

COMPANY NO: 09631514

The Companies Act 2006  
Company Limited by Shares

**RESOLUTIONS**

**Of**

**DIGME CYCLING LIMITED**

Passed 30<sup>th</sup> June 2016

At a General Meeting of the Company duly convened and held at CAFFE NERO, 7-8 THE SQUARE, RICHMOND, SURREY, TW9 1DZ, the following Resolutions were duly passed as **SPECIAL RESOLUTIONS** of the Company respectively -

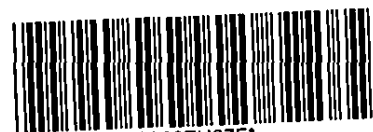
**SPECIAL RESOLUTIONS**

- 1 THAT the capital of the Company be and is hereby duly re-stated by the creation of Non-Redeemable Cumulative Preference shares of £1 each having the rights and restrictions as set out in the attached Articles of Association,
- 2 THAT Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association



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CHAIRMAN

SATURDAY



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25/02/2017

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COMPANIES HOUSE

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**DIGME CYCLING LIMITED**

**(Adopted by special resolution passed on 30 June 2016)**

**INTRODUCTION**

**1. INTERPRETATION**

**1.1** The following definitions and rules of interpretation apply in these Articles

**Act:** the Companies Act 2006

**acting in concert.** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended)

**Adoption Date:** the date of adoption of these Articles

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

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

**Chairman** has the meaning given to it in Article 8.5,

**Company** means Digme Cycling Limited (Company number 09631514)

**Company's Lien** has the meaning given to it in Article 24.1

**connected:** has the meaning given in section 252 of the Act

**Controlling Interest:** an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010

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

**Departing Executive Director:** an Executive Director who ceases to be a director or employee of, or consultant to, any Group Company and who does not continue as, or become, a director or employee of, or consultant to, any Group Company

**Directors** the directors of the Company from time to time

**Disposal** the disposal by the Company of all, or a substantial part of, its business and assets

**Eligible Director:** means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter)

**Employee** an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, any Group Company

**Executive Directors** means each Executive Director of the Company from time to time and **Executive Director** means any one of them

**Exit:** a Share Sale, a Disposal or a Listing

**Fair Value:** the fair value of the relevant Shares as determined in accordance with Article 18.2

**Financial Year.** an accounting reference period (as defined in section 391 of the Act) of the Company

**First Founder:** Caoimhe Bamber and her Permitted Transferees

**Founder** each person designated as such pursuant to the Shareholders' Agreement,

**Group:** the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and **Group Company** shall be construed accordingly

**holding company:** has the meaning given in Article 1.11

**Independent Expert.** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 20 Business Days of the expiry of the 20 Business Day period referred to in Article 17.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator)

**Investor:** each Shareholder (other than a Founder) and his Permitted Transferees

**Investor Special Consent.** the written consent of each Investor and their Permitted Transferees who holds at least than 10% of the Shares

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**Investor Director:** any director appointed by an Investor in accordance with Article 8 1, and **Investor Director** means any one of them

**Last Equity Round Value** the average price per Share paid by subscribers for new Shares during the bona fide fundraising of the Company which occurred immediately prior to the date any Transfer Price is calculated

**Lien Enforcement Notice** means a notice in writing which complies with the requirements of Article 24 2

**Listing** the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc, or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000)

**Member of the Same Group** as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company

**Model Articles.** the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date

**Offer Period:** has the meaning given to it in Article 17 6

**Permitted Transfer:** a transfer of Shares made in accordance with Article 15

**Permitted Transferee** in relation to

- (a) a Shareholder who is an individual, any of his Privileged Relations,
- (b) a Shareholder which is a company, a Member of the Same Group as that company, and
- (c) an Investor, to any other Investor

**Pre-Transfer Shareholder** means the person who was a Shareholder immediately prior to such person transferring its Shares pursuant to Article 15

**Privileged Relation** in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004) or child

**Relevant Loss:** has the meaning given to it in Article 26 4

**Relevant Officer** has the meaning given to it in Article 26 4

**Relevant Securities** any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than

(a) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles, and

(b) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Investor Special Consent

**Relevant Shares.** in relation to an Executive Director means all Shares held by

(a) the Executive Director in question, and

(b) any Permitted Transferee of that Executive Director (other than those Shares held by those persons which were not acquired directly or indirectly from the Executive Director or by reason of his/her relationship with the Executive Director)

**Restricted Shares:** has the meaning given in Article 15 7

**Sale Shares:** has the meaning given in Article 17 2(a)

**Seller:** a Shareholder who has served or who has or is deemed to have served a Transfer Notice

**Shareholder.** a holder for the time being of any Share or Shares, but excluding any member holding Shares in treasury

**Shareholders' Agreement:** the shareholders' agreement dated on or around the Adoption Date between, amongst others, the Company and the Shareholders (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being)

**Shares** shares (of any class) in the capital of the Company and **Share** shall be construed accordingly

**Share Sale** the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale

**subsidiary:** has the meaning given in Article 1 11

**Termination Date**

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,
- (c) where an Executive Director dies, the date of his death,
- (d) where the Executive Directors concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated, or
- (e) in any other case, the date on which the employment or holding of office is terminated

**Transfer Notice** has the meaning give to it in Article 17 1

**Transfer Price:** has the meaning given to it in Article 18

**Writing or written** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax)

- 1 2 Headings in these Articles shall not affect the interpretation of these Articles
- 1 3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular
- 1 4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders
- 1 5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same

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meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date)

1 6 A reference in these Articles to

(a) an **Article** is a reference to the relevant numbered article of these Articles, and

(b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise

1 7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision

1 8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms

1 9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them

1 10 A reference in these Articles to a holder, or the holder(s), of Shares, shall be deemed to exclude any member holding Shares in treasury

1 11 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the

purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of

- (a) another person (or its nominee), by way of security or in connection with the taking of security, or
- (b) its nominee

## **2 ADOPTION OF THE MODEL ARTICLES**

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

2.2 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 18(e), 22, 26(5), 38, 39, 44(2) and 51 to 53 (inclusive) shall not apply to the Company

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

2.4 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"

## **DIRECTORS**

### **3 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than three



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**4        CALLING A MEETING OF DIRECTORS**

4 1       Meetings of the Directors shall take place at least quarterly

4 2       Any Director may call a meeting of the Directors. At least 5 Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent in writing of each Investor Director, when meetings of the Directors may take place less frequently or on shorter notice). The participation of a director at a meeting of Directors shall constitute a waiver of any notice requirements under this Article 4 2.

**5        QUORUM**

5 1       The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors.

5 2       If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall be deemed to be quorate with such Directors as are in fact present and will proceed on the basis that the meeting is quorate.

5 3       For the purposes of any meeting (or part of a meeting) held pursuant to Article 10 to authorise a Conflict (as defined in Article 10 1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

**6        DECISION MAKING**

6 1       Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with Article 6 2 (subject to Article 6 3 and Article 6 4).

- 6 2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 6 3 A decision taken in accordance with Article 6 2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing
- 6 4 A decision may not be taken in accordance with Article 6 2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with Article 5 1 and Article 5 3
- 6 5 If the number of Directors in office for the time being is less than three, the Directors in office must not take any decision other than a decision to
- (a) appoint further Directors, or
  - (b) call a general meeting so as to enable the Shareholders to appoint further Directors
- 6 6 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the First Founder (or, in her absence, the chairman of the meeting) shall have a second casting vote
- 6 7 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye

- 6 8 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors

**7 APPOINTMENT AND REMOVAL OF DIRECTORS**

- 7 1 Model article 18 shall be modified by the addition of the following event upon the occurrence of which a person shall cease to be a Director "he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director "

**8 INVESTOR DIRECTORS AND CHAIRMAN**

- 8 1 Any Investor who from time to time holds at least 10% of the Shares in issue shall have the right to appoint and maintain in office one natural person as such Investor may from time to time direct as a non-executive Director (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his removal to appoint another person to act as a non-executive Director in his place

- 8 2 Appointment and removal of an Investor Director shall be by written notice to the Company which shall take effect on delivery at its registered office or at any meeting of the Board or committee thereof Such notice shall be signed by the Investor appointing him

- 8 3 A reference to an "Investor Director" shall include any alternate appointed to act in his place from time to time

- 8 4 The First Founder shall have the right to be appointed and maintained in office as a Director

8 5     *The Directors may appoint any person as chairman of the board of Directors (Chairman) and may remove and replace any such Chairman*

**9           TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

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

- (a)     *may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,*
- (b)     *shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested,*
- (c)     *shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,*
- (d)     *may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,*
- (e)     *may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and*
- (f)     *shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act*

**10          DIRECTORS' CONFLICTS**

10 1     *The Directors may, in accordance with the requirements set out in this Article 10, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an Interested Director) breaching his duty under section 175 of the Act to avoid conflicts of interest (Conflict)*

10.2 Any authorisation under this Article 10 will be effective only if

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

10.3 Any authorisation of a Conflict under this Article 10 may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a *Director of the Company*) *information that is confidential to a third party*, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters

- 10.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict
- 10.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 10.6 An Investor Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under Article 10 shall be necessary in respect of any such interest
- 10.7 An Investor Director shall be entitled from time to time to disclose to any Investor (and to any Permitted Transferee of an Investor) such information concerning the business and affairs of the Company as he shall at his discretion see fit
- 10.8 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## 11. SECRETARY

*The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors*

## SHARES AND DISTRIBUTIONS

### 12 PREFERENCE SHARES

- 12.1 The share capital of the company shall be divided into Ordinary shares and Non-Redeemable Cumulative Preference shares. All shares shall rank *par passu* except as follows
- 12.2 Subject to the provisions of the Companies Act 2006 or any modification or re-enactment thereof for the time being in force the Company may at any time from the date when the allottees subscribe for the Preference shares
- 12.3 As regards voting
- (a) The Preference shares shall not entitle the holders thereof to receive notice of or to attend and vote (either in person or by proxy) at any General Meeting of the Company
- 12.4 As regards capital
- (a) On a winding up or other repayment of capital, the assets of the Company (including capital uncalled at the commencement of the winding up) remaining after paying and discharging the debts and liabilities of the Company and the cost of winding up, shall be applied in the following order of priority
    - (i) In repayment of Preference Shares in capital paid up or credited as paid up on them and
    - (ii) Ordinary Shares (including any premium) in capital paid up or credited as paid up
  - (b) In the case of winding up, the holders of the Preference shares shall not be entitled to participation in the distribution of any surplus assets
- 12.5 As regards income
- (a) the Preference shares shall confer the right to a cumulative preferential dividend of 0.5% as in the opinion of the Directors, the profits of the Company justify (after provision for the financial requirements of any businesses which are, for the time being, carried on by the Company). The said dividend shall rank for payment in priority to the payment of a dividend on any other shares of the Company and shall be payable annually (in arrears) and will not be paid out but will be added to the principal amount each year,
  - (b) No dividend shall be declared or paid to the holders of Ordinary Shares in respect of any financial year of the Company unless and until the

Preference Dividend has been paid in full in respect of that financial year and in respect of all previous financial years of the Company,

- (c) Every dividend shall be distributed to the appropriate shareholders pro-rata according to the number of shares held by them respectively and shall accrue on a daily basis,
- (d) Unless the Company has insufficient profits available for the distribution and the Company is thereby prohibited from paying dividends by the Act, the Preference Dividend shall (notwithstanding regulations 30 - 35 inclusive contained in Model Articles or 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 immediately on the due date and if not paid shall be a debt due by the Company and payable in priority to any other dividend
- (e) In the event that whether by reason of any principle of law or otherwise the Company is unable to pay in full on any relevant date any dividend to the holders of the Preference Shares which would otherwise require to be paid pursuant to these Articles on that date (referred to in this article as 'the relevant dividend') then provided the holders of the Preference Shares shall first be consulted in connection with the dividends due on their respective shares in relation to any special circumstances which the Company shall consider as relevant, then the following provisions shall apply
  - (i) the Company shall pay on the due dividend date to such holders on account of the relevant dividends the maximum sum (if any) which can properly be paid by the Company,
  - (ii) the Company shall pay on every succeeding dividend date and may pay at any time after the due dividend date to such holder on account of the balance of the relevant dividend for the time being remaining outstanding, and until the relevant dividend shall have been paid in full, the maximum sum (if any) which on each succeeding dividend date respectively can be properly paid to the Company,
  - (iii) if the Preference Dividend is not paid in full on the relevant date, otherwise by reason of lack of distributable reserves or other prohibition or restriction imposed by law, interest shall be payable on the amount not paid at the rate of 4% per annum above Bank of Scotland Plc base rate from time to time until it is actually paid. Such interest shall be paid on each succeeding relevant date (or the date such unpaid dividend is paid if sooner) and the Company may pay such interest at the end of each month if it wishes to do so



**13. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

**13 1** *Subject to the other provisions of this Article 12 and the Shareholders' Agreement, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to*

- (a) offer or allot,*
- (b) grant rights to subscribe for or to convert any security into, and*
- (c) otherwise deal in, or dispose of,*

*any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper*

**13 2** *In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company*

**13 3** *If the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Shares (each an Offeree) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person*

**13 4** *An offer made under Article 13 3 shall*

- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered,*

- (b) remain open for a period of at least 10 Business Days from the date of service of the offer, and
  - (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under Article 13 3 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe
- 13 5 If, on the expiry of an offer made in accordance with Article 13 3, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement
- 13 6 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with Article 13 3 shall be used to satisfy any requests for Excess Securities made pursuant to Article 13 4(c) If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him)
- 13 7 After those allotments, any Excess Securities shall, subject to Article 13 8, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders
- 13 8 Unless otherwise determined by the Board, no Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003
- 14 **TRANSFERS OF SHARES: GENERAL**

- 14 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share
- 14 2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, *unless it is made in accordance with Article 14 (Permitted transfers of shares), Article 15 (Compulsory transfers), Article 16 (Transfer Notice on Purchase of Shares), Article 18 (Tag Along) or Article 19 (Drag Along)* Subject to Article 13 4, the Directors shall register any duly stamped transfer made in accordance with these Articles, *unless they suspect that the proposed transfer may be fraudulent*
- 14 3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with Investor Special Consent to the contrary, be deemed to have immediately served a Compulsory Transfer Notice in respect of all Shares held by him
- 14 4 Any transfer of a Share by way of sale which is required to be made under Article 15, Article 18 or Article 19 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee
- 14 5 The Directors shall, as a condition to the registration of any transfer of Shares, *require the transferee to execute and deliver to the Company a deed, in favour of the Company and each Shareholder agreeing to be bound by the terms of the Shareholders' Agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor)* If any condition is imposed in accordance with this Article 14 5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee

14 6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by Investor Special Consent, require

- (a) any holder (or the legal representatives of a deceased holder), or
- (b) any person named as a transferee in a transfer lodged for registration, or
- (c) such other person as the Directors or the Investors (acting by Investor Special Consent) may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose

14 7 If any such information or evidence referred to in Article 14 6 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then, unless otherwise directed in writing by Investor Special Consent

- (a) the relevant Shares shall cease to confer on the holder of them any rights
  - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares, or
  - (ii) to receive dividends or other distributions (other than the amount to which they may be entitled pursuant to these Articles or otherwise attaching to those Shares, and
- (b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice)

The Directors may (with Investor Special Consent) reinstate the rights referred to in Article 14 7(a) at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 14 7(b) on completion of such transfer

14.8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice)

14.9 Any Transfer Notice (but not a Drag Along Notice) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice

## 15 PERMITTED TRANSFERS OF SHARES

A Shareholder may transfer all or any of his or its Shares to a Permitted Transferee

## 16 COMPULSORY TRANSFERS

16.1 If a Pre-Transfer Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Pre-Transfer Shareholder, transfer the Shares held by it to

(a) the Pre-Transfer Shareholder, or

(b) a Member of the Same Group as the Pre-Transfer Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 16.1, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 16.1

16.2 If a Pre-Transfer Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Pre-Transfer Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 10 Business Days

of ceasing to be a Privileged Relation of the Pre-Transfer Shareholder (whether by reason of death, divorce or otherwise) execute and deliver to the Company a transfer of the Shares held by him to the Pre-Transfer Shareholder (or to any Permitted Transferee of the Pre-Transfer Shareholder) for such consideration as may be agreed between them failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 16.2. This Article 16.2 shall not apply to a transferee of a Permitted Transferee if that transferee is also a Permitted Transferee of the Pre-Transfer Shareholder, to the extent that such transferee is legally or beneficially entitled to those Shares

- 16.3 A person entitled to a Share on the death of a Shareholder shall, unless a Permitted Transferee, be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine
- 16.4 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine
- 16.5 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine
- 16.6 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of a Pre-Transfer Shareholder, it shall first be permitted to transfer those Shares back to the Pre-Transfer Shareholder from whom it received its Shares or to any other Permitted

Transferee of that Pre-Transfer Shareholder before being required to serve a Transfer Notice

16 7 If an Executive Director becomes a Departing Executive Director prior to an Exit a Transfer Notice shall, unless the Directors (excluding any Executive Director which becomes a Departing Executive Director) with Investor Special Consent otherwise direct in writing in respect of any particular Relevant Shares prior to or within 25 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Executive Director Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Executive Director becomes a Departing Executive Director shall automatically lapse

16 8 Forthwith upon a Transfer Notice being deemed to be served under Article 16 7 the Relevant Shares (**Restricted Shares**) shall cease to confer on the holder of them any rights

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
- (b) to receive dividends or other distributions otherwise attaching to those Shares, or
- (c) to participate in any future issue of Shares issued in respect of those Shares

The Directors may reinstate the rights referred to in this Article 15 7 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to Article 16 7

#### 17. TRANSFER NOTICE ON PURCHASE OF SHARES

17 1 Except where the provisions of Article 15, Article 19 or Article 20 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 17

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

- (a) subject to Article 14.8, the number of Shares he wishes to transfer (**Sale Shares**),
- (b) the name of the proposed transferee, if any, and
- (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**)

17.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Shareholder who wishes to transfer Shares may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with Investor Special Consent.

17.4 As soon as practicable following the later of

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), and
- (b) the determination of the Transfer Price,

the Company may (unless the Transfer Notice is withdrawn in accordance with Article 17.3), subject to obtaining such consents that it may require, purchase all or some of the Sale Shares at Fair Value.

17.5 If the Company does not elect to purchase all of the Sale Shares, the directors shall (unless the Transfer Notice is withdrawn in accordance with these Articles) offer the Sale Shares which the Company has not purchased for sale to each Shareholder



(other than the Seller) Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered

- (a) the number of Sale Shares which the Company has not purchased, and
- (b) the price per Sale Share (in cash)

17.6 The Directors shall offer the Sale Shares to the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy

17.7 If

- (a) 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 Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all the Shareholders. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors (acting with Investor Special Consent). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,
- (b) not all Sale Shares are allocated following allocations in accordance with Article 17.7(a), but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in Article 17.7. The procedure set out in this Article 17.7 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied, and
- (c) at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Shareholders in accordance with their applications. The balance (the **Surplus Shares**) shall be dealt with in accordance with Article 17.12 and Article 17.13

- 17 8 Where allocations have been made in respect of all the Sale Shares, the Directors shall give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice)
- 17 9 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice
- 17 10 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 17 11 If the Seller fails to comply with Article 17 9
- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller
    - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
    - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and
    - (iii) (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
  - (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

17 12 If an Allocation Notice does not relate to all of the Sale Shares then, subject to Article 17 13 and within four weeks following service of the Allocation Notice or within eight weeks following the service of a Transfer Notice or Deemed Transfer Notice (as the case may be) if an Allocation Notice has not been served by this time, the Seller may transfer the Surplus Shares to any person the directors may nominate (including, without limitation the Company) in writing to the Seller at a price at least equal to the Transfer Price

17 13 If the directors do not nominate anyone in writing to the Seller within eight weeks following service of the Allocation Notice or within twelve weeks following the service of a Transfer Notice or Deemed Transfer Notice (as the case may be) if an Allocation Notice was not served (each such date being the **Cut Off Date**) the Seller shall, subject to Article 17 14, be permitted to either retain the Surplus Shares or sell them to any person at a price at least equal to the Transfer Price within 20 Business Day of the Cut Off Date

17 14 The Seller's right to transfer Surplus Shares under Article 17 13 does not apply if the directors reasonably consider that

- (a) 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 of the Company,
- (b) 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
- (c) the Seller has failed or refused to promptly provide information available to the Seller and reasonably requested by the directors to consider whether or not it is able to form the opinion referred to in Article 17 14(b)

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

## 18 TRANSFER PRICE

18 1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be

the price per Sale Share (in cash) agreed between the Directors (with any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the lower of Fair Value and Last Equity Round Value of each Sale Share

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

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served),
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- (c) that the Sale Shares are capable of being transferred without restriction,
- (d) 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
- (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account

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

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

18.5 The parties are entitled to make submissions to the Independent Expert in writing and shall provide (or procure that others provide) the Independent Expert with such

assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision

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

18.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.

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

#### **19 TAG ALONG**

19.1 Subject to Article 15 (Compulsory transfers) and Article 19 (Drag Along), if any transfer of Shares would result in any person or persons (and any person or persons acting in concert with him or them), who is not a Shareholder (and/or a person who is not acting in concert with a Shareholder) obtaining direct or indirect control of more than fifty percent of the total voting rights conferred by all the Shares then in issue, such transfer shall not be permitted to proceed unless, before the transfer is made, the proposed transferee(s) (**Proposed Tag Along Buyer**) make(s) a written offer (open for acceptance for a period of at least 30 days from its delivery) to all the Shareholders to purchase all the Shares then in issue (at the same time and on the same terms and conditions for each Shareholder) at a price per Share not less than the price offered to the proposed selling Shareholders by the Proposed Tag Along Buyer. No Shareholder shall complete any sale of Shares to the Proposed Tag Along Buyer unless the Proposed Tag Along Buyer completes the purchase of all the Shares agreed to be sold simultaneously.

**20 DRAG ALONG**

- 20 1 If the holders of 90% of the Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in the Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 20 1
- 20 2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify
- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 20 1,
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),
  - (c) the price (the **Drag Along Price**) including the calculation of any element not payable in cash at which the Called Shareholders' Shares are proposed to be transferred which shall be a price per share equal to that offered by the Proposed Buyer to the Selling Shareholders for their Shares,
  - (d) the proposed date of completion of transfer of the Called Shares
- 20 3 *Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.*
- 20 4 The Called Shareholders shall be bound, on payment of the Drag Along Price, to transfer the Called Shares in accordance with the Drag Along Notice at the time and place therein specified free from any lien, charge or encumbrance

- 20 5 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall be suspended on the service of a Drag Along Notice until either the Drag Along Notice lapses, in which case it shall be reinstated (not taking into account any period of time whilst it was suspended for the purposes of any time limits), or the Selling Shareholders complete the transfer of all the Sellers' Shares in which case it shall be revoked

## **DECISION-MAKING BY SHAREHOLDERS**

### **21 GENERAL MEETINGS**

- 21 1 No business other than, subject to Article 20 2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on

- 21 2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting

### **22 VOTING**

- 22 1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company

- 22 2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

22 3 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article

22 4 Model article 45(1) shall be amended by

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

## 23. PURCHASE OF OWN SHARES

23 1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of

- (a) £15,000, and
- (b) the value of 5% of the Company's share capital

23 2 Subject to the remaining provisions of these Articles, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may

- (a) hold the Shares (or any of them) in treasury,
- (b) deal with any of the Shares, at any time, in accordance with section 727, or
- (c) cancel any of the Shares, at any time, in accordance with section 729 of the Act



## **24 COMPANY'S LIEN OVER SHARES**

**24 1** The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, *whether payable immediately or at some time in the future*

**24 2** The Company's Lien over a share

- (a) takes priority over any third party's interest in that Share, and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

**24 3** The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part

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

**25 1** Subject to the provisions of this Article 25, if

- (a) a Lien Enforcement Notice has been given in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,

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

**25 2** A Lien Enforcement Notice

- (a) may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed,
- (b) must specify the Share concerned,
- (c) *must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),*
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

25 3 Where Shares are sold under this Article 25

- (a) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
- (b) *the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale*

25 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) *after the date of the Lien Enforcement Notice*

25 5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date

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

## **ADMINISTRATIVE ARRANGEMENTS**

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

26 1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient

- (a) *if delivered personally, at the time of delivery, or*
- (b) *in the case of email, at the time of transmission, or*
- (c) *in the case of registered post (in the UK), 48 hours from the date of posting,*

*and if deemed receipt under the previous paragraphs of this Article 25 1 would occur outside business hours (meaning 9 00 am to 5 30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9 00 am on the day when business next starts in the place of deemed receipt For the purposes of this Article, all references to time are to local time in the place of deemed receipt*

26 2 To prove service, it is sufficient to prove that

- (a) *if delivered personally, the notice was delivered to the correct address, or*
- (b) *if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient, or*
- (c) *if sent by registered post in the UK, the envelope containing the notice was properly addressed, paid for and posted*

### **27 INDEMNITY AND INSURANCE**

27 1 Subject to Article 26 2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs, and
- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 26 1(a) and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

27 2 This Article 26 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

27 3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss

27 4 In this Article 26

- (a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company), and
- (b) **Relevant Officer** means any director or other officer or former director or other officer of any Group Company but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor