

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
FORZA DOORS LIMITED

(Adopted by special resolution passed on 6 April 2023)

1. Interpretation

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

A Share	means an ordinary share of £1 in the capital of the Company designated as an A Ordinary Share;
A Shareholder	means a holder of A Shares from time to time;
Accounts	means the financial statements of the Company for each financial year;
Act	means the Companies Act 2006;
Appointor	has the meaning given in Article 12.1;
Articles	means the Company's articles of association for the time being in force;
Available Profits	means profits available for distribution within the meaning of part 23 of the Act;
Business Day	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
C Share	means an ordinary share of £1 in the capital of the Company designated as a C Share;
C Shareholder	means a holder of C Shares from time to time;
Change of Control	means the acquisition by a buyer of a Controlling Interest
Conflict	has the meaning given in Article 9.1;
Continuing Shareholders	has the meaning given in Article 16.5;
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 Tax Act 2010;
Director	means a duly appointed director of the Company from time to time;
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);
Exit Value	means: <ol style="list-style-type: none"> (1) in respect of a Change of Control the consideration to be paid to the shareholders of the Company pursuant to the Change of Control; and (2) in respect of a Listing the market value of the listing shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the merchant bank, or if none, the broker appointed by the Board to advise in connection with the Listing;
Expert	means the Company's auditors from time to time or (if they decline to act) an independent firm of accountants jointly appointed by (1) the Seller and (2) the Continuing Shareholders or the Company (as the case may be) the shareholders or, in the absence of agreement between the relevant parties on the identity of the expert within 10 Business Days of a shareholder or the Company (as the case may be) serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (acting as an expert and not as an arbitrator);
Fair Value	means in relation to shares, as determined in

	accordance with Article 16.8;
Financial Year	an accounting reference period (as defined in section 391 of the Act) of the Company;
holding company and subsidiary	mean a "holding company" and "subsidiary" as defined in section 1159 of the Act;
Interested Director	has the meaning given in Article 9.1;
Interest Rate	has the meaning set out in Article 13.3.5;
Issue Price	in respect of any share, the subscription price paid (or agreed to be or considered paid) in respect of that share, including any share premium;
Leaver	has the meaning given in Article 17.2.2;
Leaver's Shares	means the C Shares held by a Leaver on the Leaving Date;
Leaving Date	has the meaning set out in Article 17.2;
Listing	means the listing or admission to trading of all or any of the shares of the Company to any Recognised Investment Exchange or NASDAQ or OFEX or the offering of any such aforesaid shares or shares which includes an offering to the public of such shares or shares in any jurisdiction;
Model Articles	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (<i>SI 2008/3229</i>) as amended prior to the date of adoption of these Articles;
Original Shareholder	means a shareholder who transfers his shares to a Permitted Transferee in accordance with Article 16.4;
Permitted Transferee	means any person who is approved in writing by the Company;
Preference Share	means a non-redeemable preference share of £1 in the capital of the Company designated as a Preference Share;
Preference Shareholder	means a holder of Preference Shares from time to time;

Relevant Employee	has the meaning given to it in Article 17.2;
Sale Price	means the price specified in a Transfer Notice or the Fair Value (if the price is referred to the Expert for determination);
Sale Shares	has the meaning given to it in Article 16.5;
Shares	means shares (of any class) in the capital of the Company and Share shall be construed accordingly;
Transfer Notice	means an irrevocable notice in writing given by any shareholder to the Company where the shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares. Where such notice is deemed to have been served it shall be referred to as a Deemed Transfer Notice ; and
Writing or written	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of Article 16, Article 17, Article 18 and Article 19, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 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 but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

2. Adoption of the Model Articles

2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy of the Model Articles is set out in the Schedule to these Articles.

2.2 Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company.

2.3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".

2.4 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

2.5 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".

Directors

3. Directors' Meetings

3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with Article 4.

3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

3.3 Meetings of the directors shall take place at least four times each year, with a period of not more than 13 weeks between any two meetings.

- 3.4 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided on a majority of votes.
- 3.5 If at any time at or before any meeting of the directors or of any committee of the directors a Director participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.6 The provisions of Article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

4. Unanimous Decisions of Directors

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with Article 7.

5. Number of Directors

The number of directors shall not be less than one and shall be no more than four.

6. Calling a Directors' Meeting

- 6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by the directors) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:
- 6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting;
 - and
 - 6.2.2 copies of any papers to be discussed at the meeting.

- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7. Quorum for Directors' Meetings

- 7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors. No business shall be conducted at any meeting of the directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place.

8. Chairing of Directors' Meetings

The post of chairman of the directors will be held by Philip Duckworth. The chairman shall have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, any director who is willing to act as such shall act as chairman at the meeting.

9. Directors' Interests

- 9.1 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 (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 9.2 Any authorisation under this article will be effective only if:
- 9.2.1 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;
 - 9.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 9.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 9.3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):
- 9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

- 9.3.2 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;
 - 9.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 9.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 9.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 9.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 9.5 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.
- 9.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.7 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.

- 9.8 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 9.7.
- 9.9 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with Article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 9.9.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - 9.9.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 9.9.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 9.9.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
 - 9.9.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 9.9.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

10. Records of Decisions to be Kept

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

11. Appointment of Directors

11.1 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 5 of these Articles".

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

12. Alternate Directors

12.1 Any director (other than an alternate director) (in this article, the **Appointor**) may appoint any person (whether or not a director) to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's Appointor. In these Articles, where the context so permits, the term "Director" shall include an alternate director. A person may be appointed an alternate director by more than one director.

12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company and signed by the Appointor, or in any other manner approved by the directors.

12.3 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.

12.4 Except as the Articles specify otherwise, alternate directors:

12.4.1 are deemed for all purposes to be directors;

12.4.2 are liable for their own acts and omissions;

12.4.3 are subject to the same restrictions as their Appointors; and

12.4.4 are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.

- 12.5 A person who is an alternate director but not a director:
- 12.5.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating); and
 - 12.5.2 may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 12.6 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).
- 12.7 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 12.8 An alternate director's appointment as an alternate terminates:
- 12.8.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 12.8.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
 - 12.8.3 when the alternate director's Appointor ceases to be a director for whatever reason.

Shares

13. Share Capital

- 13.1 The authorised share capital of the Company at the adoption of these Articles is £102,100 divided into 33,000 Preference Shares, 69,000 A Shares and 100 C Shares.

13.2 Return of capital rights

- 13.2.1 As regards capital on a return of assets on liquidation, the surplus assets of the Company remaining after payment of its liabilities shall be distributed in accordance with the provisions of this Article 13.2.
- 13.2.2 On a Change of Control or Listing or distribution of capital on a winding up ("liquidation") the following provisions of this Article 13.3 shall apply to determine the allocation of the Exit Value. The holders of Shares shall pay the Exit Value into a joint

account at a UK clearing bank nominated by the Board immediately prior to a Change of Control from which the Exit Value shall be distributed as follows:

13.2.2.1 in the event that a Change of Control or Listing takes place:

- i. such part of the Exit Value as is equal to or less than £200,000 shall be paid to the holders of Preference Shares pro rata to their holdings of Preference Shares;
- ii. such part of the Exit Value as is greater than £200,000 and equal to £1,400,000 shall be paid to the holders of A Shares pro rata to their holdings of A Shares; and
- iii. such part of the Exit Value as is greater than £1,400,000 shall be paid to the holders of C Shares pro rata to their holdings of C Shares.

13.2.2.2 in the event that a liquidation takes place:

- i. such part of the Exit Value as is equal to or less than £200,000 shall be paid to the holders of Preference Shares pro rata to their holdings of Preference Shares;
- ii. such part of the Exit Value as is greater than £200,000 and equal to £1,400,000 shall be paid to the holders of A Shares pro rata to their holdings of A Shares; and
- iii. such part of the Exit Value as is greater than £1,400,000 shall be paid to the holders of C Shares pro rata to their holdings of C Shares.

13.2.3 In the event that any consideration that forms part of the Exit Value is not paid on the date of the Change of Control but is paid subsequently:

13.2.3.1 an initial calculation of the Exit Value shall be made in accordance with the provisions of Article 13.2.2 based on all consideration received on the date of the Change of Control and as if no further consideration were to be paid and monies shall be distributed to the Shareholders accordingly; and

13.2.3.2 upon any further consideration being paid pursuant to the Change of Control such monies shall be added to the consideration received, a re-calculation shall be made in accordance with the provisions of Article 13.2.2 based on all consideration received to that further payment date having been paid and as if no further consideration were to be paid and monies shall be distributed to the Shareholders accordingly (taking into account monies already received by the members pursuant to this Article 13.2).

13.2.4 Immediately prior to and conditional on a Listing the Shareholders shall enter into such reorganisation of the share capital of the Company as the Board may agree or, in default, as the Expert may determine, to ensure that the Exit Value is reallocated between the Shareholders in the same proportions as the preceding provisions of the Articles would provide on a Change of Control.

13.3 Dividend rights

13.3.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this Article 13.3.

13.3.2 The Company shall, without resolution of the Board or of the Company in general meeting and before application of any Available Profits to reserves or for any other purpose pay a fixed cumulative preferential dividend of 18 pence per Preference Share per annum (excluding any associated tax credit) which shall be paid in four equal instalments on 31 August, 30 November, 28 February and 31 May in each year to the persons (equally if more than one) registered as the holders of such Preference Shares at that date and which shall accrue daily and be calculated in respect of the period to such date assuming a 365 day year (**Preference Dividend**). The first payment shall be made on 28 February for the period from and including the date of issue of such Preference Share to such date.

13.3.3 Following payment of any Preference Dividend (including the payment of any arrears) any further Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the C Shares pro rata to their respective holdings of C Shares.

13.3.4 Each Preference Dividend shall be deemed to accrue from day to day as well after as before the commencement of a winding-up and shall therefore be payable by a liquidator in respect of any period after such commencement in priority to other claims or rights of Shareholders in respect of share capital.

13.3.5 Each Preference Dividend shall, provided the Company has sufficient Available Profits out of which to pay the same and notwithstanding that such dividend is expressed to be cumulative, automatically become a debt due from and immediately payable by the Company on the relevant payment date specified in Article 13.3.2. If and to the extent that the debt so constituted is not paid in full on the payment date concerned, the unpaid amount shall accrue interest daily (assuming a 365 day year) at the rate of 2% above the base lending rate of Royal Bank of Scotland Plc (**Interest Rate**) in respect of the period from the due date to the actual date of payment (both dates inclusive) and

such interest shall, to the extent outstanding for the time being, be paid on the date of payment of the Preferred Dividend in respect of which the relevant interest accrues.

13.3.6 If the Company is unable to pay in full on the due date any Preference Dividend by reason of having insufficient Available Profits then it shall on such date pay the same to the extent that it is lawfully able to do so and the unpaid amount shall carry interest at the Interest Rate in respect of the period from and including the payment date concerned down to and including the date of actual payment. Such interest shall accumulate and form part of the Preference Dividend to which it relates. It shall not therefore become payable until the Company has sufficient Available Profits with which to pay the relevant Preference Dividend.

13.3.7 Where by reason of the Company having had insufficient Available Profits it is in arrears with the payment of dividends, the first Available Profits arising thereafter shall be applied

in or towards paying off all accruals and/or unpaid amounts of Preference Dividend.

13.4 Voting rights

13.4.1 The voting rights attached to each class of Shares shall be as set out in this article:

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

13.4.1.2 on a poll, every Shareholder holding one or more C Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for each C Share of which he is the holder.

13.4.2 The Preference Shares and the A Shares will entitle the holders thereof to receive notice of any general meetings but will not entitle the holders to attend or vote at any general meeting.

13.5 The rights attaching to the Preference Shares may not be amended or altered in any way unless previously approved by holders of at least 75 % of the Preference Shares.

13.6 The rights attaching to the A Shares may not be amended or altered in any way unless previously approved by holders of at least 75 % of the A Shares.

- 13.7 The rights attaching to the C Shares may not be amended or altered in any way unless previously approved by holders of at least 75 % of the C Shares.

14. Unissued Shares

- 14.1 No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted unless within one month before that allotment or grant (as the case may be) every shareholder for the time being holding shares of the same class has consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee.
- 14.2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 14.3 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) where the consent to that allotment of every shareholder has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.

15. Further Issues of Shares: Authority

- 15.1 Subject to Article 14 and the remaining provisions of this Article 15, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to:
- 15.1.1 offer or allot;
 - 15.1.2 grant rights to subscribe for or to convert any security into; or
 - 15.1.3 otherwise deal in, or dispose of,
- any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper.
- 15.2 The authority referred to in Article 15.1:
- 15.2.1 shall be limited to a maximum nominal amount of £69,000 of A Shares, £33,000 of Preference Shares and £100 of C Shares or such other amount as may from time to time be authorised by the Company by ordinary resolution;
 - 15.2.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
 - 15.2.3 may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or

might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).

16. Share Transfers

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

16.2 No share shall be transferred unless the transfer is made in accordance with these Articles.

16.3 Subject to Article 18:

16.3.1 an A Shareholder may at any time transfer all or some only of his A Shares or C Shares held by him in the Company to a third party; or

16.3.2 A Preference Shareholder may at any time transfer all or some only of his Preference Shares held by him in the Company to an A Shareholder, without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in this Article 16.

16.4 A C Shareholder may at any time transfer all (but not some only) of his C Shares in the Company to a Permitted Transferee without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in this Article 16. If a Permitted Transferee ceases to be related to the Original Shareholder whether by reason of death, divorce or separation from the Original Shareholder, the Permitted Transferee must, not later than the date five Business Days after the date on which the Company serves notice on him so to do, transfer all (but not some only) of his C Shares in the Company back to the Original Shareholder, failing which the Company may execute a transfer of the shares on behalf of the Permitted Transferee and register the Original Shareholder as the holder of such shares.

16.5 Except where Article 16.4 applies, any C Shareholder (who is not also a holder of A Shares) or a Preference Shareholder wishing to transfer his shares (**Seller**) (**Sale Shares**) must give a Transfer Notice to the Company giving details of the proposed transfer including, in particular, the identity of the buyer, the price of the shares and other payment terms and conditions. The Company shall notify the A Shareholders (**Continuing Shareholders**) that a Transfer Notice has been served within 5 Business Days of receipt and invite them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (**First Acceptance Period**) for the maximum number of Sale

Shares they wish to buy. If an A Shareholder gives written notice to the Company within the First Acceptance Period that he wishes to buy all the Seller's shares in the Company, the A Shareholder will have the right to do so at the price specified in the Transfer Notice or he may refer the price to the Expert to determine the Fair Value in accordance with Articles 16.6 - 16.11 in which case the **First Acceptance Period** shall be extended until the expiry of the time for serving notice under Article 16.12. The Directors shall allocate the Sale Shares to each A Shareholder who has applied for Sale Shares in the proportion which his existing holding of A Shares bears to the total number of A Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

- 16.6 As soon as practicable after service, or deemed service, of the Transfer Notice, unless the A Shareholder or the Company (as the case may be) accepts the price set out in the Transfer Notice, the A Shareholder (or the Company as the case may be) may by notice in writing to the Seller require that the Fair Value of the Sale Shares be determined. In such case, the Seller and the A Shareholder or the Company (as the case may be) shall appoint an Expert to determine the Fair Value of the Seller's shares in the Company.
- 16.7 The A Shareholder or the Company (as the case may be) has the right, within five Business Days of receiving notification of the Fair Value determined by the Expert (the first day being the day after the A Shareholder or the Company (as the case may be) receives the Fair Value notification) to serve a written notice on the Seller to buy all or some only of the Seller's shares at the Fair Value.
- 16.8 In this Article the Fair Value of the shares to be sold in the Company shall be the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions:
- 16.8.1 on the basis which, in the opinion of the Expert, represents a fair price for the Leaver's Shares at the Leaving Date as between a willing seller and a willing buyer and, in making such determination, the Expert shall take account of whether the Leaver's Shares comprise a majority or minority interest in the Company and the fact that their transferability is restricted by these articles (but, for the avoidance of doubt, ignoring the fact that such Leaver's Shares can be subject to the compulsory transfer requirements of Articles 17 (*Leavers*) and 19 (*Drag Along*));

- 16.8.2 the sale is between a willing buyer and a willing seller on the open market;
- 16.8.3 if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so;
- 16.8.4 the shares are sold free of all encumbrances; and
- 16.8.5 to take account of any other factors that the Expert reasonably believes should be taken into account.

If any problem arises in applying any of the assumptions set out in this Article 16.8, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit.

- 16.9 The Expert shall be requested to determine the Fair Value within 20 Business Days of his appointment and to notify the shareholders and the Company in writing of his determination.
- 16.10 Subject to any confidentiality provisions, the Expert may have access to all accounting records and other relevant documents of the Company.
- 16.11 The Expert's determination shall be final and binding on the shareholders (in the absence of fraud or manifest error).
- 16.12 The A Shareholders are bound to buy all the Seller's shares when they give notice to the Seller under Article 16.5 or 16.7 (as the case may be) that they wish to do so.
- 16.13 If, at the expiry of the First Acceptance Period, the A Shareholders have not notified the Seller that he wants to buy the shares, the Company may give written notice to the Seller within 5 Business Days of the expiry of the First Acceptance Period (**Second Acceptance Period**) that it wishes to buy all the Seller's shares in the Company, and the Company will have the right to do so subject to meeting the requirements of the Act at the price specified in the Transfer Notice or (where the Fair Value has not been previously determined) it may refer the price to the Expert to determine the Fair Value in accordance with Articles 16.6 - 16.11.
- 16.14 The Seller may transfer all (but not some only) of his shares in the Company to the buyer identified in the Transfer Notice (subject to the provisions of Article 18 and Article 19 where applicable) at a price not less than the price specified in that notice provided that he does so within one month of the expiry of the Second Acceptance Period.
- 16.15 Any transfer of shares by way of a sale that is required to be made under Article 16, Article 17, Article 18 or Article 19 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

16.16 Subject to Article 16.17, the directors shall forthwith register any duly stamped transfer or cancel the shares (as appropriate) made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

16.17 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this Article 16.17, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

17. Leavers

17.1 The provisions of this Article 17 shall apply to any Leaver and to any Leaver's Shares except where that Leaver is also a holder of A Shares.

17.2 In these Articles:

17.2.1a Relevant Employee shall mean:

- (a) an employee of the Company; and/or
- (b) a director of the Company;

17.2.2 a Leaver shall mean:

- (a) any employee or director of the Company who is a C Shareholder who ceases to be either such an employee or such a director;
- (b) any C Shareholder who ceases, or has ceased, to be a Relevant Employee (and who does not fall within article 17.2.2(a));
- (c) any C Shareholder who is a relative of any person who ceases to be a Relevant Employee;
- (d) any C Shareholder holding C Shares as a result of a transfer made after the date of the adoption of these articles by a person in relation to whom such Shareholder was a Permitted Transferee who ceases to be a Permitted Transferee in relation to such person, including without limitation any C Shareholder who ceases to be the spouse of a Relevant Employee;
- (e) any person who becomes entitled to any C Shares:

- (i) on the death of a C Shareholder;
- (ii) on the bankruptcy of a C Shareholder; or
- (f) any C Shareholder holding C Shares as a nominee for any person who ceases, or who has ceased, to be a Relevant Employee,

and the **Leaving Date** shall be the date of the happening of any of the events set out in Article 17.2.2.

17.3 Within the period commencing on the relevant Leaving Date and expiring at midnight on the first anniversary of such date, the directors may by notice in writing served on the Leaver notify him that he is, with immediate effect, deemed to have served one or more Transfer Notices in respect of such number and class of his Leaver's Shares as is specified in the notice.

17.4 The provisions of Article 16 shall apply to any such Transfer Notice, provided that for these purposes:

17.4.1 the Sale Shares shall comprise the above-mentioned C Shares;

17.4.2 no proposed buyer shall be specified in the Transfer Notice;

17.4.3 the Sale Price shall be determined by Article 17.5; and

17.4.4 references to receipt of the Transfer Notice in Article 16.5 shall be replaced by the date of determination of the Fair Value if a Fair Value falls to be determined.

17.5 The Sale Price shall be the Fair Value.

17.6 In this Article the Fair Value shall be such price as the transferor and the Company shall agree within ten Business Days of the date of the deemed Transfer Notice or, failing such agreement, such price as the Expert shall determine pursuant to Articles 16.6 - 16.11.

17.7 If the Seller fails to complete the transfer of shares as required under this Article, the Company:

17.7.1 is irrevocably authorised to appoint any person as agent to transfer the shares on the Seller's behalf to include without limitation to execute all necessary transfer(s) on his behalf and to do anything else that the Buyer may reasonably require to complete the sale; and

17.7.2 may receive the purchase price on trust for the Seller, giving a receipt that shall discharge the Buyer.

18. Tag Along

18.1 The provisions of Article 18.2 to Article 18.6 shall apply if the holders of a majority of the C Shares in issue for the time being (**Seller**) propose to transfer the C Shares held by them to a

- bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**) acquiring a Controlling Interest in the Company.
- 18.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer (**Offer**) to the holders of the remaining C Shares in issue for the time being to purchase all of the C Shares held by them for a price per C Share that is at least equal to the price per A Share and C Share offered by the Buyer in the Proposed Transfer (**Specified Price**).
- 18.3 The Offer shall be given by written notice (**Offer Notice**), at least 15 Business Days (**Offer Period**) before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 18.3.1 the identity of the Buyer;
 - 18.3.2 the purchase price and other terms and conditions of payment;
 - 18.3.3 the Transfer Date; and
 - 18.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 18.4 If the Buyer fails to make the Offer in accordance with Article 18.2 and Article 18.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 18.5 If the Offer is accepted by the holders of the C Shares in writing within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholders.
- 18.6 The Proposed Transfer is not subject to the rights of pre-emption set out in Article 16, and the purchase of the Offer Shares shall not be subject to those provisions.

19. Drag Along

- 19.1 If the majority of C Shareholders (**Sellers**) wish to transfer all (but not some only) of their A Shares and C Shares (**Sale Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Sellers may require the remaining holders of the C Shares and the Preference Shareholders (**Called Shareholders**) to sell and transfer all of their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**).
- 19.2 The Sellers may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sale Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 19.2.1 that the Called Shareholders are required to transfer all of their Called Shares pursuant to this Article 19;

- 19.2.2 the person to whom the Called Shares are to be transferred;
 - 19.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, reflect the Exit Value and the provisions of article 13.2.2 in valuing the Preference Shares, A Shares and C Shares in the price offered by the Proposed Buyer for the Sale Shares; and
 - 19.2.4 the proposed date of the transfer.
- 19.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Sellers have not sold the Sale Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Sellers may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this Article 19 and Article 16.15.
- 19.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sale Shares unless:
- 19.5.1 the Sellers and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
 - 19.5.2 that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the twenty-first Business Day after service of the Drag Along Notice.
- 19.6 The proposed sale of the Sale Shares by the Sellers to the Proposed Buyer shall not be subject to the rights of pre-emption set out in Article 16 and the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 19.7 Within 20 Business Days of the Sellers serving a Drag Along Notice on the Called Shareholder, the Called Shareholders shall deliver a stock transfer form for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 20 Business Day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to Article 19.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholder without any obligation to pay interest.
- 19.8 To the extent that the Proposed Buyer has not, on the expiration of the 21 Business Day period referred to in Article 19.7, put the Company in funds to pay the purchase price due in

respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 19 in respect of its Shares.

- 19.9 If any of the Called Shareholders do not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by him, that Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Sellers to be his agent to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 19.9.

Decision making by shareholders

20. Quorum for General Meetings

- 20.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons entitled to vote at such meeting present in person or by proxy.
- 20.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

21. Chairing General Meetings

The chairman of the board of directors shall chair general meetings.

22. Poll Votes

- 22.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 22.2 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.

23. Proxies

- 23.1 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 general meeting (or adjourned meeting) to which they relate".
- 23.2 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" as a new paragraph at the end of that article.

Administrative arrangements

24. Means of Communication to be Used

- 24.1 Subject to Article 24.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 24.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;
 - 24.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 24.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 24.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- For the purposes of this article, no account shall be taken of any part of a day that is not a working day.
- 24.2 Any notice, document or other information served on, or delivered to, an intended recipient under Article 16, Article 17, Article 18 or Article 19 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website.

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

25. Indemnity and Insurance

- 25.1 Subject to Article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

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

- 25.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

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

- 25.4 In this article:

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

25.4.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund of the Company.

Secured Party

26.

26.1 That, notwithstanding anything contained in these Articles:

26.1.1 any rights of existing members to receive notice, any right of pre-emption to any share in the Company, or any right to have any share transferred to any of the existing members whether for consideration or not, shall not apply to any transfer of shares; and

26.1.2 the directors of the Company shall not decline to register any transfer of shares, nor may they delay registration of any transfer of shares, where in each case the shares have been mortgaged or charged by way of security and:

- (a) such transfer is to any person, bank or institution to whom such shares have been mortgaged or charged by way of security (whether in its own capacity, or as agent or trustee or otherwise (a **"Secured Party"**), or to any nominee of such Secured Party;
- (b) such transfer is delivered to the Company for registration by a Secured Party or its nominee to perfect interest over such shares;
- (c) such transfer is executed by a Secured Party or its nominee either under the power of sale or any other power under the security document purporting to create the security interest over such shares (the **"Security Document"**);
- (d) such transfer is executed by a receiver or manager appointed by or on behalf of any Secured Party or its nominee under the Security Document; or
- (e) where the Secured Party has consented to the transfer as a condition of the release of its security interest over such shares; and

27.

27.1 The Company shall have no lien on any share which is subject to a mortgage or charge in favour of another person, or which could otherwise be transferred under this article to any other person.