

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**CONVEYANCING DATA SERVICES LIMITED (Company)**  
(Adopted by special resolution passed on 14 March 2023.....) (Effective Date)

**Introduction**

**1 . Interpretation**

**1 . 1** In these Articles, the following words have the following meanings:

**appointor:** has the meaning given in article 11;

**Acting in Concert:** has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

**Associate:** In relation to any person means:

a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined); or

(b) any member of the Permitted Group;

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

**Bad Leaver:** a Departing Employee Shareholder who either becomes a Departing Employee Shareholder by reason of:

(a) being found guilty by a court of law or tribunal of competent jurisdiction of any wilful act of gross misconduct which, in the reasonable opinion of the Board, has had material adverse effect on the financial position or prospects of the Company; or

- (b) serving notice to terminate his employment under his service agreement such notice being served within 12 months of the Effective Date.

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

**CA 2006:** the Companies Act 2006;

**Conflict:** a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Interests of the Company;

**Continuing Shareholder:** in respect of a Deemed Transfer Notice, a shareholder of the Company other than (i) the Seller; (ii) a Founder Shareholder that has received an offer for Sale Shares under article 15.5; or (lii) a Departing Employee Shareholder;

**Controlling Interest:** an Interest in shares in the Company which confers on the holder(s) control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**Deemed Transfer Notice:** has the meaning given in article 15.1;

**Departing Employee Shareholder:** an Employee Shareholder who ceases, or has ceased, to be an employee of the Company;

**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);

**Employee Shareholder:** a Founder Shareholder who is, or has been, an employee of the Company;

**Fair Value:** In relation to shares, as determined in accordance with article 16;

**Founder Majority Consent:** the consent of the Founder Shareholder(s) holding not less than two thirds of shares held in the Company by all of the Founder Shareholders at the relevant time.

**Founder Shareholders:** each of Jonathan Stebbings, Lee Richards and Matthew Joy (each being a Founder Shareholder);

**Founder Specific Transfer Event:** has the meaning given in article 15.1(a);

**Model Articles:** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;

**Market Value:** means the market value of the Company as agreed for the purposes of these Articles (or any part of these Articles) between all of the shareholders (including in any shareholders' agreement);

**Permitted Group:** in relation to a company, any subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Permitted Group is a **member of the Permitted Group**. Unless the context otherwise requires, the application of the definition of Permitted Group to a company at any time will apply to the company as it is at that time;

**Sale Price:** the price per Sale Share determined in accordance with article 15.2;

**Sale Shares:** has the meaning given in article 15.2;

**Seller:** a shareholder who is deemed to have served a transfer notice in accordance with article 15.1;

**Valuers:** where required to determine the Fair Value of any Sale Shares in relation to:

- (a) a Deemed Transfer Notice given pursuant to a Founder Specific Transfer Event, an Independent firm of auditors jointly appointed by the shareholders (all acting reasonably) or, in the absence of agreement between the shareholders on the Identity of the expert within 15 Business Days of a shareholder serving details of a suggested expert on the others, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator); or
- (b) any other Deemed Transfer Notice, the Company's auditors from time to time.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings In these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings In the CA 2006 shall have those meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or Interpretation of these Articles.
- 1.4 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to It as amended, extended or re-enacted from time to time.
- 1.6 A **person** includes a natural person, corporate or unincorporated body (whether or not having a separate legal personality).

## 2. Adoption of the Model Articles

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent With these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 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) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly Incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 31(1)(a) to (c) (Inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(1)(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **Directors**

### **3. Unanimous decisions of directors**

- 3.1 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.
  - 3.2 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.
  - 3.3 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 6.

### **4. Number of directors**

The number of directors shall not be more than six.

### **5. Calling a directors' meeting**

Notice of a directors' meeting shall be given to each director in writing (in electronic form If so required).

## **6. Quorum for directors' meetings**

6.1 If the total number of directors in office for the time being is less than the quorum agreed by all of the shareholders (including in any shareholders' agreement), the directors must not take any decision other than a decision:

- (a) to appoint further directors; or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

## **7. Casting vote**

7.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman has a casting vote.

7.2 Article 7.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance With the Articles, the chairman or other director IS not an eligible director for the purposes of that meeting (or part of a meeting).

## **8. Directors' interests**

8.1 Subject to sections 177(5) and 177(6) of the CA 2006, 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 CA 2006.

8.2 A director, notwithstanding his office, may:

- (a) be a director or other officer of, employed by, or otherwise interested (including by holding shares) in, the shareholder who appointed him as a director of the Company, or any member of such shareholders' Permitted Group; and
- (b) have any other interest arising from any agreement or arrangement between (or approved by) the shareholders on or around the date of adoption of these Articles (or arising from circumstances existing immediately upon or around the adoption of these Articles) and of which each of the shareholders is aware (or ought reasonably to be aware),

and no authorisation under the CA 2006 or otherwise shall be required In respect of any such interest.

8.3 It shall not be made a condition of any authorisation of a matter in relation to a director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting

or counting in the quorum at any meeting of, or of any committee of the directors or that he shall be required to disclose, use or apply confidential Information.

- 8.4 Subject to sections 182(5) and 182(6) of the CA 2006, 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 CA 2006, unless the interest has already been declared or deemed to have been declared under this article 8.
- 8.5 Provided a director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a director who IS In any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement With the Company:
- (a) 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;
  - (b) 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;
  - (c) shall be entitled to vote at a meeting of directors (or of a committee of directors) or to participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is Interested;
  - (d) 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;
  - (e) 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
  - (f) 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 CA 2006)) 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 CA 2006.

## **9. Records of decisions to be kept**

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

## **10. Appointment of directors**

In any case where, as a result of death, bankruptcy or insolvency, 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 or to have been declared insolvent (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

## **11. Alternate directors**

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

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

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

11.2 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.

11.3 The notice must:

- (a) identify the proposed alternate; and
- (b) 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.

11.4 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

11.5 Unless the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;

- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their appointors; and
- (d) 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.

11.6 A person who is an alternate director but not a director:

- (a) 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);
- (b) 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); and
- (c) shall not be counted as more than one director for the purposes of article 11.6.

11.7 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), but shall not count as more than one director for the purposes of determining whether a quorum is present.

11.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be 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.

11.9 An alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- (b) 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;
- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a director terminates.



## Shares

### 12. Share issues: authority

- 12.1 Unless expressly authorised pursuant to any shareholders' agreement or otherwise by the shareholders acting unanimously, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company.

### 13. Share issues: pre-emption rights

- 13.1 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.
- 13.2 Unless otherwise agreed by all shareholders, if the Company proposes to allot any equity securities (other than any equity securities to be held under any employees' share scheme), those equity securities shall not be allotted to any person unless the Company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:
- (a) shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
  - (b) may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.
- 13.3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 13.2 shall be used for satisfying any requests for Excess Securities made pursuant to article 13.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with article 13.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.
- 13.4 Subject to articles 13.2 and 13.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise

dispose of them to any persons at those times and generally on the terms and conditions they think proper.

- 13.5 No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election With the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

#### 14. Share transfers: general

- 14.1 The directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 14.2 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 unless otherwise agreed by all shareholders in writing (including under any shareholders' agreement in force between all of the shareholders).
- 14.3 Subject to articles 15, 17 and 18, unless otherwise agreed by all shareholders in writing (including under any shareholders' agreement in force between all of the shareholders at the date of adoption of these Articles), no shareholder shall transfer, create or dispose of any interest in or over any shares except that, unless he is the subject of a Deemed Transfer Notice, each Founder Shareholder shall be entitled to transfer all (but not some only) of his shares to any other Founder Shareholder (who is not the subject of a Deemed Transfer Notice and who is not a Departing Employee Shareholder) without restriction as to price or otherwise.

#### 15. Share transfers: compulsory transfers

- 15.1 A shareholder is deemed to have served a transfer notice on the Company (**Deemed Transfer Notice**) Immediately before any of the following events insofar as they apply to him:
- (a) the death or permanent disability or permanent incapacity through ill-health of a shareholder or the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding (a **Founder Specific Transfer Event**); or
  - (b) a bankruptcy petition being presented for the shareholder's bankruptcy; or
  - (c) an arrangement or composition with any of the shareholder's creditors being proposed; or

- (d) the shareholder convening a meeting of his creditors, or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
- (e) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
- (f) a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or
- (g) the shareholder (being an Employee Shareholder) becoming a Bad Leaver; or
- (h) the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Permitted Group in which a new company assumes (and is capable of assuming) all the obligations of the shareholder; or
- (i) the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within 14 days of such presentation; or
- (j) the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or
- (k) any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
- (l) the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
- (m) the shareholder entering into a composition or arrangement with any of its creditors.

15.2 A Deemed Transfer Notice takes effect on the basis that it relates to all and not some only of the Seller's shares (**Sale Shares**) and the price for the Sale Shares shall be the aggregate Fair Value of such Sale Shares as determined in accordance with article 16 (unless, in the case of a Founder Specific Transfer Event only, the Sale Price has been agreed between the Seller and an Applicant, in which case the Sale Price as between the Seller and such Applicant only shall be the price so agreed).

15.3 Once deemed to have been given under these Articles, a Deemed Transfer Notice may not be withdrawn or varied without the consent of all of the shareholders.

15.4 A Deemed Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares in the manner prescribed by these Articles and at the Sale Price.

15.5 In the event of a Deemed Transfer Notice given pursuant to a Founder Specific Transfer Event, the directors shall first offer the Sale Shares for sale to each Founder Shareholder other than the Seller or any Founder Shareholder who is a Departing Employee Shareholder (**Remaining Founders**) inviting the Remaining Founders to apply to the Company in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**Remaining Founders Offer Period**) for the maximum number of Sale Shares they wish to buy. The offer shall be in writing and give details of the number and Sale Price of the Sale Shares offered. If at the end of the Remaining Founders Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Remaining Founder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by all of the Remaining Founders (excluding those held either by the Seiler or by any other shareholder whose shares are, at the time of the Deemed Transfer Notice, also the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Remaining Founder Shareholders shall be determined by the directors acting reasonably). 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.

15.6 In the event that:

- (a) at the end of the Remaining Founders Offer Period the Remaining Founders have not indicated that they Wish to buy all of the Sale Shares; or
- (b) a Deemed Transfer Notice IS given other than pursuant to a Founder Specific Transfer Event,

the directors shall within 20 Business Days of the relevant event above either notify the Seller in writing (**Acceptance Notice**) that the Company wishes to carry out a company buyback of the Sale Shares at the Sale Price or give notice in writing to the Seller that the Company is not willing or able to purchase the Sale Shares.

15.7 Completion of a buyback of the Sale Shares shall take place 30 Business Days after the issue of an Acceptance Notice (or such sooner date as may be agreed between the Seller and the Company), save that the time for completion of a buyback of the Sale Shares shall be extended in the event that any clearance required by HM Revenue & Customs remains outstanding (by such amount of time as is reasonably required by the Company for the purposes of the same).

15.8 At completion pursuant to article 15.7:

- (a) the Seller shall deliver to the directors a duly completed Buyback Agreement together with the relevant share certificate(s) (or an Indemnity in lieu thereof) and such other documents as the directors may reasonably require to show good title to the Sale Shares; and

(b) the directors shall procure that:

- (i) the Sale Price is paid by telegraphic transfer to an account notified by the Seller to the Company for the purposes of this article 15.8;
- (ii) the Buyback Agreement is duly executed for and on behalf of the Company; and
- (iii) such other shareholder approvals as required under the Companies Act 2006 in respect of a buyback of shares are obtained.

15.9 For the purposes of article 15.8 a Buyback Agreement shall be a buyback agreement agreed between the Seller and the directors acting reasonably and if they are unable to agree the terms of such agreement the Buyback Agreement shall be determined by an independent solicitor appointed by the President of the Law Society within 10 Business Days of a written request by either the Seller or the directors.

15.10 In the event that the directors confirm that the Company does not Wish to carry out a buyback of the Sale Shares, or do not issue a notice In accordance With article 15.6, the directors shall offer the Sale Shares (excluding any shares acquired by the Remaining Founders pursuant to article 15.5) (**General Sale Shares**) to the Continuing Shareholders inviting the Continuing Shareholders to apply to the Company in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**General Offer Period**) for the maximum number of General Sale Shares that they wish to buy. Each offer shall be in writing and give details of the number and Sale Price of the General Sale Shares offered. If at the end of the General Offer Period, the total number of General Sale Shares applied for is equal to or exceeds the number of General Sale Shares, the directors shall allocate the General Sale Shares to each Continuing Shareholder who has applied for General Sale Shares In the proportion which his existing holding of shares bears to the total number of shares (excluding those held either by the Seller or by any other shareholder whose shares are, at the time of the Deemed Transfer Notice, also the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all General Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the directors acting reasonably). No allocation shall be made to a shareholder of more than the maximum number of General Sale Shares which he has stated he is willing to buy.

15.11 If not all General Sale Shares are allocated following allocations in accordance with article 15.10, but there are applications for General Sale Shares that have not been satisfied, the directors shall allocate the remaining General Sale Shares to such applicants In accordance with the procedure set out in article 15.10. The procedure set out in article 15.10 shall apply on any number of consecutive occasions until either all General Sale Shares have been allocated or all applications for General Sale Shares have been satisfied.

15.12 If at the end of the General Offer Period, the Company has not received applications in respect of all the General Sale Shares, then:

- (a) in the case of a Deemed Transfer Notice pursuant to Founder Specific Transfer Event, the Sale Shares held in the name of the Seller may within 60 Business Days from the end of the General Offer Period, transfer the Sale Shares (or such number of the Sale Shares as remain unallocated to any person at a price per Sale Share) to the spouse, civil partner, widow or widower of the Seller and/or the Seller's children and grandchildren (including step and adopted children);
- (b) in the case of any other Deemed Transfer Notice, the General Offer Period shall be extended for the period of 1 year commencing on the date of the original General Offer Period and the directors shall allocate any such General Sale Shares to satisfy applications received (if any) during each calendar month of such extended General Offer Period on the last Business Day of any such calendar month (each an **Extended General Offer Period**) provided that if at if on such day the total number of General Sale Shares applied for during the relevant calendar month is equal to or exceeds the number of General Sale Shares that remain available, such allocation shall be made in the proportion to the existing holding of shares held by each applicant).

15.13 The directors shall, when no further offers or allocations are required to be made in relation to any Remaining Founders Offer Period, General Offer Period or Extended General Offer Period (as the case may be), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and to each shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares.

15.14 On the date specified for completion in the Allocation Notice the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance With any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and shall deliver his resignation as a director of the Company, such resignation to take effect at completion of the sale of the Sale Shares.

15.15 If the Seller fails to comply with clause 15.14:

- (a) the chairman of the board of directors (or, failing him, any other director of the Company or some other person nominated by a resolution of the board of directors) may, as attorney on behalf of the Seller:
  - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

- (ii) receive the Sale Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Sale Price); and
  - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and
- (b) the Company shall pay the Sale Price into a separate bank account in the Company's name on trust (but without Interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (If any) as the directors may reasonably require to prove good title to those Sale Shares, to the Company.

## 16. Share transfers: valuation

16.1 As soon as practicable after deemed service of a Deemed Transfer Notice under article 15 and in the absence of unanimous agreement of the shareholders to the contrary, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.

16.2 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the shareholders In writing of their determination.

16.3 The Fair Value for each Sale Share shall be:

- (a) in the case of a Deemed Transfer Notice pursuant to a Founder Specific Transfer Event, the Market Value of the Company divided by the number of shares in issue (with no discount being applied for minority shareholdings);
- (b) In the case of a Deemed Transfer Notice pursuant to a shareholder becoming a Bad Leaver, half (50%) of the Market Value of the Company divided by the number of shares in issue (with no discount being applied for minority shareholdings); or
- (c) in the case of any other Deemed Transfer Notice, the value of each Sale Share on the basis of the following assumptions:
  - (i) the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - (ii) the Sale Shares are sold free of all encumbrances;
  - (iii) the sale is taking place on the date the Valuers were requested to determine the Fair Value (the **Value Date**);

- (iv) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
- (v) if the Company is on the Value Date carrying on business as a going concern, on the assumption that it has and will continue to do so; and
- (vi) taking into account any other factors that the Valuers reasonably believe should be taken into account.

- 16.4 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 16.5 To the extent not provided for by this article 16, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 16.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of fraud.
- 16.7 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct.

## 17. Share transfers: drag along

- 17.1 If the holders of a majority of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (Sellers' Shares) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their shares (Called Shares) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 17 (**Drag Along Option**).
- 17.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 17;
  - (b) the person to whom the Called Shares are to be transferred;



(c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the highest of the following (or, If agreed With Founder Majority Consent, an amount at least equal to the amount set out in article 17.2(c)(i) below):

(i) the price per share offered by the Proposed Buyer for the Sellers' Shares; and

(ii) the Market Value of the Company divided by the number of shares in issue (with no discount being applied for minority shareholdings); and

(d) the proposed date of the transfer.

17.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

17.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 17.

17.5 Completion of the sale of the Called Shares shall take place on the Completion Date. **Completion Date** means the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all Of the Called Shareholders and the Selling Shareholders.

17.6 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is not subject to any rights of pre-emption set out in this agreement.

17.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together With the relevant share certificates (or a suitable Indemnity for any lost share certificates) to the Company. On the Completion Date, the Selling Shareholders shall procure that the Called Shareholders are paid the amounts due pursuant to article 17.2(c) in accordance with the terms of any sale agreement (**Sale Agreement**) to the extent that the Proposed Buyer has submitted the requisite funds.

17.8 To the extent that the Proposed Buyer has not, on the Completion Date, submitted funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called

Shares and the Called Shareholders shall have no further rights or obligations under this article 17 in respect of the Called Shares.

- 17.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 17.7) transfer(s) in respect of all of the Called Shares held by them, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Selling Shareholders (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 17.

## 18. Share transfers: tag along

- 18.1 The provisions of articles 18.2 to 18.6 shall apply if, in one or a series of related transactions, one or more Selling Shareholders propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person or persons and any Associates of such person or persons Acting In Concert with him acquiring a Controlling Interest in the Company (**Buyer**), acquiring a majority of the Shares in issue for the time being.
- 18.2 Before making a Proposed Transfer, the Selling Shareholders shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer in the Proposed Transfer (**Specified price**).
- 18.3 The Offer shall be made by written notice (**Offer Notice**), at least 30 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
  - (b) the Specified Price and other terms and conditions of payment;
  - (c) the Sale Date; and
  - (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 18.4 If the Buyer fails to make the Offer to all of the persons listed in article 18.2 in accordance with article 18.2 and article 18.3, the Selling Shareholders 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 any Shareholder (**Accepting Shareholder**) in writing within 20 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

18.6 The Proposed Transfer is not subject to the pre-emption provisions of this agreement.

### **Decision making by the shareholders**

#### **19. Poll votes**

19.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.

19.2 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.

#### **20. Proxies**

20.1 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".

20.2 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**

#### **21. Means of communication to be used**

21.1 Subject to article 21.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if delivered by hand, on signature of a delivery receipt; or
- (b) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00am on the second Business Day after posting; or

- (c) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; and
- (d) if deemed receipt under the previous paragraphs of this article 21.1 would occur outside business hours (meaning 9.00am to 5.30pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

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

- (a) if delivered by hand the notice was delivered to the correct address; or
- (b) if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
- (c) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

## 22. Indemnity and insurance

22.1 Subject to article 22.3, but without prejudice to any indemnity to which a relevant Officer is otherwise entitled 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.

22.2 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 22.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

22.3 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.

22.4 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.

22.5 In this article:

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