

Company No. 09400764

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
PENNINE VENTURES LIMITED

(Adopted by Special Resolution passed on 29th October 2021)

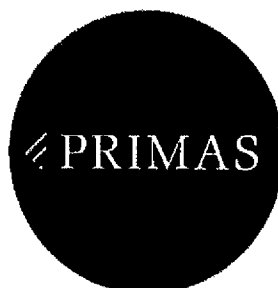


Table of Contents

Article	Page
PART 1 – PRELIMINARY	4
1. INTERPRETATION	4
2. LIABILITY OF MEMBERS	8
PART 2 – SHARES AND DISTRIBUTIONS	8
3. SHARE CAPITAL AND CLASS RIGHTS.....	8
4. ISSUE OF SHARES	11
5. SHARE CERTIFICATES	12
6. LIEN	12
7. CALLS ON SHARES AND FORFEITURE	13
8. TRANSFER OF SHARES	14
9. PERMITTED TRANSFERS	15
10. PRE-EMPTION RIGHTS	16
11. TRANSFERS	17
12. VALUATION OF SHARES	18
13. COMPULSORY TRANSFERS	20
14. DRAG ALONG	21
15. TAG ALONG	22
16. PURCHASE OF OWN SHARES	23
17. CAPITALISATION OF PROFITS	23
PART 3 – DECISION-MAKING BY SHAREHOLDERS.....	23
ORGANISATION OF GENERAL MEETINGS	23
18. GENERAL MEETINGS	23
19. NOTICE OF GENERAL MEETINGS	23
20. PROCEEDINGS AT GENERAL MEETINGS.....	24
VOTING AT GENERAL MEETINGS	25
21. VOTES OF SHAREHOLDERS.....	25

PART 4 – DIRECTORS.....	27
22. NUMBER OF DIRECTORS	27
23. APPOINTMENT OF DIRECTORS.....	28
24. ALTERNATE DIRECTORS.....	28
25. POWERS OF DIRECTORS.....	29
26. DELEGATION OF DIRECTORS' POWERS.....	29
27. DISQUALIFICATION AND REMOVAL OF DIRECTORS.....	29
28. REMUNERATION OF DIRECTORS.....	30
29. DIRECTORS' EXPENSES	30
30. DIRECTORS' INTERESTS.....	30
31. DIRECTORS' GRATUITIES AND PENSIONS	30
32. PROCEEDINGS OF DIRECTORS	30
33. MINUTES	31
PART 5 – ADMINISTRATIVE ARRANGEMENTS.....	31
34. COMPANY AS AGENT	31
35. NOTICE.....	31
36. WINDING-UP	33
37. INDEMNITY.....	33
38. SIGNATURE OF DOCUMENTS.....	33
39. ELECTRONIC COMMUNICATION	33

PART 1 – PRELIMINARY

1. INTERPRETATION

1.1 The articles in 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 any similar regulations in any other legislation concerning companies, shall not apply to the Company.

1.2 In these articles of association:

"2006 Act" means the Companies Act 2006 including any statutory modification, amendment or re-enactment thereof being in force from time to time, insofar as they apply to the Company;

"Articles" means these articles of association of the Company;

"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); and
- (b) any Member of the same Group;

"Bad Leaver" means a Shareholder other than the Chairman who ceases to be an employee or director of, or consultant to, the Company or any member of its Group in circumstances where he is not a Good Leaver;

"Bad Leaver Share Price" shall have the meaning given in Article 13.2.3;

"Board" means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

"Business" means the business of the Company, being the holding company of a group of companies involved in the development and sale of cloud-based accounting, taxation, book-keeping, payroll and IFA software under the Business Names;

"Business Day" means a day which is not a Saturday or Sunday or a bank or public holiday in England and Wales;

"Business Names" means the name "Pennine Ventures", "Equa Via", "Arithmo", "Go Simple Tax", "Pastel" or "My Gabriel";

"Chairman" means Glyn Rigby (for so long as he holds 25% or more of the Ordinary Shares);

"Chairman's consent" means the prior written approval of the Chairman;

"Civil Partners" means in relation to a Shareholder, a civil partner (as defined in the Civil Partnerships Act 2004) of the Shareholder;

"Company" means Pennine Ventures Limited, a company registered in England and Wales with company number 09400764 whose registered office is at 2 Cromwell Court, Oldham, OL1 1ET;

"Compulsory Transfer Event" shall have the meaning given in Article 13.1;

"Date of Adoption" means the date on which these Articles were adopted;

"Directors" means the directors of the Company from time to time;

"Electronic Communication" means any communication by electronic means or in electronic form;

"Excess Shares" shall have the meaning given in Article 4.3.2;

"Existing Shareholders" shall have the meaning given in Article 4.3;

"Expert Valuer" is as determined in accordance with Article 12.1;

"Fair Value" has the meaning ascribed to it in Article 12.3;

"Family Trusts" means as regards any particular individual member or deceased or former individual member, 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 time being vested in any person other than the individual and/or Privileged Relations of that individual; 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 such person or any voting or other rights attaching thereto are exercisable by or as directed by 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;

"Financial Year" means an accounting reference period (as defined by the Act) of the Company;

"Good Leaver" means any Shareholder other than the Chairman who ceases to be an employee or director of, or consultant to, the Company or any member of its Group:

- a) as a result of death; or
- b) by virtue of mental or physical ill health is determined by at least two medical reports by independent medical specialists to be unable to perform all or substantially all of his duties as an employee or director of, or consultant to, the Company or any member of its Group and for a period of at least 12 months and ceases to be an employee or director of, or consultant to, the Company or any member of its Group as a result thereof;
- c) where it has been established by a court or tribunal of competent jurisdiction from which there is no right of appeal that the Shareholder has been constructively, unfairly or wrongfully dismissed for a non-procedural offence (provided that such judgement is made pursuant to a claim which is submitted to the court or tribunal, as the case may be, by the relevant Shareholder within two months of the date of cessation of his employment);
- d) as a result of any Shareholder ceasing to be an employee of the Company or any member of its Group as result of the Shareholder's employer company ceasing to be a member of the Company's Group

or a Shareholder who is deemed by the Board (with the Chairman's consent) to be a Good Leaver;

"Good Leaver Share Price" shall have the meaning given in Article 13.3.3;

"Group" means the Company and its Subsidiary Undertaking(s) from time to time and **"Group Company"** shall be construed accordingly;

"ICTA" means the Income and Corporation Taxes Act 1988;

"Issue Price" means in relation to any Share, the price at which that Share is issued (being the aggregate of the amount Paid in respect of the nominal value of that Share and any share premium on that Share);

"Leaver" means a Good Leaver or a Bad Leaver;

"Member of the same Group" means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

"Minimum Transfer Condition" shall have the meaning given in Article 10.1.2.4;

"New Shares" means any shares, options, stocks, bonds, debentures, warranties or other securities convertible into, or carrying the right to subscribe for Shares in the Company, issued by the Company after the Date of Adoption;

"Office" means the registered office of the Company;

"Ordinary Shares" means the ordinary A shares of £0.10 each in the share capital of the Company, the ordinary B shares of £0.10 each in the share capital of the Company, the ordinary C shares of £0.10 each in the capital of the Company and the ordinary D shares of £0.10 each in the share capital of the Company;

"Original Shareholder" shall have the meaning given in Article 9.1;

"Payment Date" means the due date for payment of any instalment of any Preference Dividend;

"Permitted Transfer" means a transfer of Shares in accordance with Article 9;

"Permitted Transferee" means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees; and
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the 2006 Act) means any Member of the same Group;

"Preference Shares" means the non-redeemable Preferences A shares of £1.00 each in the share capital of the Company and the non-redeemable Preferences B shares of £1.00 each in the share capital of the Company,

"Preference Shareholders" means the holders of the Preference Shares from time to time.

"Preference A Shareholders" means the holders of the Preference A Shares from time to time.

"Preference B Shareholders" means the holders of the Preference B Shares from time to time.

"Privileged Relation" in relation to a Shareholder who is an individual Shareholder or deceased or former Shareholder means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue), parent, brother, sister, niece, nephew and any other immediate family members, or a Family Trust in which the

beneficiaries are such Shareholder's immediate family members or any entity which is controlled by a Privileged Relation;

"Proposed Purchaser" means a proposed purchaser who at the relevant time has made an offer on arm's length terms;

"Sale Shares" has the meaning set out in Article 10.1.2.1;

"Seller" has the meaning set out in Article 10.1.2;

"Share(s)" means the Ordinary Shares, the Preference Shares and any other shares forming part of the share capital of the Company from time to time;

"Shareholder" means any holder of any Shares;

"Shareholders' Agreement" means the agreement entered into on the date of adoption of these Articles between the Shareholders of the Company at the date of adoption and the Company;

"Share Option Plan" means any share option plan introduced by the Company from time to time;

"Statutes" means the Companies Act 2006 and every other act, statute, statutory instrument, regulations or order being in force from time to time concerning companies and affecting the Company;

"Subsidiary, Subsidiary Undertaking" and **"Parent Undertaking"** have the meanings set out in the 2006 Act;

"Transfer Notice" shall have the meaning given in Article 10.1.2;

"Transfer Price" shall have the meaning given in Article 10.1.2.3;

"Trustees" in relation to a Shareholder means the trustee or the trustees of a Family Trust; and

"United Kingdom" means Great Britain and Northern Ireland.

- 1.3 Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all other genders. Words denoting persons shall include bodies corporate and unincorporated associations.
- 1.4 References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment of it for the time being in force (whether coming into force before or after the Date of Adoption). Subject to this any words or expression defined in the 2006 Act as applicable, shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.
- 1.5 Headings are for convenience only and shall not affect the construction of these Articles.
- 1.6 In these Articles, unless the context otherwise requires, references to:
 - 1.6.1 **"electronic form"** or **"electronic means"** has the meaning given to them in section 1168 of the 2006 Act;
 - 1.6.2 **"clear days"** in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

- 1.6.3 "control" shall have the meaning given to such expression in sections 416 and 840 of ICTA and "controlled" shall be construed accordingly;
- 1.6.4 "connected" shall have the meaning given to such expression in section 839 of ICTA;
- 1.6.5 "company" shall include any company, corporation or other body corporate (whether limited or unlimited and wherever and howsoever incorporated or established);
- 1.6.6 "executed" includes any mode of execution; and
- 1.6.7 "holder" in relation to any Shares, means the Shareholder whose name is entered in the register of Shareholders as the holder of such Shares.
- 1.7 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company.
- 1.8 If, and for so long as, the Company has only one member, these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to such a company.

2. LIABILITY OF MEMBERS

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2 – SHARES AND DISTRIBUTIONS

3. SHARE CAPITAL AND CLASS RIGHTS

- 3.1 The share capital of the Company is comprised of the Shares.
- 3.2 Except as provided in these articles, the Shares shall rank pari passu in all respects but shall constitute separate classes of shares.
- 3.3 Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any Share except an absolute right to the entirety thereof in the holder.

3.4 SHARE RIGHTS (INCOME)

- 3.4.1 Save as otherwise provided in these articles, any profits resolved to be distributed in respect of any Financial Year or part thereof shall be distributed amongst the holders of such classes of Ordinary Shares and/ or Preference Shares as the Board shall from time to time resolve (with the Chairman's consent) subject to:
- 3.4.1.1 The class rights attaching to the Preference Shares and payment of all arrears and accruals of any Preference Dividend; and
- 3.4.1.2 The following provisions of this article 3.
- 3.4.2 The Preference A Shareholders shall be entitled to receive in priority to any payment by way of dividend to the holders of the Preference B Shares or any classes of the Ordinary Shares, and the Company shall pay in cash to the Preference A Shareholders, if so required in respect of a relative Financial Year by the Chairman by notice in that regard to the Company served at any time in a Financial Year (in proportion to the number of Preference Shares held by them on the due date for payment), a cumulative preferential net cash dividend (**Preference A Dividend**) of a sum equal to 12% of the nominal value of each Preference A Share, payable within three months after the end of that Financial

Year or, if earlier, within 14 days of the approval by the Board of the accounts of the Company for that Financial Year.

- 3.4.3 The Preference B Shareholders shall be entitled to receive in priority to any payment by way of dividend to the holders of any Ordinary Shares, and the Company shall pay in cash to the Preference B Shareholders, if so required in respect of a relative Financial Year by the Chairman by notice in that regard to the Company served at any time in a Financial Year (in proportion to the number of Preference Shares held by them on the due date for payment), a cumulative preferential net cash dividend (**Preference B Dividend**) of a sum equal to 6% of the nominal value of each Preference A Share, payable within three months after the end of that Financial Year or, if earlier, within 14 days of the approval by the Board of the accounts of the Company for that Financial Year.
- 3.4.4 Every dividend shall, unless otherwise provided, accrue on a daily basis.
- 3.4.5 Unless the Company has insufficient profits available for distribution and the Company is therefore prohibited from paying dividends by the Act, each instalment of each Preference A Dividend and/ or Preference B Dividend shall (notwithstanding any other provision of these articles and in particular notwithstanding that there has not been a recommendation of the Directors or resolution of the Company in general meeting) be paid on the relevant Payment Date and, subject to article 3.4.7, if not then paid shall be a debt due by the Company and be payable in priority to any other dividend.
- 3.4.6 If for any reason the Company is unable to pay in full, on the relevant Payment Date, any instalment of any Preference A Dividend (each a **Missed A Instalment**) then:
- 3.4.6.1 on the relevant Payment Date the Company shall pay to the Preference A Shareholders (in proportion to the numbers of the Preference Shares held by them), on account of each Missed A Instalment, the maximum sum (if any) which can then be lawfully and properly paid by the Company in accordance with these articles; and
- 3.4.6.2 on every following Payment Date the Company shall (in priority to any other dividend due on that Payment Date) pay to the Preference A Shareholders (in proportion to the numbers of Preference A Shares held by them and on account of the balance of each Missed A Instalment (together with accrued interest) for the time being remaining outstanding and until each Missed A Instalment (together with accrued interest) has been paid in full) the maximum sum (if any) which, on each such following Payment Date respectively, can be lawfully and properly paid by the Company.
- 3.4.7 If for any reason the Company is unable to pay in full, on the relevant Payment Date, any instalment of any Preference B Dividend (each a **Missed B Instalment**) then:
- 3.4.7.1 On the relevant Payment Date the Company shall pay to the Preference B Shareholders (in proportion to the numbers of the Preference B Shares held by them), on account of each Missed B Instalment, the maximum sum (if any) which can then be lawfully and properly paid by the Company in accordance with these articles; and
- 3.4.7.2 on every following Payment Date the Company shall (in priority to any other dividend due on that Payment Date to the Ordinary Shareholders) pay to the Preference B Shareholder (in proportion to the numbers of Preference B Shares held by them and on account of the balance of each Missed B Instalment (together with accrued interest) for the time being remaining outstanding and until each Missed B Instalment (together with accrued interest) has been paid in full) the maximum sum (if any) which, on each such following Payment Date respectively, can be lawfully and properly paid by the Company.

- 3.4.8 Any Missed A Instalment or Missed B Instalment shall bear interest at the rate of 4% per annum above the Bank of England base rate and that interest shall accrue from day to day from the relevant Payment Date until the actual date of payment.
- 3.4.9 For the avoidance of doubt:
- 3.4.9.1 no dividend shall be payable to the Preference B Shareholders whilst there are any dividends outstanding on the Preference A Shares;
 - 3.4.9.2 no dividend shall be payable to the Ordinary Shareholders whilst there are any dividends outstanding to the Preference A Shareholders or the Preference B Shareholders;
 - 3.4.9.3 the Company may by ordinary resolution (with Chairman's consent) declare and the Board (with Chairman's consent) may decide to pay interim dividends to the Ordinary Shareholders;
 - 3.4.9.4 A dividend must not be declared unless the Board have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Board;
 - 3.4.9.5 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights;
 - 3.4.9.6 The Board may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 3.4.10 The Company shall procure that each other Group Company which has profits available for distribution shall, from time to time, declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any dividend due for payment.
- 3.5 **SHARE RIGHTS (RETURN OF CAPITAL)**
- 3.5.1 On a return of assets (whether on liquidation, capital reduction or otherwise), the assets of the Company remaining after the payment of its liabilities ("**Remaining Assets**") shall be applied as follows;
- 3.5.1.1 First, in paying to the Preference A Shareholders a sum equal to any arrears or accruals of the Preference A Dividend together with any applicable interest (calculated down to the date of the return of capital);
 - 3.5.1.2 Secondly, in paying to the Preference B Shareholders a sum equal to any arrears or accruals of the Preference B Dividend together with any applicable interest (calculated down to the date of the return of capital);
 - 3.5.1.3 Thirdly, in paying to the Preference Shareholders an amount equal to the Issue Price for for each Preference Share held by them; and
 - 3.5.1.4 Finally (but subject to the provisions of articles 3.5.2 and 3.5.3), the balance of the Remaining Assets shall be distributed amongst the Ordinary Shareholders (pari passu as if the Ordinary Shares constituted one class of Shares and in proportion (as nearly as possible) to the number of Ordinary Shares held by them respectively).
- 3.5.2 If in applying the provisions of article 3.5.1 it will only be possible to make a return of capital in relation to some but not all of a particular class of Shares, the amount available will be divided amongst the holders of Shares of that class pro rata (as nearly as possible) to the number of Shares of that class held by them.

3.6 **SHARE RIGHTS (VOTING)**

3.6.1 Subject always to clause 3.6.2 and any special rights or restrictions as to voting attached to any Share by, or in accordance with, these articles:

3.6.1.1 On a show of hands at a general meeting every Ordinary Shareholder who (being an individual) is present in person or by one or more proxies or (being a corporation) is present by one or more duly authorised representatives or proxies, shall have one vote; and

3.6.1.2 On a vote on a poll taken at a general meeting or a written resolution, every Ordinary Shareholder shall have one vote per Ordinary Share he holds.

3.6.2 The Preference Shares are non-voting shares and the holders of such Shares shall not be entitled to receive notice of any written resolutions and/ or general meetings nor be entitled by reason of holding any Preference Shares to attend or vote at those meetings or vote on any written resolution.

3.7 **SHARE RIGHTS (CLASS CONSENTS)**

3.7.1 The rights attached to any class of share may, whether or not the Company is being wound up, be varied modified abrogated or cancelled only with the approval of an ordinary resolution passed at a separate class meeting of the holders of the issued shares of that class, or with the consent in writing of the holders of a majority of the Shares of that class.

4. **ISSUE OF SHARES**

4.1 Shares shall be allotted or dealt with by the Board in any manner that they shall see fit. The Board, acting with Chairman's consent, shall have the power to allot any such shares, convert any issued securities into shares of the Company and grant any appropriate rights to subscribe for such shares under the authority granted to them by section 551 of the 2006 Act for the period of five calendar years from the Date of Adoption of the Articles. Such authority of the Board to allot shares and deal with the shares within their powers of allotment may only be renewed, revoked or varied by the Company by way of passing of an ordinary resolution. Pursuant to sections 570 and 573 of the 2006 Act, the authority of the Board is conferred as if section 561(1) of the 2006 Act, were not to apply to the Company.

4.2 Section 561 of the 2006 Act shall not apply to an allotment of any New Shares in the Company if the holders of the Shares have given their written consent to that allotment in accordance with these Articles and that allotment is otherwise in accordance with these Articles.

4.3 Unless otherwise agreed by special resolution passed in accordance with these Articles, if the Company proposes to allot any New Shares other than Preference Shares or Ordinary D Shares pursuant to a Share Option Plan, those New Shares shall not be allotted to any person unless the Company has in the first instance offered them to all of the then existing Shareholders ("**Existing Shareholders**") on the same terms and at the same price as those New Shares are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those Existing Shareholders (as nearly as may be without involving fractions). The offer:

4.3.1 shall be in writing, give details of the number and subscription price of the New Shares; and

4.3.2 may stipulate that any Existing Shareholder who wishes to subscribe for a number of New Shares in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Shares ("**Excess Shares**") for which they wish to subscribe.

4.4 Any New Shares not accepted by an Existing Shareholder pursuant to the offer made to them in accordance with Article 4.3 shall be used for satisfying any requests for Excess Shares made pursuant to Article 4.3.2 and in the event that there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants on a pro rata basis to the number of Shares held by the applicants immediately prior to the offer made to the Existing Shareholders in accordance with Article 4.3 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) and after that allotment, any Excess Shares remaining shall be offered to any other person as the Board may determine at the same price and on the same terms as the offer to the Shareholders.

4.5 Subject to Articles 4.3 and 4.4 and to the provisions of section 549 of the 2006 Act, any New Shares shall be at the disposal of the Board 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.

5. SHARE CERTIFICATES

5.1 Every Shareholder, upon becoming the holder of any Shares, shall be entitled, without payment, to one certificate for all the Shares of each class held by him (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his Shares upon payment for every certificate after the first of such reasonable sum as the Board may determine. Every certificate shall be signed by a Director and countersigned by another Director or a witness and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

5.2 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence an indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Board may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

6. LIEN

6.1 The Company shall have a first and paramount lien on every Share (whether or not it is a fully paid Share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company shall also have a paramount lien on all Shares (whether fully paid or not) standing registered in the name of any person whether solely or as one of two or more joint holders for all moneys presently payable by him or his estate to the Company. The Company's lien on a Share shall extend to any amount payable in respect of it.

6.2 The Company may sell in such manner as the Board determine any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

6.3 To give effect to a sale the Board may authorise some person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the Shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

6.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall

(upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

7. CALLS ON SHARES AND FORFEITURE

- 7.1 Subject to the terms of allotment, the Board may make calls upon the Shareholder in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each Shareholder shall (subject to receiving at least 14 clear days notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect whereof the call was made.
- 7.2 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
- 7.3 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 7.4 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the 2006 Act) but the Board may waive payment of the interest wholly or in part.
- 7.5 An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
- 7.6 Subject to the terms of allotment, the Board may make arrangements on the issue of New Shares for a difference between the holders in the amounts and times of payment of calls on their New Shares.
- 7.7 If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than 14 clear days notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.
- 7.8 If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 7.9 Subject to the provisions of the 2006 Act, a forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person, the Board may authorise some person to execute an instrument of transfer of the Share to that person.
- 7.10 A person any of whose Shares have been forfeited shall cease to be a Shareholder in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date

of forfeiture were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the 2006 Act) from the date of forfeiture until payment but the Board may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

- 7.11 A statutory declaration by a Director that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the Share.

8. TRANSFER OF SHARES

- 8.1 In Articles 8 to 15 inclusive, reference to the transfer of a Share includes the transfer or assignment 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.
- 8.2 Save with Chairman's consent, no Share may be transferred unless the transfer is made in accordance with these Articles and the Shareholders' Agreement.
- 8.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.
- 8.4 Any transfer of a Share by way of sale which is required to be made under Articles 8 to 15 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 8.5 The Board, acting with Chairman's consent, may refuse to register a transfer if:
- 8.5.1 it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind; or
- 8.5.2 it is a transfer of a Share on which the Company has a lien.
- 8.6 To enable the Board to determine whether or not there has been any disposal of Shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Board may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Board may reasonably believe to have information relevant to that purpose, to furnish to the Company with information and evidence as the Board may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Board to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Board are reasonably satisfied that a breach has occurred, the Board shall immediately notify the holder of such Shares in writing of that fact and the following shall occur:
- 8.6.1 the relevant Shares shall cease to confer upon the holder of them (or any proxy) any rights:
- 8.6.1.1 to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question); or

- 8.6.1.2 to receive dividends or other distributions otherwise attaching to those Shares or to any further Shares issued in respect of those Shares; and
- 8.6.2 the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Board may require by notice in writing to that holder.
- 8.7 The rights referred to in Article 8.6.1 may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in Article 8.6.2.
- 8.8 In any case where the Board may require a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:
 - 8.8.1 Subject to Article 13 (where the Transfer Price may be the Bad Leaver Share Price or the Good Leaver Share Price (as the case may be)) the Transfer Price for the Sale Shares will be as agreed between the Board, acting with Chairman's consent (any Director other than the Chairman with whom the Seller is connected and the Seller not voting) or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares where the Sale Shares are Ordinary Shares, or nominal value where the Sale Shares are Preference Shares;
 - 8.8.2 it does not include a Minimum Transfer Condition; and
 - 8.8.3 the Seller wishes to transfer all of the Shares held by it.

9. PERMITTED TRANSFERS

- 9.1 A Shareholder ("**Original Shareholder**") may transfer all or any of his Shares to a Permitted Transferee without restriction as to price or otherwise provided always that the Chairman's consent is obtained.
- 9.2 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 9.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 9.3 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 9.4 Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control ("**Qualifying Company**") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 9.5 If a company to which a Share has been transferred under Article 9.4, ceases to be a Qualifying Company it must within 5 Business Days of so ceasing, transfer the Shares

held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.

- 9.6 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise such spouse or Civil Partner must, within 15 Business Days of so ceasing either:
- 9.6.1 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
- 9.6.2 give a Transfer Notice to the Company in accordance with Article 10.1.2;
- failing which he shall be deemed to have given a Transfer Notice.
- 9.7 On the death (subject to Article 9.2), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within 20 Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within 20 Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, the personal representative or trustee in bankruptcy or liquidator will be deemed to have given a Transfer Notice.

10. PRE-EMPTION RIGHTS

10.1 Transfer of Shares Subject to Pre-Emption Rights

- 10.1.1 Save where the provisions of Articles 9, 14 or 15 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 10.
- 10.1.2 A Shareholder who wishes to transfer Shares ("**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing ("**Transfer Notice**") to the Company specifying:
- 10.1.2.1 the number of Shares which he wishes to transfer ("**Sale Shares**");
- 10.1.2.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- 10.1.2.3 the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board, where the Sale Shares are Ordinary Shares, or the nominal value of the shares where the Sale Shares are Preference Shares ("**Transfer Price**"); and
- 10.1.2.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders ("**Minimum Transfer Condition**").
- 10.1.3 Save with the Board's consent, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn, other than with the Chairman's consent (for so long as he remains a Shareholder).

10.1.4 A Transfer Notice constitutes the Company as the agent of the Seller for the Sale Shares at the Transfer Price.

10.1.5 As soon as practicable following the later of:

10.1.5.1 receipt of a Transfer Notice; and

10.1.5.2 in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 12,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Article 11. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

11. TRANSFERS

11.1.1 The Board shall offer the Sale Shares to the Shareholders other than the Seller ("**Continuing Shareholders**") inviting them each to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) ("**Offer Period**") for the maximum number of Sale Shares they wishes to buy.

11.1.2 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 11 will be conditional on the fulfilment of the Minimum Transfer Condition.

11.1.3 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in the proportion (fractional entitlements being rounded to the nearest whole number) which their existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy.

11.1.4 If, at the end of the Offer Period, the number of Sale Shares applied for by the Shareholders is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Shareholders in accordance with their application and the balance ("**Surplus Shares**") will be dealt with in accordance with Article 11.2.5.

11.2 Completion of Transfer of Sale Shares

11.2.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 11 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

11.2.2 If:

11.2.2.1 the Transfer Notice does not include a Minimum Transfer Condition; and

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

11.2.2.3 the Board shall, when no further offers are required to be made under Articles 11, give written notice of allocation ("**Allocation Notice**") to the Seller, each Shareholder to whom Sale Shares have been allocated ("**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

- 11.2.3 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- 11.2.4 If the Seller fails to comply with the provisions of Article 11.2.3;
- 11.2.4.1 the Chairman or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may 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
 - (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
- 11.2.4.2 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 to the Company his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).
- 11.2.5 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 11.2.6, the Seller may, within eight weeks after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Surplus Shares shall continue to be subject to any Minimum Transfer Conditions.
- 11.2.6 The right of the Seller to transfer Shares under Article 11.2.5 does not apply if the Directors (with Chairman's consent) are of the opinion on reasonable grounds that:
- 11.2.6.1 the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the Business of the Company or with a Subsidiary Undertaking of the Company;
 - 11.2.6.2 the sale would be detrimental to the Company's Business or brand;
 - 11.2.6.3 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - 11.2.6.4 the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

11.3 **Waiver of Restrictions**

The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with the consent of Shareholders who, but for the waiver, would or might have been entitled to have such Shares offered to them in accordance with this Article.

12. **VALUATION OF SHARES**

- 12.1 Subject to article 10.1.2.3, if a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either:

- 12.1.1 appoint expert valuers in accordance with Article 12.2 ("**Expert Valuers**") to certify the Fair Value of the Sale Shares;
- 12.1.2 or (if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.
- 12.2 The Expert Valuers will be an independent firm of Chartered Accountants to be agreed between the Board (acting with Chairman's consent) and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.
- 12.3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:
 - 12.3.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
 - 12.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 12.3.3 that the Sale Shares are capable of being transferred without restriction;
 - 12.3.4 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
 - 12.3.5 reflect any other factors which the Expert Valuers reasonably believe should be taken into account.
- 12.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 12.5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 12.6 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 12.7 The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 12.8 The Expert Valuers shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within 5 Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 12.9 The cost of obtaining the certificate shall be paid by the Company unless:
 - 12.9.1 the Seller cancels the Company's authority to sell; or
 - 12.9.2 the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any) offered by the Board to the Seller for the Sale Shares before the Expert Valuer was instructed,

in which case the Seller shall bear the cost.

13. COMPULSORY TRANSFERS

13.1 A Compulsory Transfer Event shall be deemed to have occurred in relation to a Shareholder (other than the Chairman) if:

13.1.1 that Shareholder commits a material breach of the Shareholders' Agreement and fails to remedy such breach (if capable of remedy) within 15 Business Days of being given notice by the Company to do so; or

13.1.2 a bankruptcy order is made against that Shareholder; or

13.1.3 an arrangement or composition with any of that Shareholder's creditors being made; or

13.1.4 that Shareholder being unable to pay their debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or

13.1.5 the happening in relation to that Shareholder of any event analogous to any of the above in any jurisdiction in which that Shareholder is resident, carries on business or has assets; or

13.1.6 that Shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or that Shareholder's shareholding; or

13.1.7 that Shareholder being an employee becoming a Leaver (unless the directors, with Chairman's consent, direct in writing within ten Business Days of the relevant termination date that a Transfer Notice shall not be deemed to have been served); or

13.1.8 that Shareholder becoming a Leaver prior to a permitted exercise of an option granted to that Shareholder under a Share Option Plan from time to time (unless the directors, with Chairman's consent, direct in writing within ten Business Days of the relevant termination date that a Transfer Notice shall not be deemed to have been served),

and upon the occurrence of such Compulsory Transfer Event that Shareholder shall be deemed immediately to have given a Transfer Notice in respect of all his Shares on the date of the happening of the relevant event, with the Transfer Price for such Shares being the Bad Leaver Share Price (unless otherwise determined by the Board, acting with Chairman's consent), or in the case of article 13.1.8, the Good Leaver Share Price in the event that the employee was deemed a Good Leaver.

Bad Leaver

13.2 A Bad Leaver shall be deemed to have given a Transfer Notice in respect of all his Shares (and/or any Shares held by his Permitted Transferees) on the date of the happening of the relevant event or, if later, the date upon which the Company is notified of the happening of the relevant event. For this purpose:

13.2.1 the shares to be transferred shall comprise all the Bad Leaver's Shares;

13.2.2 no proposed transferee shall be specified in the Transfer Notice; and

13.2.3 the Transfer Price for such Bad Leaver's Shares (and/or any Shares held by his Permitted Transferees) shall be the nominal value of the Bad Leaver's Shares that are fully paid up (including any premium on such Shares) (or, in the case of Shares acquired by the Bad Leaver by way of transfer rather than allotment, the amount paid by such Bad Leaver on such transfer, if lower) ("**Bad Leaver Share Price**").

Good Leaver

- 13.3 In the case of a Shareholder who is deemed to be a Good Leaver, he shall be deemed to have given a Transfer Notice in respect of all his Shares (and/ or any Shares held by his Permitted Transferees) on the date of the happening of the relevant event or, if later, the date upon which the Company is notified of the happening of the relevant event. For this purpose:
- 13.3.1 the shares to be transferred shall comprise all of the Good Leaver's Shares;
- 13.3.2 no proposed transferee shall be specified in the Transfer Notice; and
- 13.3.3 the Transfer Price for the Good Leaver's Shares (and/ or any Shares held by his Permitted Transferees) shall be the nominal value of any Preference Shares held by the Good Leaver and the Fair Value of any Ordinary Shares held by the Good Leaver, as determined in accordance with Article 12 ("**Good Leaver Share Price**").
- 14. DRAG ALONG**
- 14.1 Notwithstanding any other provision of these Articles, if the holders of at least 51% of the Ordinary Shares ("**Selling Shareholders**") wish to transfer all or any interest in Shares ("**Sellers' Shares**") to a Proposed Purchaser in one or a series of related transactions, the Selling Shareholders shall have the option ("**Drag Along Option**") to require all the other holders of Shares ("**Called Shareholders**") to sell and transfer an equivalent proportion of Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 14.
- 14.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect ("**Drag Along Notice**") to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. The Drag Along Notice shall specify:
- 14.2.1 that the Called Shareholders are required to transfer all or any of their Shares ("**Called Shares**") under this Article 14;
- 14.2.2 the details of the Proposed Purchaser;
- 14.2.3 the consideration for which each of the Called Shares are to be transferred (which shall be an amount no less than the consideration offered by the Proposed Purchaser, directly or indirectly, in respect of each of the Sellers' Shares) and in relation to the Preference Shares shall be their nominal value; and
- 14.2.4 any other material terms upon which the Sellers' Shares shall be purchased pursuant to the Drag Along Notice.
- 14.3 Drag Along Notices shall be irrevocable (save with Chairman's consent) but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 14.4 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 14.
- 14.5 Within 20 Business Days of the Proposed Purchaser serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that 20 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 14.2 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the

Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 14.2 in trust for the Called Shareholders without any obligation to pay interest.

- 14.6 To the extent that the Proposed Purchaser has not, on the expiration of such 20 Business Day period, put the Company in funds to pay the price due pursuant to Article 14.2, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 14 in respect of their Shares.
- 14.7 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that 20 Business Day period, the Board shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that 20 Business Day period, put the Company in funds to pay the price for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him under Article 14.2.
- 14.8 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 10.
- 14.9 In the event that, following the issue of a Drag Along Notice, any person becomes a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares in the Company or pursuant to the conversion of any convertible security of the Company (a **"New Shareholder"**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice and the New Shareholder shall then be bound to sell and transfer all or an equivalent proportion of their Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct, and the provisions of this Article shall apply *pari passu* to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

15. TAG ALONG

- 15.1 If the Selling Shareholders propose to sell all the Seller's Shares to a Proposed Purchaser (other than to a Permitted Transferee) in one or a series of related transactions, the Selling Shareholders may not transfer those Shares and such sale may not complete unless they have procured that the Proposed Purchaser has made an offer in writing (the **"Tag Along Notice"**) at least 10 Business Days prior to the proposed date of completion of such sale to each of the other Shareholders to acquire all of their Shares on the same terms and conditions (having regard to the classes of Shares held by each Shareholder) and has given each Shareholder 20 Business Days from the date that the Tag Along Notice is given to accept the offer.
- 15.2 The Tag Along Notice shall specify:
- 15.2.1 the details of the Proposed Purchaser;
- 15.2.2 the consideration for which each of the Shares of the other Shareholders are to be transferred (which shall be an amount no less than the consideration offered by the Proposed Purchaser, directly or indirectly, in respect of each of the Seller's Shares) and in relation to the Preference Shares shall be their nominal value, and
- 15.2.3 any other material terms upon which the Shares are to be purchased.

15.3 In respect of any holder of New Shares, option(s) or warrant(s) convertible into Shares who exercises such New Shares, option(s) or warrant(s) at any time after the date of the Tag Along Notice, such offer shall be deemed to have been made to such holder of New Shares, option(s) or warrant(s) in their capacity as a Shareholder as well as a holder of New Shares, option(s) or warrant(s) in respect of any Shares issued to him pursuant to such exercise.

15.4 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to Article 15 shall not be subject to the provisions of Article 10.

16. PURCHASE OF OWN SHARES

Subject to the provisions of the 2006 Act, the Company may purchase its own Shares (including any redeemable shares) and, for so long as it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

17. CAPITALISATION OF PROFITS

17.1 The Board may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account and capital redemption reserve) or any sum standing to the credit of the profit and loss account by appropriating such sum to the holders of Shares in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply the amounts (if any) for the time being unpaid on any Shares held by them, or in paying up such sum which would have been distributable amongst them in paying up in full unissued Shares for allotment and distribution credited as fully paid up to and amongst them.

17.2 The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Board to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrues to the Company rather than to the Shareholders concerned). The Board may authorise any person to enter on behalf of all the Shareholders interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

PART 3 – DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

18. GENERAL MEETINGS

The Board may call general meetings and, on the requisition of Shareholders pursuant to the provisions of the 2006 Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the 2006 Act.

19. NOTICE OF GENERAL MEETINGS

19.1 General meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the Shareholders having a right to attend and vote being a majority together holding not less than 75% in nominal value of the Shares giving that right.

19.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted. If any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.

- 19.3 Subject to the provisions of the Articles and to any restrictions imposed on any Shares, the notice shall be given to all the Shareholders, to all persons entitled to a Share in consequence of the death or bankruptcy of a Shareholder and to the Directors.
- 19.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 19.5 Where the Company has given an electronic address in any notice of a general meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

20. PROCEEDINGS AT GENERAL MEETINGS

- 20.1 No business shall be transacted at any meeting unless a quorum is present. Subject to these Articles, the quorum at any general meeting shall be three or more Shareholders present in person or by proxy, one of whom must be the Chairman.
- 20.2 If such a quorum is not present at a general meeting within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine.
- 20.3 If at any adjournment meeting a quorum is not present within 30 minutes from the time appointed for the meeting the Shareholder or Shareholders present in person or by proxy or (being a corporation) by a duly authorised representative shall form a quorum, provided that the Chairman is one such Shareholder present.
- 20.4 If the Chairman, or such other Director as he may appoint to chair the meeting, is not present within 30 minutes after the time appointed for holding the meeting and willing to act, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine.
- 20.5 A Director shall, notwithstanding that he is not a Shareholder, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of Shares.
- 20.6 The Chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven clear days notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 20.7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the 2006 Act, a poll may be demanded:
- 20.7.1 by the Chairman;
- 20.7.2 by at least two Shareholders having the right to vote at the meeting; or
- 20.7.3 by a Shareholder or Shareholders representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or

- 20.7.4 by a Shareholder or Shareholders holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;
- and a demand by a person as proxy for a Shareholder shall be the same as a demand by the Shareholders.
- 20.8 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 20.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 20.10 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be Shareholders) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 20.11 In the case of an equality of votes, whether on a show of hands or on a poll, no person, whether the Chairman or any Shareholder, shall be entitled to a casting vote.
- 20.12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 20.13 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days notice shall be given specifying the time and place at which the poll is to be taken.

VOTING AT GENERAL MEETINGS

21. VOTES OF SHAREHOLDERS

- 21.1 At a general meeting, but subject to any rights or restrictions attached to any Shares, on a show of hands every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote, and on a poll every Shareholder who (being an individual) is present in person or by proxy or (being a Corporation) is present by a duly authorised representative or by proxy shall have one vote for every Ordinary Share of which he is the holder provided that if at any meeting any Shareholder is not present in person or by proxy the votes exercisable on a poll in respect of the Ordinary Shares of the same class held by Shareholders present in person or by proxy shall be pro tanto increased (fractions of a vote by any Shareholder being permitted) so that such Ordinary Shares shall together entitle such Shareholder to the same aggregate number of votes as could be cast in respect of all the Ordinary Shares of that class if all the holders thereof were present.
- 21.2 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and seniority shall be determined by the order in which the names of the holders stand in the register of Shareholders.

21.3 A Shareholder in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, 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 default the right to vote shall not be exercisable.

21.4 No Shareholder shall vote at any general meeting or at any separate meeting of the holders of any class of Ordinary Shares, either in person or by proxy, in respect of any Ordinary Share held by him unless all moneys presently payable by him in respect of that Ordinary Share have been paid.

21.5 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting, at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

21.6 On a poll votes may be given either personally or by proxy. A Shareholder may appoint more than one proxy to attend on the same occasion.

21.7 The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve):

"[■COMPANY]

I/we, , of being a member/members of the above named Company, hereby appoint of, or failing him, of , as my/our proxy to vote in my/our name(s) and on my/our behalf at the general meeting of the Company to be held on , and at any adjournment thereof.

Signed on"

21.8 Where it is desired to afford Shareholders an opportunity of instructing the proxy how he shall act, the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve):-

"[■COMPANY]

I/we, , of being a member/members of the above named Company, hereby appoint of, or failing him, of , as my/our proxy to vote in my/our name(s) and on my/our behalf at the general meeting of the Company to be held on [■], and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:-
Resolution No. 1 * for * against Resolution No. 2 * for * against.

* Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on "

21.9 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified naturally or in some other way approved by the Board may:

- 21.9.1 in the case of an instrument in writing be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- 21.9.2 in the case of an appointment contained in an Electronic Communication, where an address has been specified for the purpose of receiving Electronic Communications:
- 21.9.2.1 in the notice convening the meeting; or
- 21.9.2.2 in any instrument of proxy sent out by the Company in relation to the meeting; or
- 21.9.2.3 in any invitation contained in an Electronic Communication to appoint a proxy issued by the Company in relation to the meeting;
- be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;
- 21.9.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 21.9.4 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to any Director.
- 21.10 An appointment of proxy which is not deposited, delivered or received in a manner permitted by Article 21.9 shall be invalid.
- 21.11 Where the Company has given an electronic address in any instrument of proxy or invitation to appoint a proxy, any document or information relating to proxies for the meeting (including any document to show the validity of, or otherwise relating to, the appointment of a proxy, or notice of the termination of the authority of a proxy) may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.
- 21.12 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an Electronic Communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

PART 4 – DIRECTORS

22. NUMBER OF DIRECTORS

- 22.1 The maximum number and minimum number respectively of the Directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of directors shall be three. Whosoever the minimum number of Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions by these Articles, expressed to be vested in the Directors generally.

23. APPOINTMENT OF DIRECTORS

- 23.1 Subject to Articles 22.1 and 23.2, and in each case subject to the Chairman's consent, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a Director:
- 23.1.1 by ordinary resolution, or
- 23.1.2 by a decision of the Directors.
- 23.2 For so long as Glyn Rigby, Anthony Boggiano and James Cryne (and/or their Permitted Transferees) are Shareholders holding 5% or more of the Ordinary Shares in issue, they shall be entitled to be or to appoint a director of the Company and to remove from office any person so appointed and to appoint another person in his place. The appointment and removal shall be effected by giving notice in writing to the Company. The appointment or removal takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date.
- 23.3 Not less than seven nor more than 28 clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the Board for appointment as a Director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment as a Director. The notice shall give the particulars of that person which would, if he were appointed, be required to be included in the Company's register of directors.
- 23.4 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.
- 23.5 For the purposes of Article 23.4, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

24. ALTERNATE DIRECTORS

- 24.1 Any Director (other than an alternate director) may appoint any other Director or any other person provided written notice of the appointment of such alternate is given to the other Directors.
- 24.2 An alternate director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is the Board, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director.
- 24.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a Director.
- 24.4 Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Board.
- 24.5 Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

25. POWERS OF DIRECTORS

- 25.1 Subject to the provisions of the Statutes and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Board by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Board.
- 25.2 The Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 25.3 The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

26. DELEGATION OF DIRECTORS' POWERS

The Board may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more Shareholders shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying.

27. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 27.1 The office of a Director shall be vacated if:
- 27.1.1 he ceases to be a Director by virtue of any provision of the 2006 Act or he becomes prohibited by law from being a Director; or
- 27.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 27.1.3 he is, or may be, suffering from mental disorder and either:
- 27.1.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
- 27.1.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 27.1.4 he resigns his office by notice to the Company; or
- 27.1.5 he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolve that his office be vacated.

28. REMUNERATION OF DIRECTORS

The Board shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

29. DIRECTORS' EXPENSES

The Board may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

30. DIRECTORS' INTERESTS

30.1 Subject to the provisions of the 2006 Act, and provided that he has disclosed to the Board the nature and extent of any material interest of his in accordance with sections 177 and 182 of the 2006 Act, a Director notwithstanding his office:

30.1.1 may be a party to, or otherwise interested in, any existing or proposed transaction or arrangement with the Company or in which the Company is otherwise interested;

30.1.2 may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and

30.1.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

31. DIRECTORS' GRATUITIES AND PENSIONS

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a Subsidiary of the Company or a predecessor in business of the Company or of any such Subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

32. PROCEEDINGS OF DIRECTORS

32.1 The quorum for board meetings is three of the directors appointed at the relevant time, one of whom must be the Chairman (or his alternate). If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed, provided that there are two directors present, one of whom must be the Chairman (or his alternate).

32.2 Notwithstanding this, whensoever the minimum number of the Directors shall be one, a sole director shall have authority to exercise all the powers and discretions vested in the Board generally by these Articles and the quorum shall be reduced accordingly. In such circumstances, a person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

- 32.3 Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group that is larger than any other group, where the Chairman then is.
- 32.4 At the date of adoption of these Articles, Glyn Rigby shall be the Chairman and shall be entitled to continue as Chairman for so long as he holds at least 25% of the Ordinary Shares in issue in the Company.
- 32.5 In the case of an equality of votes, the chairman shall have a casting vote.
- 32.6 All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 32.7 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board or of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form, each signed by one or more Directors; but a resolution signed by an alternate director need not also be signed by his appointor and if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- 32.8 Subject to compliance with Article 30, a Director may vote as a Director on any resolution concerning any contract or arrangement in which he is interested or upon any matter arising thereout, and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration.

33. MINUTES

- 33.1 The Board shall cause minutes to be made in books provided for the purpose:
- 33.1.1 of all appointments of officers made by the Board; and
- 33.1.2 of all proceedings at meetings of the Company, of the holders of any class of Shares, and of the Board, and of committees of the Board, including the names of the Directors present at each such meeting.

PART 5 – ADMINISTRATIVE ARRANGEMENTS

34. COMPANY AS AGENT

Each Shareholder hereby irrevocably appoints the Company as his agent to give effect to the provisions of these Articles.

35. NOTICE

- 35.1 In this Article, "**address**", in relation to Electronic Communications, includes any number or address used for the purposes of such communication.
- 35.2 Any notice document or information may be given, served on, sent or delivered to any Shareholder either:

- 35.2.1 personally;
- 35.2.2 by sending it by post in a prepaid envelope addressed to the Shareholder at his registered address, or by leaving it at that address;
- 35.2.3 by using electronic means or giving it in electronic form to a person who has agreed (generally or specifically) that the notice, document or information may be given, served on or sent or delivered in that form (and has not revoked that agreement); or
- 35.2.4 subject to the provisions of the 2006 Act, by making it available on a website provided that the requirements of Articles 35.2 and 35.3 are satisfied.
- 35.3 Any notice, document or information may be given, served on, sent or delivered by the Company to any Shareholder by making it available on a website provided that:
- 35.3.1 the Shareholder has agreed (generally or specifically) that the notice, document or information may be given, served on, sent or delivered to him by being made available on a website (and has not revoked that agreement), or the Shareholder has been asked by the Company to agree that the Company may give, serve, send or deliver notices, documents and information generally, or the notice, document or information in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the member is therefore taken to have so agreed (and has not revoked that agreement);
- 35.3.2 the Shareholder is sent a written notification in accordance with the 2006 Act of the presence of the document or information on a website, the address of that website, the place on the website where the document or information may be accessed and how to access the document or information. Such notification will be made by post unless the recipient has agreed to receive the notification by electronic means and has supplied the Company with an appropriate address.
- 35.4 Where the document posted on the website of the Company is a notice of a meeting of the Company, the notification must state that the document concerns a notice of a company meeting, and specify the place, date and time of the meeting.
- 35.5 In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of Shareholders in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.
- 35.6 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of Shareholders, has been duly given to a person from whom he derives his title.
- 35.7 Any notice, document or information given, sent, supplied or delivered by the Company to the Shareholders of any of them:-
- 35.7.1 by post shall be deemed to have been given, sent, supplied or delivered 48 hours after posting and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post;
- 35.7.2 by leaving it at a registered address otherwise than by post shall be deemed to have been given, sent, supplied or delivered 48 hours after having been left;
- 35.7.3 by electronic means shall be deemed to have been received 48 hours after it was sent;
- 35.7.4 by making it available on a website shall be deemed to have been delivered when it was first made available on the website if the Shareholder was notified in advance of the availability on the website, or if later, when the Shareholder received notice of the fact that the material was available on the website.

- 35.8 In calculating a period of time for the purposes of delivery, no account shall be taken of any part of a day that is not a working day.
- 35.9 A Shareholder present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 35.10 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Shareholder by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a Shareholder, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankruptcy or by any like description at the address supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

36. WINDING-UP

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the 2006 Act, divide among the Shareholders in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shares. The liquidator may, with the like sanction, vest the whole or any part of the assets in Trustees upon such trusts for the benefit of the Shareholders as he with the like sanction determines, but no Shareholder shall be compelled to accept any assets upon which there is a liability.

37. INDEMNITY

Subject to the provisions of, and so far as may be permitted by and consistent with, the Statutes and subject as mentioned below, every person who is or was a Director or other officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as accountant) shall be indemnified by the Company out of its own funds against (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company other than (i) any liability to the Company or any associated company (as defined in Section 256 of the 2006 Act) and (ii) any liability of the kind referred to in Section 234(3) and (6) of the 2006 Act; and (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office. Such indemnity shall not, however, extend to any liability incurred by or attaching to such person as a result of his own fraud or wilful deceit. Where a person is indemnified against any liability in accordance with this Article 37, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

38. SIGNATURE OF DOCUMENTS

Where these Articles require a document to be signed by a Shareholder or other person then, if that document is in the form of an Electronic Communication, to be valid it must incorporate the electronic signature or personal identification details (which may be details previously allocated by the Company) of that Shareholder or other person, in such form as the Board may approve, or be accompanied by such other evidence as the Board may require to satisfy themselves that the document is genuine. The Company may designate mechanisms for validating any such document, and any such document not so validated shall be deemed not to have been received by the Company.

39. ELECTRONIC COMMUNICATION

- 39.1 A Shareholder may notify the Company of an address for the purpose of his receiving Electronic Communications from the Company in accordance with Article 35. If a

Shareholder does so, he shall be deemed to have agreed to receive from the Company notices and other documents of the kind to which the address relates by Electronic Communication.

- 39.2 Any amendment or revocation of a notification given to the Company under Article 39.1 shall only take effect if in writing, signed by the Shareholder and on actual receipt by the Company of it.
- 39.3 An Electronic Communication shall not be treated as received by the Company if it is rejected by computer virus protection arrangements.