

Company Number: 04239397



THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
ARTHURS SKIPS LIMITED
(the “Company”)

(adopted by a Special Resolution passed on *04 May* 2023)

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

“A1 Shares”	means the A1 ordinary shares of £0.50 each in the capital of the Company;
“A2 Shares”	means the A2 ordinary shares of £0.50 each in the capital of the Company;
“Act”	means the Companies Act 2006;
“appointor”	has the meaning given in article 12.1;
“Articles”	means the Company's articles of association for the time being in force;
“B1 Shares”	means the B1 ordinary shares of £0.50 each in the capital of the Company;
“B2 Shares”	means the B2 ordinary shares of £0.50 each in the capital of the Company;
“Board”	means the board of directors 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;
“C1 Shares”	means the C1 ordinary shares of £0.50 each in the capital of the Company;
“C2 Shares”	means the C2 ordinary shares of £0.50 each in the capital of the Company;

“Conflict”	has the meaning given in article 8.1;
“eligible director”	means 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);
“Excess Securities”	has the meaning given in article 15.2.2;
“Fair Value”	in relation to shares, as determined in accordance with article 17;
“Financial Year”	means such accounting reference period of the company as determined from time to time in accordance with Chapter 3 of Part 13 of the Act;
“Model Articles”	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (<i>SI 2008/3229</i>) as amended prior to the date of adoption of these Articles;
“Property”	means: <ol style="list-style-type: none"> 1. Land on the north side of Neepsend Lane, Sheffield registered at the land registry under title number SYK432593; 2. Land on the north side of Neepsend Lane, Sheffield registered at the land registry under title number SYK615929; and 3. Land on the west side of Parkwood Road, Sheffield registered at the land registry under title number SYK634513.
“Shares”	means the A1 Shares, the A2 Shares, the B1 Shares, the B2 Shares, the C1 Shares and the C2 Shares.

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:

1.5.1 any subordinate legislation from time to time made under it; and

1.5.2 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 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 21, 24(2)(c), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 of the Model Articles shall be amended by:
 - 1.9.1 the insertion of the words "for the time being" at the end of article 7(2)(a);
 - 1.9.2 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", and;
 - 1.9.3 the insertion of the words at the end of article 7(2) "A sole director shall be entitled to exercise all powers and discretions conferred on the directors by the Act or the articles and nothing in these articles is to be construed as requiring the Company to have more than one director."
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.11 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.13 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)," after the words "the transmittee's name".
- 1.14 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

SHARES

2. CLASS RIGHTS AND DISTRIBUTIONS

- 2.1 Except as otherwise provided in these Articles, the Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 2.2 The profits of the company available for distribution in relation to any Financial Year shall be applied if and to the extent that the Board shall resolve, in paying to the holders of the Shares such dividends on each class of shares as the Board shall resolve (subject to the provisions of article 2.3), provided that there shall be no obligation to pay equal dividends to the holders of each class of shares or to pay dividends to all classes of shares if dividends are declared in favour of any one or more class of shares.

- 2.3 In the event of a distribution of any property of the Company whether in specie, in kind or on any other basis among the members of the Company whether by way of the satisfaction (in whole or in part) of the payment of a dividend or on a return of assets on a liquidation the holders of the Shares shall be entitled to the following only:

	Class of shares	Entitlement on a distribution
(A)	A1 Shares, B1 Shares and C1 Shares (together as if the same constituted one class)	The Company's interest (directly or indirectly) in the Property.
(B)	A2 Shares, B2 Shares and C2 Shares (together as if the same constituted one class)	All property and assets of the Company to which the holders of the A1 Shares, B1 Shares and C1 Shares are not expressly entitled under article 2.3(A) above.

such entitlement being divided among the members of the relevant class in proportion to the respective numbers of shares of the relevant class that such members hold when the distribution is made.

- 2.4 Only an alteration of these Articles that specifically varies or modifies the rights of the class of shares in question shall be deemed to constitute a variation or modification of the rights attaching to the class of shares in question.

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 notice of the meeting 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, or, where there is only one director in office for the time being, that director shall form a quorum.

5.2 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:

5.2.1 to appoint further directors; or

5.2.2 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 has a casting vote.

6.2 Article 6.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

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 contract or proposed contract 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 contract or proposed contract 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 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

8. DIRECTORS' CONFLICTS OF INTEREST

- 8.1 Subject to the provisions of the Act and provided that he has disclosed to the other directors the nature and extent of any material interest of his, a director may, notwithstanding his office or that, without the authorisation conferred by this article 8.1, he would or might be in breach of his duty under the Act to avoid conflicts of interest, be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any undertaking in the same group as the Company, or promoted by the Company or by any undertaking in the same group as the Company, or in which the Company or any undertaking in the same group as the Company is otherwise interested.
- 8.2 No director shall:
- 8.2.1 by reason of his office, be accountable to the Company for any benefit which he derives from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under article 8.1 (and no such benefit shall constitute a breach of the duty under the Act not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit);
 - 8.2.2 be in breach of his duties as a director by reason only of his excluding himself from the receipt of information, or from participation in decision-making or discussion (whether at meetings of the directors or otherwise), that will or may relate to any office, employment, transaction, arrangement or interest that is authorised under article 8.1; or
 - 8.2.3 be required to disclose to the Company, or use in relation to the company's affairs, any confidential information obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised under article 8.1 if his doing so would result in a breach of a duty or an obligation of confidence owed by him in that connection.
- 8.3 A general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 8.4 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest ("Conflict").
- 8.5 Any authorisation under article 8.4 will be effective only if:
- 8.5.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;

- 8.5.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 8.5.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 8.6 Any authorisation of a Conflict under article 8.4 may (whether at the time of giving the authorisation or subsequently):
 - 8.6.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 8.6.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 8.6.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 8.6.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 8.6.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 8.6.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 8.7 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 8.8 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 8.9 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 8.10 The provisions of articles 8.4 to 8.9 shall not apply to a conflict of interest which arises in relation to an existing or proposed transaction or arrangement with the Company but the following provisions of this article 8.10 and article 8.11 shall so apply. Any director

may be interested in an existing or proposed transaction or arrangement with the Company provided that he complies with the Act.

- 8.11 Without prejudice to the obligation of each director to declare an interest in accordance with the Act, a director may vote at a meeting of the board of directors or of a committee of the board of directors on any resolution concerning a matter in which he has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company, or in relation to which he has a duty. Having so declared any such interest or duty he may have, the director shall be counted in the quorum present when any such resolution is under consideration and if he votes on such resolution his vote shall be counted.

9. **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.

10. **NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum, and shall be a minimum of one.

11. **APPOINTMENT OF DIRECTORS**

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

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

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

- 12.1.1 exercise that director's powers; and
- 12.1.2 carry out that director's responsibilities,

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

- 12.2 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.

- 12.3 The notice must:

- 12.3.1 identify the proposed alternate; and
- 12.3.2 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.

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

13.1 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.

13.2 Except as the Articles specify otherwise, alternate directors:

13.2.1 are deemed for all purposes to be directors;

13.2.2 are liable for their own acts and omissions;

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

13.2.4 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.

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

13.3.1 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);

13.3.2 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

13.3.3 shall not be counted as more than one director for the purposes of articles 13.3.1 and 13.3.2.

13.4 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).

13.5 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.

14. **TERMINATION OF ALTERNATE DIRECTORSHIP**

14.1 An alternate director's appointment as an alternate terminates:

14.1.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

14.1.2 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;

14.1.3 on the death of the alternate's appointor; or

14.1.4 when the alternate's appointor's appointment as a director terminates.

15. **FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

15.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

15.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any equity securities (other than any equity securities to be held under an employees' share scheme), those equity securities shall not be allotted to any person unless the Company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:

15.2.1 shall be in writing, shall be open for acceptance for a period of fifteen Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and

15.2.2 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 the number of excess equity securities ("**Excess Securities**") for which he wishes to subscribe.

15.3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 15.2 shall be used for satisfying any requests for Excess Securities made pursuant to article 15.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with article 15.2 (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 directors may determine, at the same price and on the same terms as the offer to the shareholders.

15.4 Subject to articles 15.2 and 15.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

16. **PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

16.1 In this article 16, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

16.2 Any transfer of shares by a shareholder shall be subject to the pre-emption rights in this article 16.

- 16.3 A shareholder (**Seller**) wishing to transfer its shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:
- 16.3.1 the number of Sale Shares;
 - 16.3.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
 - 16.3.3 the price (in cash) at which the Seller wishes to sell the Sale Shares; and
 - 16.3.4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**).
- 16.4 Once given (or deemed to have been given) under these articles, a Transfer Notice may not be withdrawn.
- 16.5 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 16.6 the transfer price for each Sale Share the subject of a Transfer Notice (**Transfer Price**) shall be the price per Sale Share (in cash) agreed between the Seller and directors or, in default of agreement within ten Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 17.
- 16.7 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 16.8 The Board shall offer the Sale Shares to all shareholders other than the Seller (the **Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 16.9 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 16.10 to article 16.12 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 16.10 If:
- 16.10.1 at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which the Continuing Shareholder's existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be

made to a Continuing Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy.

- 16.10.2 not all Sale Shares are allocated following allocations in accordance with article 16.10.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 16.10.1. The procedure set out in this article 16.10.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
 - 16.10.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Surplus Shares**) shall be dealt with in accordance with article 16.11.
- 16.11 At the end of the First Offer Period, the Board shall offer the Surplus Shares (if any) to the Company (subject to compliance with the provisions of Part 18 of the Companies Act 2006) which will be entitled to acquire the Surplus Shares at the Transfer Price (the **Company Offer**). The Company Offer will be open for a period of 20 Business Days and may be exercised by the Company giving written notice to the Seller stating how many of the Surplus Shares that it will purchase (the **Company Offer Acceptance Notice**).
- 16.12 The Company Offer Acceptance Notice shall specify the amount payable by the Company for the Sale Shares which are included in the Company Offer Acceptance Notice, being the aggregate of the Transfer Price for each Sale Share included in the Company Offer Acceptance Notice and the place and time for completion of the Company Offer in accordance with article 16.14.
- 16.13 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for by the Continuing Shareholders and/or the Company is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 16.10 to article 16.12, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 16.14 If:
- 16.14.1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
 - 16.14.2 allocations under article 16.10 to article 16.12 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder (or the Company) to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to them (**Consideration**) and the place and time for

completion of the transfer of the Sale Shares (which shall be at least 14 Business Days, but not more than 28 Business Days, after the date of the Allocation Notice).

- 16.15 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.
- 16.16 If the Seller fails to comply with article 16.15:
 - 16.16.1 the chairperson of the Company (or, failing the chairperson, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
 - 16.16.1.1 complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - 16.16.1.2 receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
 - 16.16.1.3 (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
 - 16.16.2 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.
- 16.17 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 16.13 then, subject to article 16.18 and within 4 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller shall offer the Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to the buyer identified in the Transfer Notice (if any) at a price at least equal to the Transfer Price. The Sellers shall not be permitted to transfer any such shares to a third party buyer if that buyer was not identified in the Transfer Notice.
- 16.18 The Seller's right to transfer the Sale Shares pursuant to article 16.17 does not apply if the directors reasonably consider that:
 - 16.18.1 the transferee is a person (or a nominee for a person) whom the directors determine to be a competitor of the business of the Company;
 - 16.18.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

16.18.3 the Seller has failed or refused to promptly provide information available to them and reasonably requested to enable the directors to form the opinion referred to in article 16.18.1.

16.19 The restrictions imposed by this article may be waived in relation to any proposed transfer of Sale Shares with the consent of shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this article.

17. FAIR VALUE

17.1 The Fair Value shall be the price per Sale Share determined by the Company's auditors on the following bases and assumptions:

17.1.1 Valuing the Sale Shares as on arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served;

17.1.2 If the Company is then carrying on business as a going concern, on the basis that it will continue to do so;

17.1.3 That the Sale Shares are capable of being transferred without restrictions;

17.1.4 Valuing the Sale Shares as a rateable proportion of the total value of all the issued shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and

17.1.5 Reflecting any other factors which the auditors reasonably believe should be taking into account.

17.2 If any difficulty arises in applying any of these assumptions or bases then the auditors shall resolve such difficulty in whatever manner they shall in their absolute discretion consider fit.

17.3 The auditors shall act as expert and not as arbitrator and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).

17.4 The cost of obtaining the auditors' certificate shall be borne by the parties equally.

DECISION MAKING BY SHAREHOLDERS

18. POLL VOTES

18.1 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.

18.2 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.

19. PROXIES

19.1 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".

- 19.2 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

20. MEANS OF COMMUNICATION TO BE USED

- 20.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- 20.1.1 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);
- 20.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 20.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 20.1.4 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, no account shall be taken of any part of a day that is not a Business Day.

- 20.2 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.

21. INDEMNITY AND INSURANCE

- 21.1 Subject to article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 21.1.1 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 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

- 21.1.2 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 21.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 21.2 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.
- 21.3 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.
- 21.4 In this article:
 - 21.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
 - 21.4.2 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) 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); and
 - 21.4.3 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.