

Dated 31 January **2022**

**ARTICLES OF ASSOCIATION of
ENGLISH HOLIDAY CRUISES
LIMITED**



BPE Solicitors LLP

Contents

Clause	Page
1. Interpretation	2
2. Adoption of the Model Articles	4
3. Number of directors	5
4. Directors' meetings	5
5. Unanimous decisions of directors	6
6. Appointment and removal of directors	6
7. Calling a directors' meeting	6
8. Quorum for directors' meetings	7
9. Chairperson and Casting Vote	7
10. Transactions or other arrangements with the Company	7
11. Directors' conflicts	8
12. Records of decisions to be kept	10
13. Share capital	10
14. Share transfers: general	11
15. Issue of Further shares	12
16. Pre-emption rights on the transfer of shares	13
17. Compulsory transfers	13
18. Valuation	17
19. Drag along	18
20. Quorum for general meetings	20
21. Voting	21
22. Poll votes	21
23. Proxies	21
24. Means of communication to be used	21
25. Indemnity and insurance	22

COMPANY NO. 05207004

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BB SHARES
ARTICLES OF ASSOCIATION
OF
ENGLISH HOLIDAY CRUISES LIMITED**

(Adopted by special resolution passed on 31 January 2022)

Introduction

1. INTERPRETATION

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

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

A Shares: means the A ordinary shares of £1.00 each in the capital of the Company;

Bad Leaver: an Employee Shareholder (other than a Original Shareholder) who becomes a Departing Employee Shareholder by reason of:

(a) such person's resignation as an Employee, except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect; or

(b) that person's dismissal as an Employee for cause, where "cause" shall mean: (i) the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of employment; and/or (ii) that person's fair dismissal pursuant to section 98(2)(a) (capability) or 98(2)(b) (conduct) of the Employment Rights Act 1996.

For the avoidance of doubt a Departing Employee Shareholder's dismissal pursuant to paragraph (b) above and status as a Bad Leaver shall be determined by the board (acting with Shareholder Consent).

B Shares: means the B ordinary shares of £1.00 each in the capital of the Company;

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

CA 2006: the Companies Act 2006;

Chairperson: shall be Jared Clements;

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;

C Shares: means the C ordinary shares of £1.00 each in the capital of the Company;

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under any provisions of these Articles;

Departing Employee Shareholder: an Employee Shareholder who ceases to be a director or employee of the Company;

D Shares: means the D ordinary shares of £1.00 each in the capital of the Company;

Employee Shareholder: means an employee or director of the Company (other than an Original Shareholder).

E Shares: means the E ordinary shares of £1.00 each in the capital of the Company;

F Shares: means the F ordinary shares of £1.00 each in the capital of the Company;

Fair Value: in relation to shares, as determined in accordance with article 18;

Good Leaver: an Employee Shareholder who becomes a Departing Employee Shareholder who is not a Bad Leaver and shall include, without limitation retirement, permanent disability or permanent incapacity through ill-health and when the board (acting with Shareholder Consent) determine that a person is not a Bad Leaver.

Interested Director: has the meaning given in article 12;

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 and reference to a numbered Model Article is a reference to that article of the Model Articles;

Ordinary Shares: the A Shares, B Shares, C Shares, D Shares, E Shares and F Shares;

Original Shareholders: the holders of the A Shares, B Shares and C Shares;

Privileged Relation: in relation to an Original Shareholder, means spouse or civil partner (as defined in the Civil Partnership Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue);

Shareholder: a shareholder who holds shares in the Company;

Shareholder Consent: consent of the Original Shareholders;

Transfer Notice: has the meaning given in article 16;

Transfer Price: has the meaning given in article 16;

Valuers: the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 5 Business Days of the expiry of the 5 Business Day period referred to in article 18, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator); and

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 CA 2006 shall have those meanings in these Articles.
- 1.3. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4. A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5. Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory 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.

- 2.2. Model Articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (5), 16, 22(2), 26(5), 36, 38, 39, 43, 44(2), 49 to 53 (inclusive) shall not apply to the Company.
- 2.3. Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.4. In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5. Model Articles 27(2)(a) and (b) shall be amended by the insertion, in each case, of the words "and to any other agreement to which the holder was party at the time of his death" after the words "subject to the articles".
- 2.6. Model Article 28(2) shall be amended by the deletion of the word "If" and the insertion of the words "Subject to the articles and to any other agreement to which the holder was party at the time of his death, if" in its place.
- 2.7. Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

3. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than three.

4. DIRECTORS' MEETINGS

- 4.1. Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 5.
- 4.2. Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

4.3. Subject to Article 9, each director has one vote at a meeting of directors.

5. UNANIMOUS DECISIONS OF DIRECTORS

5.1. 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.

5.2. 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.

5.3. 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.

6. APPOINTMENT AND REMOVAL OF DIRECTORS

6.1. 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:

6.1.1. by ordinary resolution; or

6.1.2. by decision of the directors.

6.2. Model Article 18 shall be modified by the addition of the following events upon the occurrence of which a person, other than an Original Shareholder, shall cease to be a director:

6.2.1. (g) he or she is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other directors resolve that he or she cease to be a director; and

6.2.2. (h) he or she shall cease to be employed by the Company and such Employee shall be removed from office as a director with effect from their Termination Date.

6.3. If, following a transfer of shares in accordance with the Articles, a Shareholder, other than an Original Shareholder, will hold no further shares (excluding any shares held by his personal representatives, successors and Permitted Transferees) the Shareholder shall deliver, or procure that there is delivered, to the Company his resignation as a director of the Company, such resignations to take effect at completion of the sale of the shares.

7. CALLING A DIRECTORS' MEETING

- 7.1. Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing) to each director or by authorising the Company secretary (if any) to give such notice.
- 7.2. Notice of any directors' meeting must be accompanied by:
 - 7.2.1. an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - 7.2.2. copies of any papers to be discussed at the meeting.
- 7.3. Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

8. QUORUM FOR DIRECTORS' MEETINGS

- 8.1. The quorum at any meeting of the directors (including adjourned meetings) shall be three directors, including Richard Clements and Jay Clements for so long as they remain directors.
- 8.2. No business shall be conducted at any meeting of directors unless a quorum (including Richard Clements and the Chairperson) is present at the beginning of the meeting and also when that business is voted on.
- 8.3. 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 10 Business Days at the same time and place.

9. CHAIRPERSON AND CASTING VOTE

- 9.1. If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chairperson has a casting vote.
- 9.2. Article 9.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Chairperson is not an Eligible Director for the purposes of that meeting (or part of a meeting).

10. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 10.1. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he or she has declared the nature and extent of his or her 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:
- 10.1.1. may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 10.1.2. shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he or she is interested;
 - 10.1.3. shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he or she is interested;
 - 10.1.4. may act by himself or herself, or his or her firm in a professional capacity for the Company (otherwise than as auditor) and he or she, or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Director;
 - 10.1.5. may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 10.1.6. shall not, save as he or she may otherwise agree, be accountable to the Company for any benefit which he or she (or a person connected with him or her) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his or her duty under section 176 of the Act.

11. DIRECTORS' CONFLICTS

- 11.1. The Directors may, in accordance with the requirements set out in this Article 11, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (**an Interested Director**) breaching his or her duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 11.2. Any authorisation under this Article 11 will be effective only if:
- 11.2.1. to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;

- 11.2.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 11.2.3. the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 11.3. Any authorisation of a Conflict under this Article 11 may (whether at the time of giving the authorisation or subsequently):
- 11.3.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 11.3.2. 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;
 - 11.3.3. provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 11.3.4. impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 11.3.5. provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his or her position as a Director of the Company) information that is confidential to a third party, he or she 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
 - 11.3.6. permit the Interested Director to absent himself or herself 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.
- 11.4. Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself or herself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 11.5. 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.
- 11.6. A Director, notwithstanding his or her office, may be a Director or other officer of, employed by, or otherwise interested and no authorisation under article 11.1 shall be necessary in respect of any such interest.
- 11.7. A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for

any remuneration, profit or other benefit which he or she derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

12. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

Shares

13. SHARE CAPITAL

- 13.1. Whilst the Ordinary Shares in issue shall constitute different classes they shall rank pari passu in all respects (save as varied in this article 13).
- 13.2. Whilst the Ordinary Shares in issue shall consist of different classes, to vary any rights associated with any class it shall not be necessary to obtain the sanction of a special resolution of the holder of the relevant class of shares.
- 13.3. The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the CA 2006.

Income

- 13.4. Every dividend which is declared on the Ordinary Shares shall direct that such dividend be paid in respect of one or more classes of Ordinary Shares to the exclusion of the other classes or in respect of all classes of Ordinary Shares.
- 13.5. Where a dividend is declared in respect of more than one class of Ordinary Shares the Company may differentiate between such classes as to the amount or percentage of dividend payable, but in default the Ordinary Shares shall be deemed to rank pari passu in all respects as if they constituted one class of shares.
- 13.6. When paying interim dividends the directors may make payments to one or more classes of Ordinary Share to the exclusion of the other classes or to all classes of Ordinary Shares. When making such payments the directors may differentiate between the classes to which payments are being made as to the amount or percentage of dividend payable.

Voting

- 13.7. The holders of the A Shares, B Shares and C Shares shall have the right to receive notice of any attend and vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company. Save, in each case, as otherwise provided in the CA 2006, each such holder present in person or by proxy or by representative shall be entitled on a show of hands to one vote and on a poll or written resolution to one vote for each share held by him.
- 13.8. The holders of the D Shares, E Shares and F Shares shall not have the right to receive notice of, attend, vote or speak at any general meeting of the Company and shall not be entitled to vote on any written resolution of the Company.

14. SHARE TRANSFERS: GENERAL

- 14.1. 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.
- 14.2. No shareholder shall transfer any share except:
- 14.2.1. in accordance with article 16; or
 - 14.2.2. in accordance with article 19.
- 14.3. Subject to article 14.4, the directors must register any duly stamped or certified exempt transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 14.4. The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (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). If any such condition is imposed in accordance with this article 14.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars

under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.

- 14.5. Any transfer of shares by way of a sale that is required to be made under these Articles shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.
- 14.6. If as a result of the transfer of shares in accordance with these Articles a shareholder ceases to hold any shares in the Company they shall if requested to do so by the Company immediately resign any office with the Company without claim for compensation.
- 14.7. The provisions of sub-sections 561 and 562 of the Act shall not apply to the Company.

15. ISSUE OF FURTHER SHARES

- 15.1. Unless otherwise determined by special resolution and subject to article 15.2 any new Shares from time to time created shall before they are issued be offered to the holders of that class of Shares pro rata. The offer shall be made by notice specifying the number and class of shares offered and the price per share and limiting a time (not being less than ten Business Days or greater than fifteen Business Days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such time, or on the receipt of an indication from the person to whom the offer is made that he declines to accept the shares offered to any of them, the directors shall offer the shares declared in like manner to the holders of the Shares who have agreed to subscribe for all the shares offered to them. If the shares comprised in such further offer are declined or deemed to be declined the further offer shall be withdrawn.
- 15.2. Any Shares not issued pursuant to article 15.1 shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that:
 - 15.2.1. no Shares shall be issued at a discount;
 - 15.2.2. no Shares to which article 15.1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such Shares made under article 15.1 unless the procedure set out in article 15.1 is repeated in respect of such Shares (and so that the time limit set out in this article 15.2.2 shall apply equally to any repetition of that procedure); and
 - 15.2.3. no shares shall be issued at a price less than that at which they were offered to the member of the Company in accordance with article 15.1

and so that if the directors are proposing to issue such Share wholly or partly for non-cash consideration the cash value for the purposes of this sub-paragraph shall be as determined by the auditors or accountants of the Company who shall act as experts and not as arbitrators and whose determination shall be final and binding on the Company and each of its members.

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

16. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 16.1. An Original Shareholder may at any time transfer such number of his or her a Privileged Relation without being required to follow the steps set out in the remaining provisions of this article 16 provided only that the Original Shareholder procures that such transferee enters into any shareholders agreement to which the Original Shareholder is a party at the date of transfer.
- 16.2. If a Privileged Relation of an Original Shareholder who is a shareholder of the Company ceases to be a Privileged Relation of such Original Shareholder the Privileged Relation shall, within 10 Business Days of ceasing to be a Privileged Relation (whether by reason of death, divorce or otherwise) (or from the date of the calculation of Fair Value by the Valuers as applicable) transfer all such shares held by them back to the relevant Original Shareholder through the delivery of a duly executed stock transfer form and any other document necessary to give effect to the transfer at a price agreed between the relevant parties. If the parties have not agreed such a price within 10 Business days of the requirement to transfer the shares the relevant parties shall instruct Valuers to determine the Fair Value of the shares in accordance with article 18.
- 16.3. If the Privileged Relation fails to comply with the transfer requirements at article 16.2 above, any director or some other person nominated by a resolution of the directors may, as agent and attorney on behalf of the Privileged Relation, complete, execute and deliver in his name all documents necessary to give effect to the transfer of the shares.
- 16.4. Except where the provisions of Article 17 or Article 19 apply, or there is a transfer to a permitted transferee in accordance with the Articles, a shareholder (**Seller**) wishing to transfer their shares (**Sale Shares**) must give a notice in writing (**Transfer Notice**) to the remaining shareholders (**Continuing Shareholders**) giving details of the proposed transfer including:

- 16.4.1. if it wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
 - 16.4.2. the price (in cash) at which it wishes to sell the Sale Shares (**Proposed Sale Price**).
- 16.5. Any Transfer Notice under article 16.4 or deemed Transfer Notice under article 17 shall be deemed to include the Privileged Relation of that Seller and such Family Member shall be deemed to have served a Transfer Notice in respect of all their shares on the same date as the Seller's Transfer Notice is served or is deemed to have been served (in the case of a Deemed Transfer Notice).
- 16.6. The directors shall offer the Sale Shares:
 - 16.6.1. firstly to Richard Clements;
 - 16.6.2. secondly to Judith Clements;
 - 16.6.3. thirdly to Jared Clements;
 - 16.6.4. finally, to the Continuing Shareholders.
- 16.7. Within 20 Business Days of receipt (or deemed receipt) of the offer, the relevant Continuing Shareholders shall be entitled (but not obliged) to give notice in writing to the Seller stating either:
 - 16.7.1. that it wishes to purchase the Sale Shares at the Proposed Sale Price (**Purchase Notice**), in which case the shareholder is bound to buy all of the Seller's Sale Shares at the Proposed Sale Price; or
 - 16.7.2. that the Proposed Sale Price is too high (**Price Notice**).
- 16.8. If, at the expiry of the period specified in article 16.7, the Continuing Shareholder has given neither a Purchase Notice nor a Price Notice, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (if any) at a price not less than the Proposed Sale Price provided that it does so within two months of the expiry of the period specified in article 16.7.
- 16.9. Following service of a Price Notice under article 16.7.2, the Seller and the Continuing Shareholder shall endeavour to agree a price for each of the Sale Shares. If they have not agreed such a price within fifteen Business Days of the Seller's receipt of a Price Notice, the Seller and the Continuing Shareholder shall instruct the Valuer to determine the Fair Value of each Sale Share in accordance with article 18. If the Seller and Continuing Shareholder agree a price within the period specified in this article 16.9, the Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the price agreed.

16.10. Within 20 Business Days of receipt of the Valuer's determination of the Fair Value, the Continuing Shareholder shall be entitled (but not obliged) to give notice in writing to the Seller stating that the Continuing Shareholder wishes to purchase the Sale Shares at their Fair Value as determined by the Valuer. If, at the expiry of the period specified in this article 16.10, the Continuing Shareholder has not notified the Seller that it wants to buy the Sale Shares, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (if any) at a price not less than the Fair Value for all of the Sale Shares as determined by the Valuer provided that it does so within two months of the expiry of the period specified in this article 16.10.

16.11. In accordance with article 16.8 and article 16.10, if the Seller fails to transfer their shares to the Continuing Shareholder where the continuing Shareholder has confirmed that they wish to acquire the Sale Shares:

16.11.1. any director may, as agent on behalf of the Seller and their Privileged Relation:

16.11.1.1. complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares;

16.11.1.2. receive the consideration and give a good discharge for it (and the Continuing Shareholder shall not be obliged to see to the distribution of the consideration); and

16.11.1.3. (subject to the transfers being duly stamped) enter the Continuing Shareholder in the register of shareholders as the holders of the Sale Shares purchased by them; and

16.11.2. the Company shall pay the consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller and his Privileged Relation until they have delivered their 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.

17. COMPULSORY TRANSFERS

17.1. A shareholder is deemed to have served a Transfer Notice under article 16.4 immediately before any of the following events:

17.1.1. an order being made for the shareholder's bankruptcy; or

17.1.2. an arrangement or composition with any of the shareholder's creditors being made; or

- 17.1.3. the shareholder convening a meeting of his creditors, or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
 - 17.1.4. the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
 - 17.1.5. any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or
 - 17.1.6. the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
 - 17.1.7. the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding;
 - 17.1.8. a Shareholder becoming a Departing Employee Shareholder (**Compulsory Employee Transfer**) (unless the Board otherwise directs in writing within 10 Business Days of the relevant Termination Date that a Transfer Notice shall not be deemed to have been served). For the purpose of this article 17.1.8, the Transfer Notice is deemed to have been served on the relevant Termination Date; or
 - 17.1.9. the shareholder committing a material or persistent breach of any shareholders' agreement to which he is a party in relation to the shares in the Company or these Articles which if capable of remedy has not been so remedied within 20 Business Days of the holder(s) of a majority of the shares of the other class requiring such remedy.
- 17.2. In the event of a shareholder's death, the deceased shareholder's executor(s) or personal representative (as the case may be) will be deemed to have served a Transfer Notice under article 16.1.
- 17.3. The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 17.3.1. the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and, subject to article 17.3.3 the Transfer Price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 18;

- 17.3.2. the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Shareholder is:
 - 17.3.2.1. a Bad Leaver, be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares; and
 - 17.3.2.2. a Good Leaver, be the aggregate Fair Value of such Sale Shares;
- 17.3.3. if the Seller is deemed to have given a Transfer Notice as a result of article 17.1.9, the Transfer Price shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares;
- 17.4. A Deemed Transfer Notice under article 17.1.8 and 17.1.9 shall immediately and automatically revoke:
 - 17.4.1. a Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under 17.1.8 and 17.1.9; and
 - 17.4.2. a Deemed Transfer Notice deemed to be served by the relevant shareholder under any of the events set out in article 17.1.1 to article 17.1.7 (inclusive) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under 17.1.8 and 17.1.9.
- 17.5. Forthwith upon a Transfer Notice being deemed to be served under article 17.1 or 17.2 the Sale Shares subject to the relevant Deemed Transfer Notice shall cease to confer on the holder of them any rights:
 - 17.5.1. to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise); or
 - 17.5.2. to receive dividends or other distributions otherwise attaching to those Sale Shares; or
 - 17.5.3. to participate in any future issue of shares.

18. VALUATION

- 18.1. The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 18.2. The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:

- 18.2.1. valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company with a premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
 - 18.2.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 18.2.3. the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 18.2.4. the Sale Shares are sold free of all encumbrances;
 - 18.2.5. the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
 - 18.2.6. to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 18.3. The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 18.4. To the extent not provided for by this article 18, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 18.5. The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 18.6. The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct.

19. DRAG ALONG

- 19.1. If the Original Shareholders (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).

- 19.2. The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 19.2.1. that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 19;
 - 19.2.2. the person to whom the Called Shares are to be transferred;
 - 19.2.3. the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - 19.2.4. the proposed date of the transfer.
- 19.3. Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.4. No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 19.
- 19.5. Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- 19.5.1. all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - 19.5.2. that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the tenth Business Day after service of the Drag Along Notice.
- 19.6. Neither the proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer nor the sale of the Called Shares by the Called Shareholders shall be subject to the rights of pre-emption set out in article 15.
- 19.7. On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 19.2.3 to the extent that the Proposed Buyer has put the Company in the

requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.

- 19.8. To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 19 in respect of their Shares.
- 19.9. If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 19.7) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of shares under this article 19.
- 19.10. Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (**New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 19 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the Company, if later.

Decision making by Shareholders

20. QUORUM FOR GENERAL MEETINGS

- 20.1. The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy.

- 20.2. 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.

21. 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 himself 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 he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

22. POLL VOTES

- 22.1. A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.
- 22.2. Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

23. PROXIES

- 23.1. Model Article 45(1)(d) shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".
- 23.2. Model Article 45(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

Administrative arrangements

24. MEANS OF COMMUNICATION TO BE USED

- 24.1. Subject to article 24.2, any notice, document or other information shall be deemed received by the intended recipient:
- 24.1.1. if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address;

- 24.1.2. if sent by pre-paid first class post or other next working day delivery service providing proof of postage, at 9.00 am on the second Business Day after posting;
 - 24.1.3. if sent by email, at the time of transmission; or
 - 24.1.4. if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 24.2. If deemed receipt under article 24.1 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 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).
- 24.3. To prove service, it is sufficient to prove that:
- 24.3.1. if delivered by hand, the notice was delivered to the correct address;
 - 24.3.2. if sent by post the envelope containing the notice was properly addressed, paid for and posted;
 - 24.3.3. if sent by email, the notice was properly addressed and sent to the email address of the recipient.
- 24.4. 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 CA 2006.

25. INDEMNITY AND INSURANCE

- 25.1. Subject to article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 25.1.1. 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 him as a relevant officer:
 - 25.1.1.1. in the actual or purported execution and/or discharge of his duties, or in relation to them;
- including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he

is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

25.1.2. the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

25.2. This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law and any such indemnity is limited accordingly.

25.3. 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.

25.4. In this article:

25.4.1. a "relevant officer" means any director or other officer of the Company, but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and

25.4.2. 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 of the Company.