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HYPHA DISCOVERY LIMITED

Company number 05148143

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

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ARTICLES OF ASSOCIATION

OF

HYPHA DISCOVERY LIMITED (the Company)

(Adopted by special resolution passed on 21 November 2022)

Introduction

1. Interpretation

1.1 In these Articles, the following words have the following meanings:

Act	the Companies Act 2006;
Acting in Concert	has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);
Appointor	has the meaning given in Article 15.1;
Articles	the Company's articles of association for the time being in force;
Associate	<p>in relation to any person means:</p> <p>(a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);</p> <p>(b) any Group Entity;</p> <p>(c) any Member of the same Fund Group;</p>
Bad Leaver	a person who ceases to be an Employee at any time and who is not a Good Leaver;

Board	the board of directors of the Company (including any duly authorised committee of the board) from time to time;
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
Civil Partner	in relation to a shareholder, a civil partner as defined in the Civil Partnership Act 2004;
Conflict	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
Controlling Interest	an interest in shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
Deemed Transfer Notice	a Transfer Notice that is deemed to have been served under any provision of these Articles;
Effective Termination Date	the date in which the Employee's employment, appointment as director or consultancy terminates (and he does not continue in any such capacity);
Eligible Director	a director who would be entitled to count in the quorum for and vote on the matter at a Board meeting (but excluding any director whose vote is not to be counted in respect of the particular matter);
Employee	an individual (but excluding any Investor) who is or has been a director and/or an employee of the Company or any Group Entity of the Company including any consultant or person engaged under a contract for services (and references to contracts of employment and to commencement or cessation of employment shall be deemed to include contracts for consultancy or services and commencement or cessation of such contracts);
Expert Valuer	as determined and appointed in accordance with Article 20.2;
Fair Value	in relation to shares, as determined in accordance with Article 20;
Family Trust	means as regards any particular individual member or deceased or former individual member, trusts

(whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

Financial Institution	any financial investor authorised by the Financial Conduct Authority (or a equivalent body or authority in the country of the relevant financial investor's principal place of business);
Founder	each of Liam Evans and Jonathan Steele;
Fund Manager	a person whose principal business is to make, manage or advise on investments in securities;
Good Leaver	<p>a person who ceases to be an Employee at any time by reason of:</p> <p>(a) death;</p> <p>(b) permanent disability or permanent incapacity through ill-health;</p> <p>(c) redundancy (as defined in the Employment Rights Act 1996);</p> <p>(d) the Company (or Group Entity) terminating his contract of employment or consultancy, as the case may be, by serving notice (in accordance with the terms of that contract) in circumstances where the Employee is not materially in breach, nor has been materially in breach, of his contract;</p> <p>(e) dismissal by the Company (or Group Entity) which is determined, by an employment tribunal or a court of competent jurisdiction from which there is</p>

		no right to appeal, to be wrongful, constructive or unfair; or
		(f) the Board, with Investor Consent, determining that the person is deemed to be a Good Leaver;
Group Entity		in respect of any body corporate, an entity which is from time to time a holding company or a subsidiary of that body corporate or a subsidiary of any such holding company;
Interested Director		has the meaning given in Article 12.1;
Investor		each of Henry Beker, The University of Westminster and Brunel University (including, where applicable, their Permitted Transferees);
Investor Consent		the prior written consent of Investors holding 65% or more of the Investor Shares;
Investor Director		each director appointed pursuant to Article 6;
Investor Shares		the shares in the Company held by each Investor who holds 5% or more of the shares of the Company then in issue;
Investor Consent	Director	the prior written consent of each Investor Director or if any Investor is entitled to appoint but has not appointed an Investor Director, the prior written consent of that Investor;
Member of the same Fund Group		if the shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "Investment Fund") or a nominee of that person: <ul style="list-style-type: none"> (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);

- (b) any fund managed by that Fund Manager which is or whose nominee is the transferor, or
- (c) any parent undertaking or subsidiary undertaking of that Fund Manager, or any subsidiary undertaking of any parent undertaking of that Fund Manager; or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa;

Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles, a copy of which is included at Schedule 1 to these Articles, and reference to a numbered Model Article is a reference to that article of the Model Articles;
Permitted Transfer	a transfer of shares made in accordance with Article 18;
Permitted Transferee	<p>in relation to:</p> <ul style="list-style-type: none"> (a) an individual shareholder, any of their Privileged Relations or the Trustees of their Family Trust(s); (b) a shareholder which is a body corporate, a Group Entity of that shareholder; (c) a shareholder which is an Investment Fund, any Member of the same Fund Group; and (d) an Investor, (i) any Group Entity, (ii) any member of the same Fund Group, (iii) any other Investor, (iv) any Financial Institution or institutional investor, or (v) any nominee of an Investor;
Privileged Relation	in relation to a shareholder who is an individual member or deceased or former member, means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);

Proposed Purchaser	a proposed purchaser of shares who at the relevant time has made an offer on arm's length terms;
Proposed Seller	any person proposing to transfer any shares in the capital of the Company;
Sale Shares	the shares to be offered pursuant to a Transfer Notice within the meaning of Article 19.3;
Seller	has the meaning given in Article 19.3;
Transfer Notice	has the meaning given in Article 19.3;
Transfer Price	has the meaning given in Article 19.3.3;
Trustees	in relation to a shareholder means the trustee or trustees of a Family Trust;
Writing or written	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise;

- 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 those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 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 any legislation or legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to any legislation or legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.7 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
2. Adoption 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 or are inconsistent with these Articles, and, subject to any

such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy of the Model Articles is set out in Schedule 1 to these Articles.

- 2.2 Model Articles 7 to 16 (inclusive), 18, 22(2), 26(5), 38, 39, 52 and 53 shall not apply to the Company.

Directors

3. Board meetings

- 3.1 Any decision of the directors must be taken at a meeting of the Board in accordance with these Articles or must be a decision taken in accordance with Article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in Board meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any Board meeting shall be made only by resolution, and no such resolution shall be passed unless more votes are cast for it than against it.
- 3.4 Each Eligible Director has one vote at a Board meeting.
- 3.5 If the Company only has one director that director may, for so long as that person remains the sole director, exercise all of the powers conferred on the directors by these Articles by any means permitted under the Act, and may take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

4. Unanimous decisions of directors

- 4.1 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.
- 4.2 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.
- 4.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

5. Number of directors

The number of directors shall not be less than two.

6. Appointment of directors

- 6.1 Each Investor, for so long as that Investor and its Permitted Transferees hold not less than 10% in number of the shares in issue, shall have the right:

- 6.1.1 to appoint and maintain in office one natural person as a director of the Company (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon such removal whether by the Investor or otherwise, to appoint another director in his place; or
- 6.1.2 to appoint a representative to attend as an observer at each and any meeting of the Board and of each any committee of the Board. The observer shall be entitled to attend and speak at all meeting of the Board and to receive copies of all board papers as if he were a director but shall not be entitled to vote on any resolutions proposed at any meeting of the Board or of any committee.
- 6.2 Appointment and removal of an Investor Director shall be by written notice to the Company which shall take effect on delivery at its registered office or at any meeting of the Board or of any committee.
- 6.3 The other shareholders shall not vote their shares so as to remove from office any director appointed pursuant to Article 6.1.
- 7. Calling a Board meeting
 - 7.1 Any director may call a Board meeting by giving not less than five Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by a majority of the Eligible Directors with Investor Consent) to each director.
 - 7.2 Notice of any Board meeting must indicate (i) its proposed date and time, (ii) where it is to take place and (iii) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
 - 7.3 Notice of any Board meeting must be accompanied by:
 - 7.3.1 an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - 7.3.2 copies of any papers to be discussed at the meeting.
 - 7.4 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a Board meeting unless all the directors agree in writing.
- 8. Participation in Board meetings
 - 8.1 Subject to the Articles, directors participate in a Board meeting, or part of a Board meeting, when:
 - 8.1.1 the meeting has been called and takes place in accordance with the Articles; and
 - 8.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
 - 8.2 In determining whether directors are participating in a Board meeting, it is irrelevant where any director is or how they communicate with each other.

8.3 If all the directors participating in a Board meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

9. Quorum for Board meetings

9.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two Eligible Directors (or their duly appointed alternate directors) unless at that time there is only one Eligible Director in office, in which case that Eligible Director shall constitute a quorum.

9.2 No business shall be conducted at any Board meeting unless a quorum is present at the beginning of the meeting and also when that business is voted on.

9.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place or at such time and place as is determined by the directors present at such meeting.

10. Chairperson

10.1 The directors may at any time appoint a director as chairperson to chair their meetings and terminate the appointment of any such chairperson.

10.2 If no chairperson has been appointed or the chairperson is not participating in a Board meeting within fifteen minutes of the time at which it was due to start the participating directors may appoint one of those present to chair the meeting.

10.3 If no chairperson has been appointed within three months of the resignation of the preceding chairperson the Investors with Investor Consent shall be entitled to appoint a chairperson by notice in writing addressed to the Company at its registered office.

10.4 The chairperson shall have a casting vote.

11. **Termination of director's appointment**

11.1 A person ceases to be a director as soon as:

11.1.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

11.1.2 a bankruptcy order is made against that person;

11.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

11.1.4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

- 11.1.5 that person is convicted of a criminal offence (other than a minor motoring offence) and the Board resolves that that person's office is to be vacated;
- 11.1.6 the Board (with Investor Consent) resolves that such person should be removed from office, provided that the Board may not resolve to remove an Investor Director; or
- 11.1.7 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

12. Directors' interests

- 12.1 For the purposes of section 175 of the Act, the directors may, subject to the quorum and voting requirements of these Articles, authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the Interested Director) breaching their duty under section 175 of the Act to avoid conflicts of interest.
- 12.2 The Interested Director must provide the other directors with such details as are necessary for those directors to decide whether or not to authorise the Conflict, together with such additional information as may be requested by those directors.
- 12.3 Any authorisation by the directors of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):
 - 12.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 12.3.2 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;
 - 12.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 12.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 12.3.5 provide that, where the Interested Director obtains, or has obtained (through the Interested Director's involvement in the Conflict and otherwise than through their position as a director of the Company) information that is confidential to a third party, the Interested Director 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
 - 12.3.6 permit the Interested Director to absent themselves 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.
- 12.4 Where the directors authorise a Conflict under this Article 12:

- 12.4.1 the Interested Director will be obliged to conduct themselves in accordance with any terms and conditions imposed by the directors in relation to the Conflict; and
- 12.4.2 the Interested Director will not infringe any duty they owe to the Company by virtue of sections 171 to 177 of the Act, provided they act in accordance with such terms and conditions (if any) as the directors impose in respect of their authorisation.
- 12.5 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.
- 12.6 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 the director derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles (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.
- 12.7 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of the director's interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 12.8 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of the director's interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 12.7.
- 12.9 Subject, where applicable, to any terms, limits or conditions imposed by the directors in accordance with Article 12.3, and provided a director has declared the nature and extent of their 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:
 - 12.9.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - 12.9.2 shall be an Eligible Director for the purposes of any proposed decision of the directors in respect of such transaction or arrangement or proposed transaction or arrangement in which the relevant director is interested;
 - 12.9.3 shall be entitled to vote at a meeting of directors or participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which the relevant director is interested;

- 12.9.4 may act by themselves or their firm in a professional capacity for the Company (otherwise than as auditor) and they or their firm shall be entitled to remuneration for professional services as if they were not a director;
- 12.9.5 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
- 12.9.6 shall not, save as the relevant director may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them (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 their duty under section 176 of the Act.

13. Records of decisions to be kept

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors. Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

14. **Directors' discretion to make further rules**

Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to the directors.

15. Alternate directors

- 15.1 Any director (other than an alternate director) (the Appointor) may appoint any person (whether or not a director), to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. In these Articles, where the context so permits, the term "Eligible Director" shall include an alternate director appointed by that Eligible Director. A person may be appointed an alternate director by more than one director.
- 15.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 15.3 The notice must:
 - 15.3.1 identify the proposed alternate; and
 - 15.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that they are willing to act as the alternate of the director giving the notice.

- 15.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 15.5 Except as the Articles specify otherwise, alternate directors:
- 15.5.1 are deemed for all purposes to be directors;
 - 15.5.2 are liable for their own acts and omissions;
 - 15.5.3 are subject to the same restrictions as their Appointors; and
 - 15.5.4 are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors.
- 15.6 A person who is an alternate director but not a director may, subject to the person being an Eligible Director:
- 15.6.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
 - 15.6.2 participate in a unanimous decision of the directors (but only if that person's Appointor is an Eligible Director in relation to that decision, and does not themselves participate).
- 15.7 A director who is also an alternate director is entitled, in the absence of their Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to the director's own vote on any decision of the directors.
- 15.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if the alternate was a director but shall not be entitled to receive from the Company any remuneration in the alternate's capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 15.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
- 15.9.1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
 - 15.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
 - 15.9.3 when the alternate director's Appointor ceases to be a director for whatever reason.

Shares

16. Allotment and issue of shares

- 16.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution (with Investor Consent), the Board shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares.
- 16.2 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.
- 16.3 Unless otherwise agreed by special resolution, if the Company proposes to allot any shares or other securities convertible into, or carrying the right to subscribe for shares, issued by the Company (other than shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles) (together "Relevant Securities"), those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the shares (each an "Offeree") on a pari passu basis (according to their respective holdings of shares, as if they constituted a single class) and in the respective proportions that the number of shares held by each such holder bears to the total number of shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.
- 16.4 An offer made under Article 16.3 shall:
- 16.4.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- 16.4.2 remain open for a period of 15 Business Days from the date of service of the offer; and
- 16.4.3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which such person is entitled under Article 16.3 shall, in their acceptance, state the number of excess Relevant Securities ("Excess Securities") for which they wish to subscribe.
- 16.5 If, on the expiry of an offer made in accordance with Article 16.3, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 16.6 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with Article 16.3 shall be used to satisfy any requests for Excess Securities made pursuant to Article 16.4.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of shares held by each such applicant bears to the total number of such shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by that shareholder).

- 16.7 If, after completion of the allotments referred to in Article 16.5 and Article 16.6, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities may, subject to Article 16.8, be offered to any other person(s) as the directors may determine, at the same price and on the same terms as the offer to the shareholders.
- 16.8 No shares shall be allotted to any current or prospective employee or director of the Company (or any Group Entity of the Company) unless such person shall first have entered into a joint election with the relevant Group Entity under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
17. Share transfers: general
- 17.1 In these Articles, 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.
- 17.2 No share shall be transferred, and the directors shall refuse to register a transfer of any share, unless it is made in accordance with these Articles. The directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 17.3 If a shareholder transfers (or purports to transfer) a share other than in accordance with these Articles, then any such transfer shall be invalid.
- 17.4 Any transfer of a share by way of sale which is required to be made under any of Article 21 (Compulsory transfers), Article 22 (Compulsory transfer – Founders), Article 23 (Mandatory offer) or Article 25 (Drag along) shall be deemed to include a warranty that the transferor sells the share with full title guarantee.
- 17.5 No Ordinary Shares shall be transferred without Investor Consent other than by way of a transfer permitted under Article 18 (Permitted Transfers) or made or required to be made under any of Article 21 (Compulsory transfers), Article 22 (Compulsory transfer – Founders), Article 23 (Mandatory offer), Article 24 (Co-Sale Right) or Article 25 (Drag along).
- 17.6 The Board may refuse to register any transfer of shares to:
- 17.6.1 a bankrupt, a minor or a person of unsound mind; or
- 17.6.2 any current or prospective employee or director of the Company (or any Group Entity of the Company) unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 17.7 The Board may, as a condition to the registration of any transfer of shares (other than pursuant to Article 25 (Drag along)) require the transferee to execute and deliver to the Company a deed of adherence (in such form as the Board may reasonably require) agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the shareholders and the Company but not so as to oblige

the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document and if any condition is imposed in accordance with this Article the transfer may not be registered until such condition has been satisfied.

17.8 To enable the directors to determine whether or not there has been a transfer (or purported transfer) of shares in the Company in breach of these Articles, the directors may, with Investor Director Consent, from time to time require any shareholder or legal personal representatives of any deceased shareholder or any person named as transferee in any transfer lodged for registration or any other person who the directors or the Investor Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

17.8.1 the relevant shares shall cease to confer on the holder of them (or any proxy) any rights:

17.8.1.1 to vote whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question provided that such rights shall not cease if as a result of such cessation the Company would become a subsidiary of an Investor; or

17.8.1.2 to receive dividends or other distributions otherwise attaching to those shares or to any further shares issued in respect of those shares; and

17.8.2 the Board may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of that shareholder's shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The rights referred to in Article 17.8.1 above may be reinstated by the Board subject to Investor Director Consent and shall in any event be reinstated upon the completion of any transfer referred to in Article 17.8.2.

17.9 The directors may, in relation to any transfer which is deemed or determined to be invalid under Article 17.3 or Article 17.6, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of that shareholder's shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

17.10 In any case where the Board may require a Transfer Notice to be given in respect of any shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have

been given under these Articles, the Transfer Notice will be treated as having specified that:

17.10.1 the Transfer Price for the Sale Shares will be as agreed between the Board (any director with whom the Seller is connected not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

17.10.2 it does not include a Minimum Transfer Condition (as defined in Article 19.3.4); and

17.10.3 the Seller wishes to transfer all of the shares held by it.

17.11 Any Transfer Notice served in respect of the transfer of any shares (and any related Transfer Notice deemed to have been served by a Permitted Transferee under Article 21) which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of the Deemed Transfer Notice.

17.12 Any Deemed Transfer Notice served in respect of any shareholder shall be deemed to have been served and shall be binding upon any person entitled to shares in consequence of the death or bankruptcy of that shareholder.

18. Permitted Transfers

18.1 Subject to Article 17.6, a shareholder (the "Original Shareholder") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.

18.2 Where under the provision of a deceased shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any shares, whether immediately or contingently, are Permitted Transferees of the deceased shareholder, the legal representative of the deceased shareholder may transfer any share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 18.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

18.3 If a Permitted Transferee who was a Group Entity of the Original Shareholder ceases to be a Group Entity of the Original Shareholder, the Permitted Transferee must not later than 5 Business Days after the date on which the Permitted Transferee so ceases, transfer the shares held by it to the Original Shareholder or another Group Entity of the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those shares.

18.4 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than 5 Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation)

without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.

- 18.5 A transfer of any Shares approved by the Board with Investor Consent may be made without restriction as to price or otherwise and each transfer shall be registered by the directors.
- 18.6 Trustees may (i) transfer shares to a company in which they hold the whole of the share capital and which they control (a "Qualifying Company") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 18.7 No transfer of shares may be made to Trustees unless the Board is satisfied:
 - 18.7.1 with the terms of the trust instrument and in particular with the powers of the Trustees;
 - 18.7.2 with the identity of the proposed trustees;
 - 18.7.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
 - 18.7.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 18.8 If a company to which a share has been transferred under Article 18.6, ceases to be a Qualifying Company it must within 5 Business Days of so ceasing, transfer the shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such shares.
- 18.9 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise that Permitted Transferee must, within 15 Business Days of so ceasing either:
 - 18.9.1 execute and deliver to the Company a transfer of the Shares held by such Permitted Transferee to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
 - 18.9.2 give a Transfer Notice to the Company in accordance with Article 19;failing which such Permitted Transferee shall be deemed to have given a Transfer Notice.
- 18.10 On the death (subject to Article 18.2), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within 5 Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the shares

held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within 5 Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, the personal representative or trustee in bankruptcy or liquidator will be deemed to have given a Transfer Notice.

19. Transfers of Shares subject to pre-emption rights

19.1 Save where the provisions of Articles 18 (Permitted Transfers), 23 (Mandatory Offer), 24 (Co-Sale Right), 25 (Drag Along) apply, any transfer of shares by a shareholder shall be subject to the pre-emption rights contained in this Article 19.

19.2 The restrictions imposed by this Articles may be waived in relation to any proposed transfer of shares with Investor Consent and the consent of any shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this Article.

19.3 A shareholder who wishes to transfer shares (a "Seller") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any shares give notice in writing (a "Transfer Notice") to the Company specifying:

19.3.1 the number of shares which he wishes to transfer (the "Sale Shares");

19.3.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;

19.3.3 the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (including the Investor Directors) (the "Transfer Price"); and

19.3.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to shareholders (a "Minimum Transfer Condition").

19.4 Except with Investor Consent, no Transfer Notice or Deemed Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

19.5 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

19.6 As soon as practicable following the later of:

19.6.1 receipt of a Transfer Notice; and

19.6.2 in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 20,

the Board shall offer the Sale Shares for sale to the shareholders (other than the Seller or any shareholder whose shares are subject to a Deemed Transfer Notice) (the "Offer Shareholders") pro rata (as far as practicable) to their existing shareholdings. Each offer

must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

19.7 In relation to any offer of the Sale Shares in accordance with Article 19.6.2, the directors shall offer the Sale Shares to the Offer Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (Offer Period) for the maximum number of Sale Shares they wish to buy.

19.8 If:

19.8.1 at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Offer Shareholder who has applied for Sale Shares in the proportion which their existing holding of shares of the class being offered bears to the total number of shares of that class (excluding those held by the Seller). 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 Offer Shareholders shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Sale Shares which the shareholder has stated they are willing to buy;

19.8.2 not all Sale Shares are allocated following allocations in accordance with Article 19.8.1, but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in Article 19.8.1. The procedure set out in this Article 19.8.2 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

19.8.3 at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Offer Shareholders in accordance with their applications. The balance (the Surplus Shares) shall, subject to Article 19.9, be dealt with in accordance with Article 19.13.

19.9 Where the Transfer Notice contains a Minimum Transfer Condition:

19.9.1 any allocation made under Article 19.8 shall be conditional on the fulfilment of the Minimum Transfer Condition; and

19.9.2 if the total number of Sale Shares applied for under Article 19.8 is less than the number of Sale Shares, the directors shall notify the Seller and all those shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

19.10 Where either:

19.10.1 the Transfer Notice does not contain a Minimum Transfer Condition; or

19.10.2 allocations have been made in respect of all the Sale Shares,

the directors shall, when no further offers or allocations are required to be made under Article 19.8, give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and each shareholder to whom Sale Shares have been allocated (each an Applicant). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least five Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).

19.11 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof).

19.12 If the Seller fails to comply with Article 19.11:

19.12.1 the chairperson (or, failing the chairperson, any other director or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:

- (a) 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;
- (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- (c) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and

19.12.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered the certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, 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.

19.13 Where a Transfer Notice lapses pursuant to Article 19.9.2 or, an Allocation Notice does not relate to all the Sale Shares, then, subject to Article 19.14, the Seller may, at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer the Surplus Shares to the buyer identified in the Transfer Notice (if any) at a price at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Surplus Shares to a third party buyer if that buyer was not identified in the Transfer Notice.

19.14 The Seller's right to transfer shares under Article 19.13 shall not apply if the Board, acting reasonably, considers that:

19.14.1 the transferee is a person (or a nominee for a person) who the directors consider to be a competitor of the business of the Company;

19.14.2 the sale of the Sale Shares is not bona fide or the Transfer Price is subject to a deduction, rebate or allowance to the transferee; or

19.14.3 the Seller has failed or refused to promptly provide information reasonably requested by the directors to enable them to form the opinion referred to in Article 19.14.2.

20. Valuation of Shares

20.1 If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either:

20.1.1 appoint expert valuers in accordance with Article 20.2 (the "Expert Valuers") to certify the Fair Value of the Sale Shares or (if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks)

20.1.2 specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

20.2 The Expert Valuers will be either:

20.2.1 the Company's auditors, or if so specified in the relevant Transfer Notice; or

20.2.2 an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.

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

20.3.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;

20.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

20.3.3 that the Sale Shares are capable of being transferred without restriction;

20.3.4 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

20.3.5 reflect any other factors which the Expert Valuers reasonably believe should be taken into account.

20.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

- 20.5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 20.6 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 20.7 The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 20.8 The Expert Valuers shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within 5 Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 20.9 The cost of obtaining the certificate shall be paid by the Company unless:
- 20.9.1 the Seller cancels the Company's authority to sell; or
- 20.9.2 the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuer was instructed,
- in which case the Seller shall bear the cost.
21. Compulsory transfers
- 21.1 A person entitled to a share in consequence of the bankruptcy of a shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 21.2 If a share remains registered in the name of a deceased shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased shareholder either:
- 21.2.1 to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
- 21.2.2 to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.
- If either requirement in this Article 21.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.
- 21.3 If a shareholder which is a body corporate or a Permitted Transferee of that shareholder, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant shareholder

or Permitted Transferee shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant shareholder and/or such Permitted Transferee save to the extent that, and at a time, the Directors may determine.

- 21.4 If there is a change in control (as control is defined in section 1124 of the Corporation Tax Act 2010) of any shareholder which is a body corporate, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those shares back to the original shareholder from whom it received its shares or to any other Permitted Transferee before being required to serve a Transfer Notice. This clause shall not apply to a member that is an Investor.

22. Compulsory transfer - Founders

- 22.1 If any Founder ceases for reason of being a Bad Leaver to be an Employee the relevant Founder shall be deemed to have given a Transfer Notice in respect of his shares on the Effective Termination Date. In such circumstances the Transfer Price shall be Fair Value as determined in accordance with Article 20.

23. Mandatory offer on a change of control

- 23.1 Except in the case of Permitted Transfers and transfers pursuant to Articles 21 and 22, after going through the pre-emption procedure in Article 19, the provisions of Article 23.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any shares (the "Proposed Transfer") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.
- 23.2 A Proposed Seller must before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "Offer") to the other Shareholders to acquire all of the Company's shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 23.7.2).
- 23.3 The Offer must be given by written notice (a "Proposed Sale Notice") at least 10 Business Days (the "Offer Period") prior to the proposed sale date ("Proposed Sale Date"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of shares proposed to be purchased by the Proposed Purchaser (the "Proposed Sale Shares").
- 23.4 If any other holder of Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.

- 23.5 If the Offer is accepted by any Shareholder (an "Accepting Shareholder") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 23.6 The Proposed Transfer is subject to the pre-emption provisions of Article 19 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 19.
- 23.7 For the purpose of this Article:
- 23.7.1 the expression "transfer" and "purchaser" shall include the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively;
- 23.7.2 the expression "Specified Price" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:
- 23.7.2.1 in the Proposed Transfer; or
- 23.7.2.2 in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,
- plus an amount equal to the Relevant Percentage of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares;
- 23.7.3 $\text{Relevant Percentage} = A/B \times 100$
- where: A = number of shares being sold by the Proposed Seller;
- B = number of Shares held by the Proposed Seller immediately before the Proposed Transfer.
24. Co-Sale Right
- 24.1 No transfer (other than a Permitted Transfer) of any of the shares held by a shareholder may be made or validly registered unless the relevant shareholder (a "Selling Shareholder") shall have observed the following procedures of this Article.
- 24.2 After the Selling Shareholder has gone through the pre-emption process set out in Article 19, the Selling Shareholder shall give to each holder of Shares who has not taken up their pre-emptive rights under Article 19 (an "Equity Holder") not less than 15 Business Days' notice in advance of the proposed sale (a "Co-Sale Notice"). The Co-Sale Notice shall specify:
- 24.2.1 the identity of the proposed purchaser (the "Buyer");
- 24.2.2 the price per share which the Buyer is proposing to pay;

- 24.2.3 the manner in which the consideration is to be paid;
- 24.2.4 the number of shares which the Selling Shareholder proposes to sell; and
- 24.2.5 the address where the counter-notice should be sent.
- 24.3 Each Equity Holder shall be entitled within 5 Business Days after receipt of the Co-Sale Notice, to notify the Selling Shareholder that they wish to sell a certain number of Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Equity Holder wishes to sell. The maximum number of shares which an Equity Holder can sell under this procedure shall be:

$$\left(\frac{X}{Y} \right) \times Z$$

where

X is the number of shares held by the Equity Holder;

Y is the total number of shares;

Z is the number of shares the Selling Shareholder proposes to sell;

Any Equity Holder who does not send a counter-notice within such 5 Business Day period shall be deemed to have specified that they wish to sell no shares.

- 24.4 Following the expiry of 5 Business Days from the date the Equity Holders receive the Co-Sale Notice, the Selling Shareholder shall be entitled to sell to the Buyer on the terms notified to the Equity Holders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Equity Holders have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Equity Holders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Shareholder from the Buyer.
- 24.5 No sale by the Selling Shareholder shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.
- 24.6 Sales made in accordance with this Article 24 shall not be subject to Article 19.
25. Drag along
- 25.1 If the holders of 80% or more of the shares (the "Selling Shareholders") wish to transfer all their interest in shares (the "Sellers' Shares") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "Drag Along Option") to require all the other holders of shares (the "Called Shareholders") to sell and transfer all their shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article.

- 25.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "Drag Along Notice") to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (the "Called Shares") under this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer.
- 25.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 25.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares.
- 25.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.
- 25.6 Within five Business Days of the Proposed Purchaser serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 25.4 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 25.4 in trust for the Called Shareholders without any obligation to pay interest.
- 25.7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the price due pursuant to Article 25.6, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant shares and the Called Shareholders shall have no further rights or obligations under this Article 25 in respect of their Shares.
- 25.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its shares to the Company upon the expiration of that five Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the price for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate

for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him under Article 25.4.

- 25.9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 19.
- 25.10 On any person, following the issue of a Drag Along Notice, becoming a shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.
- 25.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any shares which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

26. Purchase of own shares

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of (i) £15,000 and (ii) 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

27. Quorum for general meetings

- 27.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy unless at the time of the meeting the Company only has one shareholder in which case the quorum shall be one person present in person or by proxy.
- 27.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

28. Chairing general meetings

- 28.1 If the directors have appointed a chairperson, the chairperson shall chair general meetings if present and willing to do so.

28.2 If the directors have not appointed a chairperson, or if the chairperson is unwilling to chair the meeting or is not present within fifteen minutes of the time at which a meeting was due to start:

28.2.1 the directors present; or

28.2.2 (if no directors are present), the meeting,

shall appoint a director or shareholder to chair the meeting, and the appointment of the chairperson of the meeting shall be the first business of the meeting.

29. Voting

At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is themselves a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which they are the holder; and on a vote on a written resolution every shareholder has one vote for each share of which they are the holder.

Administrative arrangements

30. Means of communication to be used

30.1 Subject to Article 30.2, any notice, document or other information shall be deemed received by the intended recipient:

30.1.1 if delivered by hand, at the time the notice, document or other information is left at the address;

30.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of delivery, at 9.00 am on the second Business Day after posting;

30.1.3 if sent by pre-paid airmail providing proof of postage, at 9.00 am on the fifth Business Day after posting;

30.1.4 if sent by fax or email, at the time of transmission; or

30.1.5 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.

30.2 If deemed receipt under Article 30.1 would occur outside Usual Business Hours, the notice, document or other information shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this Article, Usual Business Hours means 9.00 am to 5.30 pm local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt of the notice, document or other information (which, in the case of service by fax or email shall be deemed to be the same place as is specified for service of notices, documents or other information on the relevant recipient by hand or post).

30.3 To prove service, it is sufficient to prove that:

30.3.1 if delivered by hand, the notice was delivered to the correct address;

30.3.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted;

30.3.3 if sent by fax, a transmission notice was received confirming that the notice was successfully transmitted to the correct fax number; or

30.3.4 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

30.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

31. Indemnity and insurance

31.1 Subject to Article 31.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

31.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by that person as a relevant officer in the actual or purported execution and/or discharge of the relevant officer's duties, or in relation to them, including any liability incurred by the relevant officer in defending any civil or criminal proceedings, in which judgment is given in the relevant officer's favour or in which the relevant officer is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on the relevant officer's part or in connection with any application in which the court grants them, in their capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

31.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by the relevant officer in connection with any proceedings or application referred to in Article 31.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

31.2 This Article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

31.3 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.

31.4 In this Article:

31.4.1 a "relevant officer" means any director or other officer or former director or other officer of the Company, but excluding in each case any person engaged by the Company as

auditor (whether or not that person is also a director or other officer), to the extent the person acts in their capacity as auditor; and

- 31.4.2 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 or any pension fund or employees' share scheme of the Company.

Schedule 1

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

Companies (Model Articles) Regulations 2008/3229, Schedule 1

NOTE: *Articles which are italicised in the Model Articles below are excluded from the Company's Articles pursuant to Article 2.1 of the Articles.*

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms

In the articles, unless the context requires otherwise—

“articles” means the company's articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“distribution recipient” has the meaning given in article 31;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“instrument” means a document in hard copy form;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

2. Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2 DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. **Directors' general authority**

Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

4.— **Shareholders' reserve power**

(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

5.— **Directors may delegate**

(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

(a) to such person or committee;

(b) by such means (including by power of attorney);

(c) to such an extent;

(d) in relation to such matters or territories; and

(e) on such terms and conditions;

as they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

6.— **Committees**

(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

7.— Directors to take decisions collectively

(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

(a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of *the provisions of the articles relating to directors' decision-making*.

8.— Unanimous decisions

(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.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled *to vote on the matter had it been proposed as a resolution at a directors' meeting*.

(4) 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.

9.— ***Calling a directors' meeting***

(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.*

(2) *Notice of any directors' meeting must indicate—*

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) *Notice of a directors' meeting must be given to each director, but need not be in writing.*

(4) *Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.*

10.— *Participation in directors' meetings*

(1) *Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—*

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) *In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.*

(3) *If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.*

11.— *Quorum for directors' meetings*

(1) *At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.*

(2) *The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.*

(3) *If the total number of directors 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.

12.— ***Chairing of directors' meetings***

(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) *The directors may terminate the chairman's appointment at any time.*

(4) *If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.*

13.— Casting vote

(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

14.— Conflicts of interest

(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;

(b) *the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or*

(c) *the director's conflict of interest arises from a permitted cause.*

(4) For the purposes of this article, the following are permitted causes—

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes *include any directors' meeting or part of a directors' meeting*.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

15. Records of decisions to be kept

The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

16. ***Directors' discretion to make further rules***

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

17.— Methods of appointing directors

- (1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

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

(2) In any case where, 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.

(3) For the purposes of paragraph (2), where 2 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.

18. *Termination of director's appointment*

A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) *a composition is made with that person's creditors generally in satisfaction of that person's debts;*
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) [intentionally deleted]
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

19.— Directors' remuneration

- (1) Directors may undertake any services for the company that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine—
 - (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.

(3) Subject to the articles, a director's remuneration may—

(a) take any form, and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

20. Directors' expenses

The company may pay any reasonable expenses which the directors 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.

PART 3 SHARES AND DISTRIBUTIONS

SHARES

21.— All shares to be fully paid up

(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

22.— Powers to issue different classes of share

(1) Subject to the 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.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

23. Company not bound by less than absolute interests

Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

24.— Share certificates

(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

25.— Replacement share certificates

(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or

(b) said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

(a) may at the same time exercise the right to be issued with a single certificate or separate certificates;

(b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and

(c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

26.— Share transfers

(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

(3) The company may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

27.— Transmission of shares

(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(3) But transmittes do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

28.— Exercise of transmittes' rights

(1) Transmittes who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the transmittes wishes to have a share transferred to another person, the transmittes must execute an instrument of transfer in respect of it.

(3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittes has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

29. Transmittes bound by prior notices

If a notice is given to a shareholder in respect of shares and a transmittes is entitled to those shares, the transmittes is bound by the notice if it was given to the shareholder before the transmittes's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

30.— Procedure for declaring dividends

(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be

paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

31.— Payment of dividends and other distributions

(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "*the distribution recipient*" means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

32. No interest on distributions

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company.

33.— Unclaimed distributions

(1) All dividends or other sums which are—

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

34.— Non-cash distributions

(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

(a) fixing the value of any assets;

(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

- (c) vesting any assets in trustees.

35. Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

36.— Authority to capitalise and appropriation of capitalised sums

- (1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

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

- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

- (2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and

- (b) in the same proportions as a dividend would have been distributed to them.

- (3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

- (4) A capitalised sum which was appropriated from profits available for distribution may be

applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and

(c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4 DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

37.— Attendance and speaking at general meetings

(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

38. Quorum for general meetings

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

39.— Chairing general meetings

(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) *The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.*

40.— Attendance and speaking by directors and non-shareholders

(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

41.— Adjournment

(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must—

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

(a) to the same persons to whom notice of the company's general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

42. Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

43.— Errors and disputes

(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

(2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

44.— Poll votes

(1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by—

- (a) the chairman of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

45.— Content of proxy notices

(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

- (a) states the name and address of the shareholder appointing the proxy;
- (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the company in accordance with the articles and any instructions contained

in the notice of the general meeting to which they relate.

(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

(a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

(b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

46.— Delivery of proxy notices

(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

(2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

47.— Amendments to resolutions

(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

(a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5 ADMINISTRATIVE ARRANGEMENTS

48.— Means of communication to be used

(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

49.— Company seals

(1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

(4) For the purposes of this article, an authorised person is—

(a) any director of the company;

(b) the company secretary (if any); or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

50. No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

51. Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

52.— Indemnity

(1) Subject to paragraph (2), a relevant director of the company or an associated company may *be indemnified out of the company's assets against—*

(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,

(b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

(c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

(3) In this article—

(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 director*” means any director or former director of the company or an associated company.

53.— Insurance

(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

(a) a “*relevant director*” means any director or former director of the company or an associated company,

(b) a “*relevant loss*” means any loss or liability which has been or may be incurred by a *relevant director in connection with that director’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.