

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
MOTASOFT LTD

(Adopted by special resolution passed on 10/01/2022)

Introduction

1. Interpretation

1.1 The following definitions and rules of interpretation apply in these Articles:

“Act”: the Companies Act 2006.

“Adoption Date”: the date of adoption of these Articles.

“Articles”: the company’s articles of association for the time being in force.

“Bad Leaver”: an Employee who becomes a Departing Employee in circumstances where they are not a Good Leaver.

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;

“Business Day”: a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

“Conflict”: has the meaning given in article 7.1.

“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 which is deemed to have been served by any of the provisions of these Articles.

“Departing Employee”: an Employee who ceases to be a director or employee of, or consultant to, the Company and who does not continue as, or become, a director or employee of, or consultant to, the Company.

“Directors”: the directors of the Company from time to time.

“eligible director”: a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

“Employee”: an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services (directly or indirectly) to the Company.

“Fair Value”: has the meaning given in article 16.1.

“Good Leaver”: “an Employee who becomes a Departing Employee by reason of:

- (a) death, permanent disability or permanent incapacity through ill-health;
- (b) in the case of a consultant, lawful termination of contract on notice given by the Company;
- (c) retirement or resignation with a minimum of 6 months’ notice; or
- (d) any other circumstance determined by the Directors to be a Good Leaver event.

“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.

“Restricted Shares”: has the meaning given in article 15.3.

“Sale Shares”: has the meaning given in article 14.1.1.

“Seller”: has the meaning given in article 14.1.

“Shareholder”: a holder for the time being of any Share or Shares, but excluding any member holding Shares in treasury.

“Shareholder Consent”: the prior consent in writing of holder(s) for the time being in accordance with the terms of the shareholders’ agreement dated on or around the Adoption Date between, the Company and the Shareholders (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being).

“Shares”: shares (of any class) in the capital of the Company and Share.

“Transfer Notice”: has the meaning given in article 14.1.

“Transfer Price”: the transfer price for each Sale Share shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and buyer of such Sale Share(s), or the Fair Value of each Sale Share.

“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. In absence of agreement between the parties on the identity of the expert within 10 Business Days of a party serving details of a suggested expert on the other, an independent

firm of accountant 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).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an “article” is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as it is in force on the date when these Articles become binding on the Company].
- 1.6 A reference to a statute or statutory provision is a reference to it as it is in force on the Adoption Date. A reference to a statute or statutory provision shall include all subordinate legislation made as at the Adoption Date 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.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 21, 24 (2) (c), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - 1.11.1 the insertion of the words “for the time being” at the end of article 7(2)(a); and
 - 1.11.2 the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words “(including alternate directors) and any secretary” before the words “properly incur”.
- 1.13 Article 26 (1) of the Model Articles shall be amended by the insertion of the words “and unless the share is fully paid, the transferee” after the word “transferor”.

- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"
- 1.17 Article 36(4) of the Model Articles shall be amended by the insertion of the words", or towards paying up any amounts unpaid on existing shares held by the persons entitled" after the words "or as they may direct".

Directors

2. Unanimous decisions

- 2.1 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.
- 2.2 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.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

3. Calling a directors' meeting

- 3.1 Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 3.2 Notice of a directors' meeting shall be given to each director in writing.

4. Quorum for directors' meetings

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

4.3.1 to appoint further directors; or

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

5. Casting vote

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

6. Transactions or other arrangements with the company

6.1 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 Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

6.1.1 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;

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

6.1.3 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;

6.1.4 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;

6.1.5 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

6.1.6 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 (as defined in section 252 of the Act)) 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.

7. Directors' conflicts of interest

- 7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his or her duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this article 7 will be effective only if:
- 7.2.1 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;
 - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):
- 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 7.3.2 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;
 - 7.3.3 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;
 - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his or her 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
 - 7.3.6 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.

- 7.4 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.
- 7.5 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.
- 7.6 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 7.6.1 disclose such information to the directors or to any director or other officer or employee of the Company; or
 - 7.6.2 use or apply any such information in performing his duties as a director,
 - 7.6.3 where to do so would amount to a breach of that confidence.
- 7.7 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:
- 7.7.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
 - 7.7.2 is not given any documents or other information relating to the Conflict; and
 - 7.7.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- 7.8 Where the directors authorise a Conflict:
- 7.8.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and insofar as he does not do so their authorisation will no longer be valid; and
 - 7.8.2 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation and provided that the conflicted director is not in breach of his duties set out in s171 to 177 of the Act otherwise than by reason of the mere existence of the conflict.
- 7.9 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he or she derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

8. Records of decisions to be kept

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

9. Number of directors

- 9.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any limitation. When the minimum number of directors shall be one, a sole director may exercise all powers and authorities vested in the directors by the Model Articles and by these Articles.

10. Appointment of directors

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

11. Secretary

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

Shares

12. Share capital

- 12.1 The share capital of the Company is divided into A Ordinary Shares of £0.01 each, B Ordinary Shares of £0.01 each and C Ordinary Shares of £0.01 each.

- 12.2 The A Ordinary Shares, B Ordinary Shares and C Ordinary Shares, shall each constitute different classes of shares for the purpose of the CA 2006 and shall rank *pari passu* in all respects except as set out below:

- 12.2.1 Subject to the provisions of the Act, the profits of the Company which are resolved to be divided amongst the members in any year shall be applied in paying to the holders of the respective classes of shares dividends at such respective rates (if any) as the Company in general meeting shall determine and so that a dividend or dividends may be declared on one or several classes of shares to the exclusion of any class or classes and that dividends at different rates may be declared on the respective classes of shares.

12.2.2 The Directors may pay an interim dividend or dividends on one or several classes of shares to the exclusion of any class or classes and may pay interim dividends at different rates on the respective classes of shares.

13. Transfers of shares: general

- 13.1 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.
- 13.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 13.3 The Company may retain any instrument of transfer which is registered.
- 13.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 13.5 The Directors may refuse to register the transfer of a share if it is not a transfer in accordance with these Articles, 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.

14. Pre-emption rights on the transfer of shares

- 14.1 Except where the provisions of article 15 (Compulsory Transfers), article 18 (Drag Along) or article 19 (Tag Along) apply, a Shareholder (**Seller**) wishing to transfer any shares must give a notice in writing (**Transfer Notice**) to the other Shareholders (**Continuing Shareholders**), as set out in the remaining provisions of this article 14, giving details of the proposed transfer, including:
 - 14.1.1 the number of Shares he wishes to transfer (**Sale Shares**);
 - 14.1.2 the name of the proposed transferee, if any;
 - 14.1.3 subject to article 15.2.4 and 15.2.5, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
 - 14.1.4 the proportionate entitlement of each Continuing Shareholder to the Sale Shares, being the same proportion of the Sale Shares as the proportion that the number of ordinary shares of a particular class held by them bears to the total number of ordinary shares of that class held by the Continuing Shareholders (in respect of each Continuing Shareholder, their Entitlement).
- 14.2 Once given, a Transfer Notice may only be withdrawn with Shareholder Consent.
- 14.3 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

- 14.4 The Continuing Shareholders (or any of them) may, by giving notice in writing (**Price Notice**) to the Seller at any time within 15 Business Days of receipt of a Transfer Notice, notify the Seller that the Proposed Sale Price is too high. Following service of a Price Notice, the parties shall endeavour to agree a price for each of the Sale Shares. If the parties have not agreed such a price within 15 Business Days of the receipt of the Seller of a Price Notice, they (or any of them) shall immediately instruct the Valuers to determine the Fair Value of each Sale Share in accordance with article 16.
- 14.5 If, following delivery to them of written notice of the valuation in accordance with article 16 the Seller does not agree with the assessment of the Valuers of the Fair Value of the Sale Shares, they shall be entitled to revoke the Transfer Notice by giving notice in writing to the Continuing Shareholders within 10 Business Days of delivery to them of the written notice of the Valuers. If the Seller revokes the Transfer Notice, they are not entitled to transfer the Sale Shares except in accordance with these Articles.
- 14.6 Within 15 Business Days of receipt (or deemed receipt) of a Transfer Notice or, if later, within 15 Business Days of receipt of the determination of the Valuers of the Fair Value (and provided the Seller has not revoked the Transfer Notice in accordance with Article 14.5, a Continuing Shareholder shall be entitled (but not obliged) to give notice in writing (**Acceptance**) to the Seller stating that he wishes to purchase a specified number of Sale Shares at the price agreed in accordance with article 14.4 (**Sale Price**). A Continuing Shareholder may, in their Acceptance, indicate that they would be willing to purchase a particular number of Sale Shares in excess of their Entitlement (**Extra Shares**).
- 14.7 If, on the expiry of the relevant 15 Business Day period referred to in article 14.6, the total number of Sale Shares applied for is greater than the available number of Sale Shares, each accepting Continuing Shareholder shall be allocated their Entitlement (or such lesser number of Sale Shares for which they have applied) and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Continuing Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) the proportions of all the shares of the same class held by such Continuing Shareholders.
- 14.8 Completion of the transfer of those Sale Shares accepted by Continuing Shareholders under Article 14.6 (and, where, relevant, Article 14.7) shall take place in accordance with Article 17.
- 14.9 In relation to any Sale Shares not accepted by Continuing Shareholders under Article 14.6 (and, where, relevant, Article 14.7), the Directors may serve notice on the Seller that subject to compliance with all legal requirements the Company wishes to:
- 14.9.1 purchase some or all of the shares specified in the Transfer Notice at the price specified in the Transfer Notice; or
- 14.9.2 purchase some or all of the shares specified in the Transfer Notice, but that the price specified in the Transfer Notice is too high;
- in which case the Seller shall offer to sell the Sale Shares to the Company at the agreed price or at the price agreed or determined in accordance with article 16 and otherwise on the terms

of a buy back contract reasonably determined by the Directors (as if reference to the Continuing Shareholders were to the Company) and such offer shall be capable of acceptance by notice given by the Directors to the Seller at any time up to 30 Business Days after service of such notice on the Seller or if the Directors have given notice under 14.9.2 the later of the expiry of such period and 10 Business Days after delivery of the Valuers' Fair Value notice.

- 14.10 At any time during the 30 Business Day period referred to in article 14.9, the Directors may indicate in writing to the Seller that the Company no longer wishes to proceed with the proposed purchase of shares.
- 14.11 In relation to any Sale Shares not accepted by Continuing Shareholders or the Company, the Seller shall be entitled to transfer those Sale Shares to the third-party buyer identified in the Transfer Notice at a price per Sale Share not less than the Sale Price.

15. Compulsory Transfers

- 15.1 A shareholder is deemed to have served a Transfer Notice (**Deemed Transfer Notice**) under Article 15.2 immediately before any of the following events:

- 15.1.1 his death;

- 15.1.2 a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;

- 15.1.3 he becomes a Departing Employee;

- 15.1.4 in the reasonable opinion of the Board, he is unable to perform his duties to the Company due to physical or mental incapacity; or

- 15.1.5 he commits a material or persistent breach of these Articles or any Shareholders Agreement in force between the shareholders from time to time which, if capable of remedy, has not been so remedied within 10 Business Days of notice to remedy the breach being served by all the other Shareholders.

- 15.2 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of clause 14 shall apply, except that:

- 15.2.1 the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him;

- 15.2.2 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares;

- 15.2.3 subject to clause 15.2.4 and 15.2.5, the Transfer Price shall be the Fair Value of those Shares, determined by the Valuers in accordance with clause 16;

- 15.2.4 if the Seller is deemed to have given a Transfer Notice as a result of Article 15.1.3 the Transfer Price shall, where the Departing Employee is:
- (a) a Bad Leaver, be restricted to the lower of the amount subscribed including premium for the shares and the Fair Value of the shares; and
 - (b) a Good Leaver, be the Fair Value of the shares;
- 15.2.5 if the Seller is deemed to have given a Transfer Notice as a result of Article 15.1.5, the Transfer Price shall be restricted to the lower of the amount subscribed including premium for the Shares and the Fair Value of the shares;
- 15.2.6 the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation.
- 15.3 Forthwith upon a Transfer Notice being deemed to be served under article 15, the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:
- 15.3.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - 15.3.2 to receive dividends or other distributions otherwise attaching to those Shares; or
 - 15.3.3 to participate in any future issue of Shares.
- 15.4 The Directors may (with Shareholder Consent) reinstate the rights referred to in article 15.3 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to article 15.
- 16. Share transfers (Fair Value)**
- 16.1 The Fair Value shall be the price per Sale Share determined by the Valuers on the following bases and assumptions:
- 16.2 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - 16.3 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 16.4 that the Sale Shares are capable of being transferred without restriction;
 - 16.5 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

16.6 reflecting any other factors which the Valuers reasonably believes should be taken into account.

16.7 To the extent not provided for by this article 16, the Valuers may, in their reasonable discretion, determine such other procedures to assist with any valuation as they consider just or appropriate, including (to the extent they consider necessary), instructing professional advisers to assist them in reaching their valuation.

17. Share transfers (Completion)

17.1 Completion of the sale of shares under articles 14 and 15 shall take place 5 Business Days after the expiry of the relevant 15 Business Day period referred to in article 14.6.

17.2 At such completion:

17.2.1 the Seller shall deliver, or procure that there is delivered to each Continuing Shareholder who is to purchase Sale Shares, a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Sale Shares to them, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Continuing Shareholders or the Company may reasonably require to show good title to the shares, or to enable them to be registered as the holder of the shares;

17.2.2 each relevant Continuing Shareholder shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to their order for the Sale Price for the Sale Shares being transferred to them (or such other method of payment agreed between a Continuing Shareholder and the Seller); and

17.2.3 if, following a sale of shares in accordance with these Articles, the Seller holds no further shares in the Company, unless otherwise agreed with all the Continuing Shareholders the Seller shall deliver, or procure that there are delivered to the Company, their resignation as a director of the Company and resignations from any directors appointed by them, such resignations to take effect at completion of the sale of the Sale Shares.

17.3 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 Seller sells the shares with full title guarantee.

17.4 If any Continuing Shareholder fails to pay the Sale Price payable by them on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Sale Price shall accrue interest at a rate equal to the rate set by the Bank of England from time to time.

18. Drag Along

18.1 If the holders of 80% by nominal value of the Ordinary Shares in issue for the time being, (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona

fiduciary purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request, including the Company in respect of Shares held in treasury, if any (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 18.

18.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:

18.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 18;

18.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

18.2.3 the consideration payable for the Called Shares calculated in accordance with article 18.4;

18.2.4 the proposed date of completion of transfer of the Called Shares.

18.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 5 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.

18.4 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 Buyer were distributed to the holders of the Called Shares and the Sellers' Shares pro rata to the number of Shares held.

18.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 18.

18.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:

18.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or

18.6.2 that date is less than 5 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 5 Business Days after the date of service of the Drag Along Notice.

18.7 Within 5 Business Days of the Selling Shareholders 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 Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 5 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 18.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 18.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 18.4 in trust for the Called Shareholders without any obligation to pay interest.

- 18.8 To the extent that the Proposed Buyer has not, on the expiration of the 5 Business Day period, put the Company in funds to pay the amounts due pursuant to article 18.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 18 in respect of their Shares.
- 18.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by them (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such 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 any transfer of Shares under this article 18.
- 18.10 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 (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by them to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 18 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this article 18.10 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.
- 18.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions contained in these Articles.

- 18.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share 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.

19. Tag Along

- 19.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 15 or article 20, but after the operation of the pre-emption procedure set out in article 14), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 19 shall apply.
- 19.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder and, in respect of all Shares held in treasury, the Company (each an **Offeree**) on the date of the Offer other than any holder(s) of Restricted Shares, to buy all of the Shares held by such Offerees on the date of the Offer for a consideration in cash per Share (the **Offer Price**) which is equal to the highest price per Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Shares in connection with the Proposed Transfer.
- 19.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 20 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). The Offer Notice shall specify:
- 19.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);
 - 19.3.2 the Offer Price and any other terms and conditions of the Offer;
 - 19.3.3 the Sale Date; and
 - 19.3.4 the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 19.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- 19.4.1 the making of an Offer in accordance with this article 19; and
 - 19.4.2 the completion of the transfer of any Shares by any Offeree (each an **Accepting Offeree**) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this article 19.4.
- 19.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 19 shall not be, subject to the pre-emption provisions of article 14.

20. Purchase of own shares

20.1 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:

20.1.1 £15,000; and

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

Decision making by shareholders

21. Poll votes

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

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

22. Proxies

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

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

Administrative arrangements

23. Means of communication to be used

23.1 Subject to article 23.3, any notice, document or other information shall be deemed received by the intended recipient:

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

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

- 23.1.3 if sent by pre-paid airmail providing proof of delivery, at 9.00 am on the fifth Business Day after posting;
 - 23.1.4 if sent by email or fax, at the time of transmission; or
 - 23.1.5 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.
- 23.2 If deemed receipt under article 23.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 23.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.
- 23.3 To prove service, it is sufficient to prove that:
- 23.3.1 if delivered by hand, the notice was delivered to the correct address; or
 - 23.3.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted;
 - 23.3.3 sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 23.3.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

24. Indemnity

- 24.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 24.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a relevant officer:
 - (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (b) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),
- including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a relevant

officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

24.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in article 24.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

24.2 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.

24.3 In this article:

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

24.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not they are also a director or other officer), to the extent they act in their capacity as auditor).

25. Insurance

25.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

25.2 In this article:

25.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) , but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not they are also a director or other officer), to the extent they act in their capacity as auditor);

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

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