

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**VARIOUS EATERIES LIMITED**  
**(company number 09269648)**

Adopted by special resolution passed on ..... *26 August* ..... 2020

Introduction

**1 INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires:

**Act:** means the Companies Act 2006;

**Allocation Notice:** has the meaning given in article 12.8;

**Applicant:** has the meaning given in article 12.8;

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

**Available Profits:** profits available for distribution within the meaning of Part 23 of the Companies Act 2006;

**Board:** the board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened quorate meeting of the Directors;

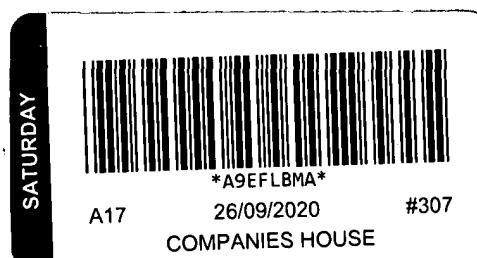
**Business Day:** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

**Control:** has the meaning given in section 1124 of the Corporation Tax Act 2010, and the expression Change of Control shall be construed accordingly;

**Company's Lien:** has the meaning given in article 15.1;

**Conflict:** has the meaning given in article 8.1;

**Connected Persons:** has the meaning attributed by sections 1122 and 1123 of the Corporation Tax Act 2010;



**Controlling Interest:** means an interest in shares (as defined in Schedule 1 of the Act) conferring in aggregate 50% or more of the total voting rights conferred by all the Shares for the time being in issue;

**Deemed Transfer Notice:** a transfer notice which is deemed to have been served by any of the provisions of these Articles;

**Director:** a 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);

**Excess Shares:** has the meaning given in article 9.1;

**Fair Value:** has the meaning given in article 13.2;

**Family Trust:** as regards any particular individual Shareholder (or deceased or former individual Shareholder) trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons);

**First Offer Period:** has the meaning given in article 12.5;

**Independent Expert:** the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 15 Business Days of the expiry of the 15 Business Day period referred to in article 13.1, an independent firm of accountants appointed by the President for the time being of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator);

**Initial Surplus Shares:** has the meaning given in article 12.6.3;

**Interested Director:** has the meaning in article 8.1;

**Lien Enforcement Notice:** has the meaning given in article 16.2,

**Minimum Transfer Condition:** has the meaning given in article 12.2.4;

**Model Articles:** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (S/2008/3229) as amended prior to the date of adoption of these Articles;

**Ordinary Shares:** means the Ordinary shares of £0.01 each in the Company;

**Original Shareholder:** has the meaning given in article 11.1;

**Permitted Transfer:** a transfer of Shares made in accordance with article 11;

**Permitted Transferee:** in relation to:

- (a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;
- (b) a Shareholder which is a pension scheme, a member of that pension scheme or a beneficiary of that pension scheme; and
- (c) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;

**Privileged Relation:** in relation to a Shareholder who is an individual Shareholder (or a deceased or former individual Shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue);

**Proposed Sale Price:** has the meaning given in article 12.2.3;

**Restricted Shares:** has the meaning given in article 14.4;

**Sale Shares:** has the meaning given in article 12.2.1;

**Seller:** has the meaning given in article 12.2;

**Share Sale:** means the completion of any sale of any interest in any Shares (whether in one transaction or in a series of related transactions) resulting in a Change of Control;

**Shareholder:** a holder for the time being of any Share or Shares;

**Shareholder Consent:** the prior consent in writing of not less than 75% by nominal value of the Shares held by the Shareholders from time to time;

**Shares:** all the shares in the issued capital of the Company from time to time and Shares shall be construed accordingly;

**Transfer Notice:** has the meaning given in article 12.2; and

**Transfer Price:** has the meaning given in article 13.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.5.1 any subordinate legislation from time to time made under it; and
- 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 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.
- 1.7 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.8 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 21, 24(2)(c), 44(2), 52 and 53 of the Model Articles shall not apply to the company.
- 1.9 Article 7 of the Model Articles shall be amended by:
- 1.9.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
- 1.9.2 the insertion in article 7(2) of the words "(for so long as he remains the sole Director)" after the words "and the Director may".
- 1.10 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".
- 1.11 Article 26(1) of the Model Articles shall be amended by the insertion of the words "and, unless each Share is fully paid, the transferee" after the words and "on behalf of the transferor".
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".

- 1.13 Article 29 of the Model Articles shall be amended by the insertion of the words “, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2),” after the words “the transmittee’s name”.
- 1.14 Article 30(4) of the Model Articles shall be replaced with the words “Except as otherwise provided by the articles, all dividends must be paid according to the amounts paid up on the shares on which the dividend is paid, and apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 1.15 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words “either” and “or as the Directors may otherwise decide”. Article 31(d) of the Model Articles shall be amended by the deletion of the words “either” and “or by such other means as the Directors decide”
- 1.16 Article 42 shall be renamed Article 42(2) and a new Article 42(1) shall be inserted and shall read as follows “No voting rights attached to any share may be exercised at any general meeting, an adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the company in respect of that share have been paid”.

## **2 SHARE RIGHTS**

- 2.1 The Ordinary Shares shall have the following rights and be subject to the following restrictions:
- 2.2 As regards income
- The holders of the Ordinary Shares shall be entitled to the entirety of any distribution which the Company may determine to make on the Ordinary Shares.
- 2.3 As regards capital
- On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be distributed to the holders of the Ordinary Shares pro rata according to the number of Ordinary Shares held by them respectively.
- 2.4 As regards a Share Sale
- On a Share Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Share Sale, the selling shareholders (immediately prior to such Share Sale) shall procure that the consideration (whenever received) shall be distributed among the holders of the Ordinary Shares pro rata according to the number of Ordinary Shares held by them respectively.
- 2.5 As regards voting
- The holders of the Ordinary Shares shall be entitled to receive notice of and to attend and speak at all general meetings of the Company, and shall be entitled to vote on any shareholder resolutions.

Any holder of Ordinary Shares (who being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall on a show of hand have one vote and on a poll every member who is present in person, by a representative or by proxy shall have one vote for every Ordinary Share held.

### **3 UNANIMOUS DECISIONS**

- 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 such a meeting.

### **4 CALLING A DIRECTORS' MEETING**

- 4.1 Any Director may call a Directors' meeting by giving not less than 10 Business Days' notice of the meeting (or such lesser notice as all the Directors may agree) to the Directors or by authorising the company secretary (if any) to give such notice.
- 4.2 Any notice given in accordance with Article 4.1 must contain an agenda detailing the matters to be discussed at any Directors' meeting called

### **5 QUORUM FOR DIRECTORS' MEETINGS**

- 5.1 Subject to article 5.2, the quorum for the transaction of business at a meeting of Directors is four Eligible Directors.
- 5.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a Director's conflict, if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

### **6 CASTING VOTE**

- 6.1 If the numbers of votes for and against a proposal at a meeting of Directors are equal, the chairman or other Director chairing the meeting shall not have a casting vote.

## 7 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- 7.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- 7.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 7.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 7.1.4 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;
- 7.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) Interested; and
- 7.1.6 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 transaction or arrangement or from any such office or employment or from any Interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 8 DIRECTORS' CONFLICTS OF INTEREST

- 8.1 For the purposes of section 175 of the Act, the Shareholders (and not the Directors) shall have the power to authorise, by resolution and in accordance with the provisions of these articles, any matter or situation proposed to them by any Director which would, if not so authorised involve a director (**the Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**a Conflict**).
- 8.2 The Interested Director must provide the Shareholders with such details as are necessary for the Shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the Shareholders.

- 8.3 Any authorisation by the Shareholders of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 8.3.2 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;
  - 8.3.3 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;
  - 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Shareholders think fit;
  - 8.3.5 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
  - 8.3.6 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.
- 8.4 Where the Shareholders authorise a Conflict:
- 8.4.1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Shareholders in relation to the Conflict, and
  - 8.4.2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the Shareholders impose in respect of their authorisation.
- 8.5 The Shareholders 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 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

- 9.1 Subject to these Articles the pre-emption provisions of sections 561 and 562 of the Act shall apply to any allotment of the Company's Ordinary Shares, provided that the Ordinary Shareholders who accept Ordinary Shares shall be entitled to indicate that they would accept Ordinary Shares that have not been accepted by other Ordinary



Shareholders (**Excess Shares**) on the same terms as originally offered to all Ordinary Shareholders and the following provisions shall apply:

- 9.1.1 any Ordinary Shares not so accepted shall be allotted to the Ordinary Shareholders who have indicated that they would accept Excess Shares; and
- 9.1.2 such Excess Shares shall be allotted in the numbers in which they have been accepted by Ordinary Shareholders or, if the number of Excess Shares is not sufficient for all Ordinary Shareholders to be allotted all the Excess Shares they have indicated they would accept, then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Ordinary Shareholder Indicated he would accept bears to the total number of Excess Shares applied for.

## **10 TRANSFERS OF SHARES: GENERAL**

- 10.1 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.
- 10.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these articles. Subject to article 10.5, the Directors shall register any duly stamped transfer made in accordance with these articles, unless he suspects that the proposed transfer may be fraudulent.
- 10.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with Shareholder Consent to the contrary, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 10.4 Any transfer of a Share by way of sale which is required to be made under article 15 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 10.5 The Directors may (and shall, if requested by the Shareholders), as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the Shareholders agreeing to be bound by the terms of any shareholders' agreement or similar document) in force between any of the Shareholders and the Company, in such form as the Directors (acting with Shareholder Consent) may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 10.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.

10.6 Unless expressly provided otherwise than in these articles, if a Transfer Notice is deemed to have been given under these articles, the Deemed Transfer Notice shall be treated as having specified that:

10.6.1 it does not contain a Minimum Transfer Condition; and

10.6.2 the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the Relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice)

10.7 Any Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall (save with Shareholder Consent to the contrary) automatically be revoked by the service of a Deemed Transfer Notice).

## 11 PERMITTED TRANSFERS OF SHARES

11.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

11.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

11.2.1 the Original Shareholder;

11.2.2 any Privileged Relation(s) of the Original Shareholder,

11.2.3 subject to article 11.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or

11.2.4 subject to article 11.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction

11.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust with Shareholder Consent.

11.4 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 15 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

11.4.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

11.4.2 give a Transfer Notice to the Company in accordance with article 12;

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 11.4. This article 11.4 shall not apply to a transferee of a Permitted Transferee if that transferee is also a Permitted Transferee of the Original Shareholder, to the extent that such transferee is legally or beneficially entitled to those Shares.

- 11.5 Notwithstanding any other provision of this article 11, a transfer of any Shares approved by the Directors (acting with Shareholder Consent) may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## 12 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 12.1 Except where the provisions of article 11 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 12.

- 12.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:

12.2.1 subject to article 10.6, the number of Shares he wishes to transfer (**Sale Shares**);

12.2.2 the name of the proposed transferee, if any;

12.2.3 subject to article 14, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and

12.2.4 subject to article 10.6.1, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).

- 12.3 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

- 12.4 As soon as practicable following the later of:

12.4.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and

12.4.2 the determination of the Transfer Price,

the Directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 12 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered

- 12.5 The Directors shall offer the Sale Shares to the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

12.6 If:

12.6.1 at the end of the First Offer Period, the 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 Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all Shareholders (other than the Seller). 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 (acting with Shareholder Consent)). 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;

12.6.2 not all Sale Shares are allocated following allocations in accordance with article 12.8.1, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 12.6.1. The procedure set out in this article 12.6.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

12.6.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Shareholders in accordance with their applications. The balance (the Initial Surplus Shares) shall be dealt with in accordance with article 12.7.

12.7 Where the Transfer Notice contains a Minimum Transfer Condition:

12.7.1 any allocation made under article 12.6 shall be conditional on the fulfilment of the Minimum Transfer Condition, and

12.7.2 if the total number of Sale Shares applied for under article 12.6 is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

12.8 Where either:

12.8.1 the Transfer Notice does not contain a Minimum Transfer Condition; or

12.8.2 allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under article 12.6 give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and 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 (which shall be at least 15 Business Days, but not more than 30 Business Days, after the date of the Allocation Notice).

12.9 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

12.10 If the Seller fails to comply with article 12.9:

12.10.1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent on behalf of the Seller):

- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- (c) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

12.10.2 the Company shall pay the Transfer 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 Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

12.11 Where a Transfer Notice lapses pursuant to article 12.7.2 or an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the 15 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 12.11 shall continue to be subject to any Minimum Transfer Condition.

## **13 VALUATION**

13.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting), acting with Shareholder Consent, and the Seller or, in default of agreement within 15 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which

the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.

13.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:

13.2.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served),

13.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

13.2.3 that the Sale Shares are capable of being transferred without restriction;

13.2.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and

13.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account

13.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.

13.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose

13.5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).

13.6 The Independent Expert shall be requested to determine the Fair Value within 30 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller

13.7 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert, in which case the Seller shall bear the cost.

## **14 COMPULSORY TRANSFERS**

14.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed

to have given a Transfer notice in respect of that Share at such time as the Directors (acting with Shareholder Consent) may determine.

- 14.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors (acting with Shareholder Consent) may determine.
- 14.3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice.
- 14.4 Forthwith upon a Transfer Notice being deemed to be served under article 14 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights.
- 14.4.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- 14.4.2 to receive dividends or other distributions otherwise attaching to those Shares; or
- 14.4.3 to participate in any future issue of Shares

The Directors may (with Shareholder Consent) reinstate the rights referred to in article 14.4 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to article 14.

## 15 COMPANY'S LIEN OVER SHARES

- 15.1 The Company has a lien (the **Company's Lien**) over every Share, whether or not fully paid, which is registered in the **name** of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- 15.2 The Company's Lien over a Share:
- 15.2.1 takes priority over any third party's interest in that Share; and

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

15.3 The Directors (acting with Shareholder Consent) may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

## **16 ENFORCEMENT OF THE COMPANY'S LIEN**

16.1 Subject to the provisions of this article, if:

16.1.1 a Lien Enforcement Notice has been given in respect of a Share; and

16.1.2 the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide.

16.2 A Lien Enforcement Notice:

16.2.1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

16.2.2 must specify the Share concerned;

16.2.3 must require payment of the sum within 10 Business Days of the notice (that is, excluding the date on which the notice is given and the date on which that 10 Business Day period expires);

16.2.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and

16.2.5 must state the Company's intention to sell the Share if the notice is not complied with

16.3 Where Shares are sold under this article:

16.3.1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and

16.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale



- 16.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 16.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
  - 16.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any Joint holder of the Shares) after the date of the Lien Enforcement Notice.
- 16.5 A statutory declaration by a Director or the company secretary that the declarant is a director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:
- 16.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - 16.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

## **17 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.

## **18 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum.

## **19 APPOINTMENT OF DIRECTORS**

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.

### **Decision making by Shareholders**

## **20 POLL VOTES**

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

- 20.2 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

## **21 PROXIES**

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

### **Administrative arrangements**

## **22 MEANS OF COMMUNICATION TO BE USED**

- 22.1 Any notice, document or other information supplied under these Articles must be sent by post (or be delivered by hand) and by email (if an email address for the intended recipient is available) and shall be deemed served on or delivered to the intended recipient:
- 22.1.1 if properly addressed and sent by prepaid first class post 48 hours after it was posted;
- 22.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 22.1.3 if properly addressed and sent or supplied by electronic means, one Business Day after the document or information was sent or supplied; and
- 22.1.4 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 Business Day.

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

## **23 INDEMNITY**

23.1 Subject to article 23.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

23.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him 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 (or any associated company's) affairs; and

23.1.2 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 23.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

23.2 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.

23.3 In this article:

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

23.3.2 a "relevant officer" means any Director or other officer or former Director or other officer of the Company.

## **24 INSURANCE**

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

24.2 In this article:

24.2.1 a "relevant officer" means any Director or other officer or former Director or other officer of the Company;

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

## 25 TAG ALONG

- 25.1 No sale or transfer of any interest in any shares may be made or validly registered if, as a result of such transfer or registration, a Controlling Interest in the Company would be obtained by a person or persons acting in concert unless such persons are bona fide arm's length purchasers and have made an offer to purchase all of the shares in the capital of the Company on the same terms and conditions (including time of payment and form of consideration) (an **Approved Offer**).
- 25.2 Any transfer of shares pursuant to article 25.1 shall not be subject to the restrictions on transfer contained in these articles.

## 26 DRAG ALONG

- 26.1 If at any time the holders of 75% or more of the Shares in issue for the time being (the **Majority Sellers**) wish to transfer all their interest in shares (the **Majority Sellers' Shares**) to a bona fide purchaser or purchasers acting in concert (the **Third Party Purchaser**) who has made an Approved Offer, the Majority Sellers shall have the option to (the **Exit Option**) to require:
- 26.1.1 all the other members; and
- 26.1.2 any holders of any options or other rights to acquire or convert an interest into shares (which is fully and unconditionally exercisable) to exercise them
- (together the **Called Shareholders**) to sell and transfer all their shares including those allotted pursuant to such exercise or conversion (the **Called Shares**) to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of articles 26.4 to 26.8 below.
- 26.2 The Majority Sellers may exercise the Exit Option by giving a written notice to that effect (an **Exit Notice**) at any time before the transfer of the Majority Sellers' Shares to the Third Party Purchaser. An Exit Notice shall specify that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer which shall be at least 1 Business Day after the date on which the Exit Notice is served.
- 26.3 Exit Notices shall be irrevocable but shall lapse if for any reason there is not a sale of the Majority Sellers' Shares by the Majority Sellers to the Third Party Purchaser within 30 business days after the date of service of the Exit Notice. The Majority Sellers shall be entitled to serve further Exit Notices following the lapse of any particular Exit Notice.
- 26.4 The Called Shares shall be acquired on the same terms and conditions (including time of payment and form of consideration) for which the Majority Sellers shall have agreed to sell provided that the Called Shareholders will not be required to provide

the Third Party Purchaser with any representations, warranties or indemnities (save as to title and capacity) or give any restrictive covenants or undertakings.

- 26.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for the completion of the sale of the Majority Sellers' Shares unless:

26.5.1 the relevant Called Shareholder and the Majority Sellers agree otherwise; or

26.5.2 that date is less than 1 Business Day after the Exit Notice where it shall be deferred until the first working day after the Exit Notice.

- 26.6 The restrictions on transfer contained in these articles shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in respect of which an Exit Notice has been duly served in accordance with article 26.1.

- 26.7 If any Called Shareholder fails to complete the sale of his Called Shares in accordance with this article 26, he shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Sellers to be his agent and attorney to execute all necessary transfer(s), power(s) of attorney relating to the rights attached to his Called Shares and indemnities for missing share certificate(s) on his behalf and, against receipt by the Company of the purchase monies or any other consideration payable for the Called Shares (held on trust for the relevant Called Shareholder), to deliver such transfer(s), power(s) and indemnities to the Third Party Purchaser (or as he may direct). The directors shall (subject only to stamping of the transfers, if required) immediately register the Third Party Purchaser (or as he may direct) as the holder of the relevant Called Shares. After the Third Party Purchaser (or his nominee) has been registered as the holder of the relevant Called Shares, the validity of such proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this article 26.7 that no share certificate has been produced.

- 26.8 Upon any person, following the issue of an Exit Notice which has not lapsed, exercising a pre-existing option to acquire shares, whether or not such person is registered as a member of the Company, an Exit Notice shall be deemed to have been served upon such person on the same terms as the previous Exit Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article 26 shall apply mutatis mutandis to such person save that completion of the sale of such shares shall take place immediately upon the Exit Notice being deemed served on such person where completion of the transfer of the Called Shares has already taken place.