

Company number 06381137

THE COMPANIES ACT 2006

PRIVATE COMPANY

LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

THE GREENHOUSE LITERARY AGENCY LIMITED

(as amended by special resolution on 7 July 2022)

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1. INTERPRETATION

1.1 Subject as hereinafter provided, the regulations contained or incorporated in Schedule 1 to The Companies (Model Articles) Regulations 2008 as amended at the date of adoption of these Articles of Association ("Articles") shall apply to the Company. References herein to the Model Articles are to the articles set out in the said Schedule 1

1.2 In these Articles•

"Act"	means the Companies Act 2006, but so that any reference in these Articles to any provisions of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in place and the Act and every other statute or statutory instrument for the time being in force affecting the Company are together referred to as the "Statutes";
"appointor"	has the meaning given in Article 16;
"Auditors"	means the appointed auditors of the Company from time to time;
"Bad Leaver"	means an Employee Member who ceases to be an employee or a consultant (such that he is neither an employee nor a consultant) of or to the Company in circumstances where he is not a Good Leaver or deemed by the Board to be a Good Leaver;
"Board"	means the directors of the Company or a valid quorum of them acting as the board of directors of the Company;
"Business Day"	means any day (other than a Saturday, Sunday or public holiday in England) on which clearing banks in the City of London are generally open for business;
"call" and "call notice"	have the meanings ascribed thereto in Article 7.1;
"clear days"	in relation to a notice means a period excluding the date on which the notice is served and the date on which the period expires;
"Company"	means The Greenhouse Literacy Agency Limited;
"Company's lien"	has the meaning ascribed thereto in Article 6;
"Compulsory Event"	has the meaning ascribed thereto in Article 9.1;

"Conflict"	has the meaning ascribed thereto in Article 14.4;
"Controlling Interest"	means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Taxes Act 2010;
"eligible director"	means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter in accordance with Article 14.5);
"Employee Member"	means a person holding any Shares who is or has been an employee of, or consultant to, the Company or any Group Company;
"Family Trust"	<p>means a trust which only permits the settled property or the income therefrom to be applied for the benefit of:</p> <ul style="list-style-type: none"> (i) the settlor and/or a Privileged Relation of that settlor; or (ii) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities) <p>and under which no power of control is capable of being exercised over the votes of any Shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For purposes of this definition 'settlor' includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member;</p>
"Good Leaver"	means an Employee Member who ceases to be a an employee or a consultant (such that he is neither an employee nor a consultant) of or to the Company in circumstances of death, incapacity or retirement (at normal retirement age for the Company);
"Group Company"	means, at any time, the Company, any holding company of the Company and all other Subsidiaries Undertakings of the Company or of any such holding company at such time;

"lien enforcement notice"	has the meaning ascribed thereto in Article 6.4;
"nil paid"	in relation to a Share means that no part of that Share's nominal value or premium at which it was issued has been paid to the Company;
"Leaver"	means an Employee Member who is required to offer their Shares for transfer due to the occurrence of a Compulsory Event;
"Parent Company"	means any ultimate holding company in relation to the Company and any Subsidiary Undertaking in relation to such ultimate holding company other than the Company and any Subsidiary Undertaking in relation to the Company;
"partly paid"	in relation to a Share means that part of that Share's nominal value or any premium at which it was issued has not been paid to the Company;
"Privileged Relation"	means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children;
"Proposed Purchaser"	means a proposed purchaser who at the relevant time has made an offer on arm's length terms;
"Proposed Seller"	means any person proposing to transfer any Shares.
"Secured Institution"	has the meaning set out in Article 8.5;
"Shares"	means ordinary shares of £1 each in the capital of the Company;
"Subsidiary Undertaking"	has the meaning ascribed thereto in s.1162 of the Act;
"United Kingdom"	means Great Britain and Northern Ireland; and
"Winding Up"	means the passing of any resolution for the winding up of the Company, or any other return of capital (on liquidation, capital reduction or otherwise).

- 1.3 In these Articles, where the context so permits, words importing the singular number only shall include the plural number, and vice versa; words importing the masculine gender only shall include the feminine gender, words importing persons shall include corporations, and reference to an "Article" is to an article of these Articles and to a paragraph is to a paragraph of the Article in which the reference appears.

SHARES AND DISTRIBUTIONS

2. SHARE CAPITAL

- 2.1 Model Article 21 shall not apply to the Company
- 2.2 Model Article 24(2) shall be amended by the deletion of sub-paragraph (c).
- 2.3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

3. DIVIDENDS AND OTHER DISTRIBUTIONS

- 3.1 Any dividend declared shall be distributed to the holders of the Shares pro-rata to their holdings of the Shares.
- 3.2 Model Article 30(4) shall be deleted and replaced with the following
 - (a) Except as otherwise provided by the Articles or the rights attached to shares, all dividends must be:
 - (ii) declared and paid according to the proportions of the amounts paid up on the shares on which the dividend is paid, and
 - (iii) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
 - (a) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
 - (b) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount "
- 3.3 If: i) a Share is subject to the Company's lien, and ii) the directors are entitled to issue a lien enforcement notice in respect of it, they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a lien enforcement notice. Money so deducted must be used to pay any of the sums payable in respect of that Share
- 3.4 The Company must notify the distribution recipient in writing of
 - 3.4.1 the fact and amount of any such deduction,
 - 3.4.2 any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and
 - 3.4.3 how the money deducted has been applied

3.5 Model Article 36(4) shall be amended by the insertion after the words "may be applied" of the following:

(a) "in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or

(b) "

4. RETURN OF CAPITAL

On a return of capital whether on a Winding Up or otherwise (but not including a purchase by the Company of its own Shares), the surplus assets of the Company remaining after the payment of its liabilities shall be applied to the holders of the Shares pro rata to their holdings of such Shares

5. VOTING

5.1 Each holder of Shares shall be entitled to receive notice of, to attend and speak at general meetings of the Company and to receive and vote on (in proportion to their entitlement to vote on a poll at general meetings of the Company) proposed written resolutions of the Company and shall be entitled to vote at general meetings of the Company as follows:

5.1.1 on a show of hands every holder of Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or proxy, shall have one vote; and

5.1.2 on a poll the holders of the Shares shall have the right to cast a number of votes equal to the number of Shares registered in their name.

6. LIEN

6.1 Except in respect of any issued shares in the Company held in the name, or subject to any security interest granted in favour, of a Secured Institution, the Company has a lien (the "Company's lien") over every Share in the Company, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

6.2 The Company's lien over a Share

6.2.1 takes priority over any third party's interest in that Share, and

6.2.2 extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

6.3 The directors may at any time decide that a Share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

6.4 Subject to the provisions of this Article, if:

- 6.4.1 a notice has been given in respect of a Share requiring the holder to transfer such Share ("lien enforcement notice"), and
 - 6.4.2 the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the directors decide
- 6.5 A lien enforcement notice.
 - 6.5.1 may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
 - 6.5.2 must specify the Share concerned;
 - 6.5.3 must require payment of the sum payable within 14 clear days of the notice;
 - 6.5.4 must be addressed either to the holder of the Share or to a transferee of that holder; and
 - 6.5.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 6.6 Where Shares are sold under this Article
 - 6.6.1 the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser, and
 - 6.6.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 6.7 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied.
 - 6.7.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
 - 6.7.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice
- 6.8 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a Share has been sold to satisfy the Company's lien on a specified date

- 6.8.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- 6.8.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

7. CALLS ON SHARES AND FORFEITURE

- 7.1 Subject to the Articles and the terms on which Shares are allotted, the directors may send a notice (a "call notice") to a shareholder requiring the shareholder to pay the Company a specified sum of money (a "call") which is payable to the Company at the date when the directors decide to send the call notice.
- 7.2 A call notice:
 - 7.2.1 may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the Company,
 - 7.2.2 must state when and how any call to which it relates it is to be paid; and
 - 7.2.3 may permit or require the call to be paid by instalments.
- 7.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days have passed since the notice was sent
- 7.4 Before the Company has received any call due under a call notice the directors may
 - 7.4.1 revoke it wholly or in part, or
 - 7.4.2 specify a later time for payment than is specified in the notice, by a further notice in writing to the shareholder in respect of whose Shares the call is made
- 7.5 Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 7.6 Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share.
- 7.7 Subject to the terms on which Shares are allotted, the directors may, when issuing Shares, provide that call notices sent to the holders of those Shares may require them:
 - 7.7.1 to pay calls which are not the same, or
 - 7.7.2 to pay calls at different times.
- 7.8 A call notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share:
 - 7.8.1 on allotment;
 - 7.8.2 on the occurrence of a particular event, or
 - 7.8.3 on a date fixed by or in accordance with the terms of issue

- 7.9 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture
- 7.10 If a person is liable to pay a call and fails to do so by the call payment date
- 7.10.1 the directors may issue a notice of intended forfeiture to that person, and
- 7.10.2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate and all expenses that may be incurred by the Company by reason of such non-payment
- 7.11 For the purposes of this Article:
- 7.11.1 "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date;
- 7.11.2 the "relevant rate" is
- (a) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
- (b) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
- (c) if no rate is fixed in either of these ways, 5 per cent per annum.
- 7.12 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998
- 7.13 The directors may waive any obligation to pay interest on a call wholly or in part.
- 7.14 A notice of intended forfeiture.
- 7.14.1 may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
- 7.14.2 must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder,
- 7.14.3 must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice;
- 7.14.4 must state how the payment is to be made, and
- 7.14.5 must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

- 7.15 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 7.16 Subject to the Articles, the forfeiture of a Share extinguishes
- 7.16.1 all interests in that Share, and all claims and demands against the Company in respect of it, and
- 7.16.2 all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company
- 7.17 Any Share which is forfeited in accordance with the Articles:
- 7.17.1 is deemed to have been forfeited when the directors decide that it is forfeited;
- 7.17.2 is deemed to be the property of the Company; and
- 7.17.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 7.18 If a person's Shares have been forfeited•
- 7.18.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- 7.18.2 that person ceases to be a shareholder in respect of those Shares;
- 7.18.3 that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- 7.18.4 that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest and expenses (whether accrued or incurred before or after the date of forfeiture); and
- 7.18.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 7.19 At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of it and on such other terms as they think fit
- 7.20 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 7.21 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a Share has been forfeited on a specified date:

- 7.21.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- 7.21.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share
- 7.22 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 7.23 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which
 - 7.23.1 was, or would have become, payable, and
 - 7.23.2 had not, when that Share was forfeited, been paid by that person in respect of that Share, but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.
- 7.24 A shareholder may surrender any Share:
 - 7.24.1 in respect of which the directors may issue a notice of intended forfeiture;
 - 7.24.2 which the directors may forfeit; or
 - 7.24.3 which has been forfeited.
- 7.25 The directors may accept the surrender of any such Share.
- 7.26 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.
- 7.27 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.
- 8. TRANSFER OF SHARES
 - 8.1 Model Article 26(1) shall be amended by the insertion after the words "by or on behalf of the transferor" of the words "and, unless the share is fully paid, the transferee".
 - 8.2 Model Article 27(3) shall be amended by the insertion of the words ", subject to Article 15 of the Articles," after the word "But"
 - 8.3 Model Article 29 shall be amended by the insertion after the words "transmittee's name" of the words "or the name of any person nominated under Model Article 27(2)."
 - 8.4 Save in respect of any transfer pursuant to Articles 9 (Deemed Transfer Notice), 10 (Drag-along) or 11 (Mandatory offer on a change of control), no Share may be transferred without the prior written consent of the holders of the majority of the Shares

- 8.5 Notwithstanding anything contained in these Articles to the contrary, the directors will register any transfer of shares and may not suspend the registration of the transfer of any shares if such transfer is to the bank or institution to which such shares have been charged by way of security, whether as security trustee and/or agent for a group of banks or institutions or otherwise, or to any nominee, assignee or transferee of such bank or institution (a "Secured Institution") on the enforcement by the Secured Institution of its security interest.

MANDATORY SHARE TRANSFERS

9. DEEMED TRANSFER NOTICE

- 9.1 If an Employee Member (i) ceases to be an employee or consultant of or to the Company or any Group Company (such that he is not continuing as either an employee or consultant of or to the Company or any Group Company), (u) is adjudicated as bankrupt, or (iii) makes any voluntary arrangement or composition with his creditors (each a "Compulsory Event") a transfer notice shall be deemed to have been immediately given ("Deemed Transfer Notice") in respect of:

9.1.1 all Shares held by the relevant Employee Member and registered in the name of that member as at the date of the Compulsory Event; and

9.1.2 all Shares held as at the date of the Compulsory Event by the Employee Member's Privileged Relations and/or Family Trusts and/or personal representatives,

(the "Sale Shares")

- 9.2 On the happening of a Compulsory Event the Board may exercise its discretion to waive the provisions of Article 9.1 so that there shall be no Deemed Transfer Notice in respect of such Employee Member's Shares.

- 9.3 Where there is a Deemed Transfer Notice following a Compulsory Event in circumstances where the Employee Member is a Good Leaver (except on the happening of a Compulsory Event described in Article 9.1(u) or Article 9.1(11) above), the sale price of the Sale Shares shall be the higher of:

9.3.1 fair value as agreed by the Board and the relevant Employee Member within 30 days of the happening of the relevant Compulsory Event, or

9.3.2 if no such price is agreed within the 30-day period, the price certified by the Auditors

- 9.4 Where there is a Deemed Transfer Notice following a Compulsory Event in circumstances where the Employee Member is a Bad Leaver or on the happening of a Compulsory Event described in Article 9.1(ii) or Article 9.1(iii) above, the sale price of the Sale Shares shall be the aggregate nominal value of the Sale Shares.

- 9.5 If the Sale Price is to be determined by the Auditors, the Auditors shall value the Sale Shares as at the date the Deemed Transfer Notice is deemed to have been given on a going concern basis as between a willing seller and a willing buyer on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Auditors as to the Sale Price shall be final and binding in the absence of manifest error.

- 9.6 Any Sale Shares the subject of a Deemed Transfer Notice shall first be offered for sale at the Sale Price for purchase back by the Company (subject to compliance with the Act) Such an offer shall remain open for acceptance for a period of 60 days. If the Company wishes to purchase such Sale Shares, notice in writing to that effect shall be given to the Leaver and shall set out a place and time (being not later than 30 days after the date of the notice) at which the sale of the Sale Shares shall be completed. If such offer is not accepted by the Company, the Sale Shares shall be offered at the Sale Price to whoever the Board shall direct (in its absolute discretion).
- 9.7 If the Leaver defaults in transferring the Sale Shares, the Company may receive and give a good discharge for the purchase money on behalf of the Leaver and may authorise a director to execute the transfer(s) of the Sale Shares in favour of the purchaser(s) and, subject to the transfer(s) being duly stamped, shall enter the name(s) of the purchaser(s) in the register of members as the holder(s) of such Sale Shares
- 9.8 Following the occurrence of a Compulsory Event, unless and until the Board exercise its discretion to waive the provisions of Article 9.1, the Sale Shares shall cease to confer on the holders thereof any right to receive notice of or attend or vote at any general meeting or to receive and vote on any proposed written resolution. If any Sale Share is transferred in accordance with this Article 9, all rights to receive notice of or attend and vote at any general meeting or to receive and vote on any proposed written resolution shall, upon completion of the transfer of such Share Shares (as evidenced by the names of the transferee(s) being entered into the Company's register of members) be automatically restored
10. DRAG-ALONG
- 10.1 The holders of 75 per cent. or more of the Shares (the "Majority Shareholders") shall have the option (the "Drag Along Option") to require all the other holders of Shares (the "Called Shareholders") to sell and transfer all their Shares to any Proposed Purchaser to whom either (i) the Majority Shareholders have agreed to transfer all their Shares or (ii) all the shares in the capital of any Group Company are agreed to be sold and transferred (such Shares or shares being the "Transfer Shares") in accordance with the provisions of this Article 10.
- 10.2 The Majority Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "Drag Along Notice") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Transfer Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "Called Shares") under this Article 10, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 10) and the proposed date of transfer.
- 10.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Transfer Shares to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice The Majority Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 10.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be

10.4.1 if the Transfer Shares are Shares, that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Transfer Shares pro-rata to their holdings of Shares, and

10.4.2 if the Transfer Shares are shares in the capital of any Parent Company, the value per Share agreed between Majority Shareholders holding a majority of the Transfer Shares and the holders of a majority of the Called Shares or, in the absence of such agreement within 14 days of service of the Drag Along Notice, the price per Share to which they would be entitled if an amount equal to the value of the Company (determined as set out below) were distributed to the holders of the Shares pro-rata to their holdings of Shares. For the purposes of this Article 10.4.2 the value of the Company shall be determined by the Auditors to represent the fair value of the Company as part of a group of companies being sold to the Proposed Purchaser so that the value of the Company represents a fair proportion (having regard to the relative financial performances of the Company and of the other companies in the group of companies being sold) and the consideration for the Called Shares shall represent a fair proportion of the total consideration for the group of companies being sold to the Proposed Purchaser. The Auditors shall be deemed to be acting as experts (and not as arbitrators) and their decision shall be final and binding on all parties save in the case of manifest error,

in either case, the "Called Shares Consideration", which shall be of the same nature and shall be paid and/or delivered on the same dates as the consideration for the Transfer Shares is paid and/or delivered

- 10.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 10.
- 10.6 Within five Business Days of the determination of the Called Shares Consideration, the Called Shareholders shall deliver stock transfer form(s) for their Called Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company.
- 10.7 If a Called Shareholder fails to deliver stock transfer form(s) and share certificate(s) (or suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to execute a transfer of the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)). The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall thereafter be entitled to the amount of Called Shares Consideration due to him.
- 10.8 On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article 10 shall apply with

the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

11. MANDATORY OFFER ON A CHANGE OF CONTROL

- 11.1 The provisions of Article 11.2 will apply if one or more Proposed Sellers propose to transfer, in one or a series of related transactions, any Shares (the "Proposed Transfer") which would, if put into effect, result in any Proposed Purchaser acquiring a Controlling Interest in the Company.
- 11.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "Offer") to the other shareholders of the Company to acquire all of the Shares for a consideration per Share the value of which is at least equal to the Specified Price (as defined in Article 11.6)
- 11.3 The Offer must be given by written notice (a "Proposed Sale Notice") at least Business Days (the "Offer Period") prior to the proposed sale date ("Proposed Sale Date") The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "Proposed Sale Shares")
- 11.4 If any holder of Shares (other than a Proposed Seller) is not given the rights accorded him by this Article, the Proposed Seller(s) will not be entitled to complete his or its sale and the Company will not register any transfer intended to carry that sale into effect.
- 11.5 If the Offer is accepted by any Shareholder (an "Accepting Shareholder") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders
- 11.6 For the purpose of this Article 11, the expression "Specified Price" shall mean:
 - 11.6.1 the consideration (in cash or otherwise) per Share equal to that offered or paid or payable by the Proposed Purchaser for the Shares resulting in the acquisition of the Controlling Interest; plus
 - 11.6.2 the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Proposed Sale Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Proposed Sale Shares.

DIRECTORS

12. EXECUTIVE DIRECTORS

The directors may from time to time appoint one or more of their body to hold any executive office in the Company, including, the offices of Chairman, Vice-chairman and Managing Director, for such period and on such terms as they think fit, and (without prejudice to any claim for damages for breach of any agreement between any such

person and the Company) may revoke such appointment. Model Article 5 shall be deemed to be modified accordingly.

13. DECISION-MAKING BY DIRECTORS

13.1 Model Article 7 shall be amended by:

13.1.1 the insertion of the words "for the time being" at the end of Model Article 7(2)(a), and

13.1.2 the insertion in Model Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

13.2 Model Article 8(2) shall be amended by the deletion of the words "copies of which have been signed by each eligible director" and their replacement by the words "where each eligible director has signed one or more copies of it."

13.3 In the absence of a resolution as to where a meeting is to be treated as taking place in accordance with Model Article 10(3), the meeting shall be deemed to be held at such place, if any, where a majority of the directors attending the meeting are physically present, or in default of such majority, the place at which the chairman of the meeting is physically present

13.4 Model Article 11 shall be amended by:

13.4.1 the deletion of paragraph (2) and its replacement by the following• "Subject to paragraph (3), the quorum for the transaction of business at a meeting of directors is any two eligible directors,"

13.4.2 the insertion of a new paragraph (3). "For the purposes of any meeting (or part of a meeting) held pursuant to Article 8 to authorise a Conflict, if there is only one director in office besides the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director," and

13.4.3 the re-numbering of the original paragraph (3) to paragraph (4); the insertion after the words "total number of directors" of the words "in office"; and the insertion after the words "general meeting" of the words "or circulate a written resolution"

13.5 In the case of an equality of votes at any meeting of the directors, the chairman of the meeting will not have a second or casting vote. Model Article 13 shall not apply.

14. POWERS AND DUTIES OF DIRECTORS

14.1 The Company may change its name by resolution of the directors.

14.2 The directors may grant or procure the grant by the Company, either alone or in conjunction with another or others, of retirement pensions or annuities, gratuities or allowances, to any person (or to such person's spouse or dependants) who has been an officer or been in the employment of the Company or of any subsidiary or former subsidiary of the Company or any predecessor in business of any of them Model Article 19 shall be deemed to be modified accordingly

- 14.3 The directors may procure the establishment and subsidy of or subscription to and support of any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or its shareholders.
- 14.4 The directors may, in accordance with section 175(5)(a) of the Act, authorise any matter which would otherwise involve or may involve a director breaching his duty under section 175(1) of the Act to avoid conflicts of interest (a "Conflict").
- 14.5 When a Conflict is considered by the directors the director seeking authorisation in relation to the Conflict and any other director with a similar interest
- 14.5.1 may, if the other directors so decide, be excluded from the board meeting while the Conflict is considered; and
- 14.5.2 shall not count in the quorum nor vote on a resolution authorising the Conflict unless the provisions of Article 14.6 apply
- 14.6 A director shall count in the quorum and may vote on a resolution authorising a Conflict where the Conflict arises in any of the circumstances set out in paragraphs 14.6.1 to 14.6.6 below:
- 14.6.1 the giving to the director or any other person a guarantee, security, or indemnity in respect of money lent to, or an obligation undertaken by the director or by any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
- 14.6.2 the giving to a third party of a guarantee, security, or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- 14.6.3 the giving to the director of any other indemnity where all other directors are also being offered indemnities on substantially the same terms;
- 14.6.4 the funding by the Company of the director's expenditure in defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangements;
- 14.6.5 where the Company or any of its subsidiary undertakings is offering securities in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;
- 14.6.6 any contract in which the director is interested by virtue of his interest in Shares or debentures or other securities of the Company or by reason of any other interest in or through the Company,

- 14.6.7 any contract concerning any other company (not being a company in which the director has a Relevant Interest) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever,
 - 14.6.8 any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme of retirement, death or disability benefits scheme or employees' share scheme which relates both to directors and employees of the Company or of any of its subsidiary undertakings and which does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;
 - 14.6.9 any contract for the benefit of employees of the Company or of any of its subsidiary undertakings under which the director benefits in a similar manner to the employees and which does not accord to the director as such any privilege or advantage not accorded to the employees to whom the contract relates, and
 - 14.6.10 any contract for the purpose or maintenance of insurance against any liability for, or for the benefit of, any director or directors or for, or for the benefit of, persons who include directors
- 14.7 Save in relation to a resolution authorising a Conflict, a director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting. Model Article 14 shall not apply to the Company
- 14.8 Any authorisation of a Conflict under this Article 14, may (whether at the time of giving the authorisation or subsequently)
- 14.8.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised;
 - 14.8.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and/or
 - 14.8.3 be terminated or varied by the directors at any time.
- This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.
- 14.9 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.
- 14.9.1 disclose such information to the directors or to any director or other officer or employee of the Company;
 - 14.9.2 use or apply any such information in performing his duties as a director,

where to do so would amount to a breach of that confidence.

14.10 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that any director seeking such authorisation:

14.10.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,

14.10.2 is not given any documents or other information relating to the Conflict,

14.10.3 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.

14.11 Where the directors authorise a Conflict•

14.11.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict;

14.11.2 the director will not infringe any duty he owes to the Company by virtue of Sections 171 to 177 or 182 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.

14.12 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

14.13 Each director shall comply with his obligations to disclose his interest in existing and proposed transactions or arrangements with the Company pursuant to sections 177 and 182 of the Act.

14.14 Where a company in which a director has a Relevant Interest is interested in a contract, he also shall be deemed interested in that contract.

14.15 References to these Articles to

14.15.1 a "contract" include references to any proposed contract and to any transaction or arrangement or proposed transaction or arrangement whether or not constituting a contract; and

14.15.2 a "conflict of interest" include a conflict of interest and duty and a conflict of duties

14.16 A "Relevant Interest" means an interest in three per cent. or more of any class of the equity share capital of a company (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights available to members of

that company if and so long as the director is to his knowledge (either directly or indirectly) the holder of or beneficially interested in such interest.

14.17 The Company may by ordinary resolution suspend or relax the provisions of Articles 14.13 to 14.18 to any extent or ratify any contract not properly authorised by reason of a contravention of these Articles.

14.18 Subject to these Articles, the directors may also cause any voting power conferred by the Shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as they think fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as directors or officers of the other company, or in favour of the payment of remuneration to the directors or officers of the other company. Subject to these Articles, a director may also vote on and be counted in the quorum in relation to any such matters.

15. APPOINTMENT AND REMOVAL OF DIRECTORS

15.1 The Board and/or the holder(s) for the time being of a majority of the Shares for the time being in issue may from time to time appoint any person or persons as a director or directors of the Company and the holder(s) for the time being of a majority of the Shares for the time being in issue may remove any or all of the directors for the time being. Any such appointment or removal shall be made by notice in writing signed by the holder or holders for the time being of the majority of the Shares for the time being in issue; in the case of a body corporate holding any such Shares, the signature of any one of its directors or its duly appointed representative shall suffice. Any such appointment or removal shall take effect on and from the time at which the notice is lodged at the registered office of the Company. Model Article 17(1) shall be deemed to be modified accordingly.

15.2 In addition to the circumstances set out in Model Article 18, the office of a director shall be vacated if he is removed from that office in accordance with Article 15.1.

15.3 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. Model Article 17(2) shall not apply.

16. ALTERNATE DIRECTORS

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

16.1.1 exercise that director's powers, and

16.1.2 carry out that director's responsibilities,

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

- 16.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors
- 16.3 The notice must
- 16.3.1 identify the proposed alternate, and
- 16.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice
- 16.4 An alternate director may act as alternate director to more than one director and has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor and in particular (without limitation) each alternate director shall be entitled to receive notice of all meetings of directors and of all committees of directors of which his appointor is a member
- 16.5 Except as the Articles specify otherwise, alternate directors:
- 16.5.1 are deemed for all purposes to be directors,
- 16.5.2 are liable for their own acts and omissions;
- 16.5.3 are subject to the same restrictions as their appointors, and
- 16.6 are not deemed to be agents of or for their appointors
- 16.7 A person who is an alternate director but not a director:
- 16.7.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
- 16.7.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision but does not participate).
- No alternate may be counted as more than one director for such purposes.
- 16.8 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company
- 16.9 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision).
- 16.10 An alternate director's appointment as an alternate terminates.
- 16.10.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

- 16.10.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
 - 16.10.3 on the death of the alternate's appointor; or
 - 16.10.4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.
- 16.11 Model Article 20 shall be amended by the insertion after the words "any reasonable expenses which the directors" of the words "(including alternate directors) and the secretary."
- 16.12 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.

DECISION-MAKING BY SHAREHOLDERS

17. GENERAL MEETINGS

- 17.1 The holders of the majority of Shares present in person or by proxy or by corporate representative shall be a quorum at any general meeting
- 17.2 No voting rights attached to a Share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts due and payable to the Company in respect of that Share have been paid.
- 17.3 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 the general meeting (or adjourned meeting) to which they relate" and the words "and a proxy notice which is not delivered in such manner shall be invalid" shall be added as a new paragraph at the end of that Article

ADMINISTRATIVE ARRANGEMENTS

18. MEANS OF COMMUNICATION TO BE USED

- 18.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
 - 18.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or three Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom),
 - 18.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

18.1.3 if properly addressed and sent or supplied by electronic means, eight hours after the document or information was sent or supplied, and

18.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article, no account shall be taken of any part of a day that is not a working day.

18.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

18.3 Model Article 48 shall be modified accordingly

19. INDEMNITY

Subject to the provisions of the Statutes, every relevant officer (as defined in Article 20) shall be entitled to be indemnified out of the assets of the Company against all liability which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no relevant officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto Model Article 52 shall not apply.

20. INSURANCE

20.1 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.

20.2 In this Article

20.2.1 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any such company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

20.2.2 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

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

20.3 Model Article 53 shall not apply.

21 Article 21 The lien set out in Article 6.3 shall not apply to shares held or to be held by a any bank, institution or other person which has been granted a security interest in respect of such shares, or to any nominee of such a bank, institution or other person

(or a person acting as agent or security trustee for such person) ("Secured Institution").