sale Shares upon the following terms:

- 16.5.1 the price for each Sale Share is the Compulsory Sale Price; and
- 16.5.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 16.6 Within 15 Business Days of the receipt by the Company of a Deemed Sale Notice (or, if later, within 15 Business Days of the date of determination of Fair Value pursuant to Article 17) the Company shall offer the Sale Shares comprised in the Sale Notice to the persons in the following priority (the **Offer Notice**):
  - 16.6.1 to the Company; and subject thereto
  - 16.6.2 to the Shareholders (other than the Seller) pro rata to their respective holdings of Shares;and any person to whom the Sale Shares are offered will be at liberty to accept some or all of the Shares so offered.
- 16.7 Every Offer Notice shall be made in writing and shall remain open for acceptance for the period (the **Offer Period**) expiring 15 Business Days after the date on which the offer is made.
- 16.8 In the event that a Shareholder declines to accept all of the Shares offered to him such Shares shall be re-offered in like manner and upon the same terms to those Shareholders who accepted all the Shares previously offered to them and such re-offering shall be repeated until such time as all the Shares have been accepted or until the Shareholders shall have declined to accept any more of them. In such event, any remaining Sale Shares may, if the Board elects, be purchased by the Company. For the avoidance of doubt, every further offer of Shares pursuant to this Article 16.8 shall be deemed to extend the Offer Period by a further 5 Business Days.
- 16.9 Within three Business Days of the expiry of the Offer Period the Board will give notice to the Seller and each Shareholder who has agreed to purchase some or all of the Sale Shares and those purchases are to be completed in the time frames set out at Article 16.10.
- 16.10 Except in the case of a purchase by the Company, the sale and purchase shall be completed at a place and time (being not less than 5 Business Days nor more than 10 Business Days after the expiry of the Offer Period or, in the case of death, within the same period following grant of probate or letters of administration) to be appointed by the Directors. In the case of a purchase by the Company, such purchase shall be completed not more than 10 Business Days after the requirements of Chapter 4 of Part 18 CA 2006 (Purchase of own shares) have been complied with and the Shareholders hereby undertake that they will exercise their votes so that (as far as they can) the requirements of CA 2006 are complied with.



- 16.11 If the Seller makes default in transferring the Sale Shares the Board are irrevocably authorised to appoint any person they nominate as agent or attorney on behalf of the Seller to transfer the Sale Shares on the Seller's behalf and to do anything else that the other Shareholders may reasonably require to complete the sale and the Company may receive the purchase price on trust for the Seller (without any obligation to pay interest) giving a receipt that shall discharge the other Shareholders.
- 16.12 If purchasers cannot be found for all of the Sale Shares the Seller does not have the right to sell the Sale Shares to a third party but shall be entitled to retain those Sale Shares provided that:
- 16.12.1 with the exception of the personal representatives of a deceased Seller who may transfer the Sale Shares pursuant to the restrictions of Article 14.2.6, the Seller shall not be entitled to transfer any of the Sale Shares pursuant to the permitted and voluntary transfer provisions at Articles 14 and 14.3; and
- 16.12.2 at any time thereafter the Board shall be able to determine that the Deemed Sale Notice shall be deemed to have been served again.

## **17. VALUATION OF SHARES**

- 17.1 In the event that the Accountants are required to determine the price at which Shares are to be transferred pursuant to these Articles, the Company shall engage and instruct the Accountants (which instructions shall be made as soon as practicable following the time it becomes apparent that a valuation is required), to give their written opinion as to the price which represents a fair value for such Shares as between a willing seller and a willing buyer as at the date the Sale Notice is given or, in the case of a Deemed Sale Notice, on the date of the relevant Sale Event.
- 17.2 In making such determination, the Accountants shall not take any account of whether the relevant Shares comprise a majority or a minority interest in the Company nor the fact that transferability of such Shares is restricted by these Articles.
- 17.3 In the event that the Accountants decline to accept an instruction to provide a valuation pursuant to this Article 17, then the price will be determined by a person agreed upon by the Seller and the Board or, failing agreement, within 10 days of the service of the Sale Notice or Deemed Sale Notice then a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of the Board to be appointed to determine the valuation and confirm the same to the Company in writing. Any reference in these Articles to the Accountants shall include such person so agreed or nominated.

## **SHARES**

18. **PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

- 18.1 The Company's directors shall not, save with prior written consent of all Shareholders, exercise any power to allot equity securities or to grant rights to subscribe for, or to convert any security into, any equity securities.
- 18.2 In accordance with section 567(1) of the CA 2006, sections 561 and 562 of the CA 2006 shall not apply to an allotment of equity securities (as defined in section 560(1) of the CA 2006) made by the Company.
- 18.3 Unless otherwise agreed by all Shareholders, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all Shareholders on the same terms, and at the same price, as those equity securities are being offered to such other person on a pari passu basis and pro rata to the nominal value of Shares held by those Shareholders (as nearly as possible without involving fractions).
- 18.4 The offer made under Article 18.3 (**Offer**):
- 18.4.1 shall be in writing, shall be open for acceptance for a period of ten days from the date of the Offer and shall give details of the number and subscription price of the relevant equity securities; and
- 18.4.2 may stipulate that any Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance state for the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.
- 18.5 Any equity securities not accepted by the Shareholders pursuant to the Offer made to them in accordance with Articles 18.3 and 18.4 shall be used for satisfying any requests for Article 18.4.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants as nearly as practicable in the proportion that the number of Excess Securities each Shareholder indicated he would accept bears to the total number of Excess Securities applied for (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the Board may determine, at the same price and on the same terms as the Offer to the Shareholders.

19. **PURCHASE OF OWN SHARES**

- 19.1 Subject to the CA 2006 and without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18

CA 2006, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

19.1.1 £15,000; and

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

## **DECISION MAKING BY SHAREHOLDERS**

### **20. POLL VOTES**

20.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 CA 2006) present and entitled to vote at the meeting.

20.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Article.

### **21. PROXIES**

21.1 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".

21.2 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**

### **22. INDEMNITY**

22.1 Subject to Article 22.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

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

22.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) CA 2006),

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

22.1.2 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 22.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

22.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of CA 2006 or by any other provision of law.

22.3 In this Article:

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

22.3.2 a **relevant officer** means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) CA 2006), 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).

## 23. **INSURANCE**

23.1 The Board 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.

23.2 In this Article:

23.2.1 a **relevant officer** means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as

defined by section 235(6) CA 2006), 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);

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

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