

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

**PORTERHOUSE MEDICAL GROUP LTD**

(Adopted by special resolution passed *30 July* 2020)

Incorporated 21 September 2017

Company No. 10974201



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THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
NEW ARTICLES OF ASSOCIATION  
OF  
**PORTERHOUSE MEDICAL GROUP LTD**

(Adopted by special resolution passed

2020)

**1. PRELIMINARY**

**1.1 In these Articles:**

**1.1.1 the following expressions shall have the meanings respectively ascribed:**

"associate"	the meaning given in section 253 of the Income Tax Act 2007;
"Auditors"	the auditors for the time being of the Company (or, if the Company is exempt from the requirement to appoint auditors and has not appointed auditors, the principal accountants for the time being of the Company);
"Board"	the board of Directors of the Company or (where the context permits) a duly authorised committee thereof;
"business day"	a day on which banks are ordinarily open for the transaction of normal banking business in London;
"civil partner"	in relation to a member, a civil partner as defined by the Civil Partnership Act 2004;
"Companies Act"	the Companies Act 2006;
"Compulsory Transfer Notice"	a notice given or deemed to have been given pursuant to Articles 6.2 and 9;
"Connected Person Transfer"	a transfer to any person to whom shares in the capital of the Company are transferred pursuant to Article 6.1 or Article 6.3;
"Connected Person Transferor"	in relation to a Connected Person Transfer, the transferor or in the case of a series of Connected Person Transfers, the first transferor in the

series;

"family trust"

the expression "family trust" in relation to any member or deceased member means a trust, whether arising under a settlement *inter vivos* or pursuant to a testamentary disposition, in each case by whomsoever made (including any variation of a testamentary disposition) or on an intestacy of any person, for the benefit of that member and/or one or more relatives of that member (whether or not other persons may also be or become entitled to benefit thereunder);

"Group"

the Company, together with any holding company or subsidiary for the time being of the Company and any subsidiary for the time being of any such holding company or subsidiary, and references to "member of the Group" shall be construed accordingly;

"Group Company"

the Company or any member for the time being of the Group;

"holding company"

the meaning in section 1159 and Schedule 6 of the Companies Act 2006;

"legal personal representative"

in relation to any deceased member, any person who is for the time being a personal representative of such member or, where no grant of representation has been made, would be a person entitled to apply for such grant either by reason of such person being named as an executor in the will of such member or by reason of such person being one of the class of persons entitled to apply or which would be entitled to apply for a grant in respect of such member's estate under the Non-Contentious Probate Rules 1987 (as amended extended replaced or re-enacted from time to time) in accordance with the order of priority for grant in case of intestacy (and, in the case of dispute as regards such order, as determined by the Board whose decision for this purpose as to the entitlement of any person shall be final and binding) and any trustee for the time being of his estate or any part of it;

"Model Articles"

the Model Articles for private companies limited by shares set out in Schedule 1 of the Companies

(Model Articles) Regulations 2008;

"Prescribed Price"	the price per Sale Share as determined in accordance with Article 8;
"Privileged Relation"	in relation to a member or a deceased or former member (being an individual) any spouse, civil partner, child or grandchild, parent or grandparent or any descendant of any such parent or grandparent (and in each case whether the relationship is natural or by adoption);
"subsidiary"	the meaning in section 1159 and Schedule 6 of the Companies Act 2006;
"Transfer Notice"	a notice given pursuant to Article 7 or given or deemed to have been given pursuant to Articles 6.2 and 9;

1.1.2 any reference to a transfer includes (i) any direction (by way of renunciation, nomination or otherwise and whether or not in writing) by any member entitled to any allotment or transfer of shares to the effect that such shares or any of them be allotted or issued or transferred to some person other than himself and (ii) any sale or other disposition of any beneficial interest in a share (whether or not for any consideration) by whomsoever made and whether or not effected by an instrument in writing;

1.1.3 references to any provision of any statute or any statutory instrument shall include any provision from time to time amending, replacing or re-enacting the same.

1.2 The Model Articles shall, except as hereinafter provided and except insofar as the same are inconsistent with these Articles, apply to the Company.

1.3 Except where the context otherwise requires the masculine includes the feminine and the neuter and the singular includes the plural and vice versa.

## **2. DIRECTORS**

2.1 The number of Directors need not exceed one. Unless and until otherwise determined by ordinary resolution of the Company, the number of Directors shall not be subject to a maximum. If and so long as there shall be a sole Director he shall be entitled to exercise all the powers, authorities and discretions expressed by these Articles to be vested in the Directors generally.

2.2 Subject to the provisions of sections 177 and 182 of the Companies Act, a Director may be interested, directly or indirectly, in any contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company or in which the Company is interested and (except as regards the office of Auditor) he may hold and be remunerated in respect of any office or place of profit under the Company, and he or any firm of which he is a partner may act in a professional capacity for the

Company and be remunerated for it. Subject to Articles 2.3 and 2.4, in relation to any such matter a Director notwithstanding his interest may vote and be taken into account for the purposes of a quorum and may retain for his own absolute use and benefit all profits and advantages accruing to him. Article 14 of the Model Articles shall not apply to the Company.

2.3 Article 2.2 is without prejudice to the duty imposed on Directors under section 175 of the Companies Act Provided that the Board may authorise any matter proposed to it by any Director which would, if not authorised involve a Director breaching his duty under section 175 of the Companies Act to avoid conflicts of interest.

2.4 Where the Board authorises a conflict of interest in accordance with Article 2.3, it may provide, without limitation (whether at the time of giving the authority or subsequently) that the Director:

2.4.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the conflict of interest; and/or

2.4.2 is not given any documents or other information relating to the conflict of interest; and/or

2.4.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of the Board in relation to any resolution relating to the conflict of interest.

2.5 Paragraph (d) of Article 18 of the Model Articles shall not apply to the Company. The provisions of Article 18 of the Model Articles otherwise apply to the termination of a director's appointment.

### **3. PROCEEDINGS OF DIRECTORS**

3.1 Subject to the provisions of these Articles, the Board may regulate its proceedings as it thinks fit.

3.2 Save as hereinafter provided in this Article 3, the quorum for the transaction of business at a meeting of the Board shall be any two eligible directors.

3.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 2.3 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

3.4 To the extent there is a sole director from time to time, he shall form a quorum at meetings of the Board. Article 11(2) of the Model Articles shall be modified accordingly.

3.5 All business arising at any meeting of the Board or of any committee of the Board shall be determined only by resolution and no such resolution shall be effective unless carried by a majority of votes. Provided that the responsibilities of the Board as provided in Articles 6 to 9.5 inclusive may be carried out by any one of the Directors. Articles 7 and 8 of the Model Articles shall be modified accordingly.

3.6 The Chairman at any meeting of the Board shall have a second or casting vote. Article 13 of the Model Articles shall not apply to the Company.

3.7 The Board may dispense with the keeping of attendance books for meetings of the Board or of committees of the Board.

#### **4. ALTERNATE DIRECTORS**

4.1 Any Director (other than an alternate Director) may at any time by writing under his hand and deposited at the registered office of the Company, or delivered at a meeting of the Board appoint any person to be his alternate Director and may at any time terminate such appointment. Such appointment shall have effect only upon and subject to being approved by the Board. The appointment of another Director of the Company as an alternate Director shall not require such approval but shall cease to be effective after such Director ceases to hold the office of Director unless so approved. The same person may be appointed as alternate Director of more than one Director. The vote or votes of an alternate Director shall be in addition to any vote or votes he may have in his own right.

4.2 The appointment of an alternate Director shall automatically terminate on the happening of any event which if he were a Director would cause him to vacate such office and shall also terminate automatically if the Director for whom he is an alternate (below called "his appointor") shall cease for any reason to be a Director.

4.3 An alternate Director shall be entitled to receive notices of meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and vote as a Director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a Director. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor.

4.4 An alternate Director shall be entitled to receive notice of and attend general meetings of the Company and to speak at any general meeting at which his appointor is not personally present.

4.5 An alternate Director shall be entitled to contract and be interested in and benefit from contracts transactions or arrangements and to be repaid expenses and to be indemnified by the Company to the same extent as if he were a Director but shall not in respect of such appointment be entitled to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

4.6 Save as otherwise provided in these 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 his appointor.

**5. SHARE CAPITAL**

- 5.1 The share capital of the Company as at the date of adoption of these Articles is £100.03 comprising 10,000 ordinary shares of £0.01 each, 1 A ordinary share of £0.01 and 1 B ordinary share of £0.01 and 1 C ordinary share of £0.01.
- 5.2 The ordinary shares, A ordinary shares, B ordinary shares and C ordinary shares shall constitute different classes of share for the purposes of the Companies Act but, save as otherwise provided in these articles shall rank pari passu in all respects.
- 5.3 The A ordinary shares, the B ordinary shares and the C ordinary shares shall not entitle the holders thereof to receive notice of, to attend or to vote at meetings of the members of the Company.
- 5.4 In the event of a sale of the entire issued share capital of the Company
- 5.4.1 the holders of the A ordinary shares shall be entitled to receive from the proceeds thereof such sum as is equal to 30% of the value attributable to the shares in the capital of Porterhouse Insights Limited and to settled in cash at and following the date of such Sale;
- 5.4.2 the holders of the B ordinary shares shall be entitled to receive from the proceeds thereof such sum as is equal to 20% of the value attributable at the date of such Sale to the shares in the capital of Porterhouse Medical, Inc.;
- 5.4.3 the holders of the C ordinary shares shall be entitled to receive from the proceeds thereof such sum as is equal to 30% of the value attributable to the shares in the capital of Porterhouse Insights Limited and to settled in by the issue of consideration loan notes at the date of such Sale; and
- 5.4.4 the balance of the proceeds shall be payable to the holders of the ordinary shares in proportion to their respective holdings of ordinary shares.
- 5.5 The holders of the A ordinary shares shall be entitled to receive by way of dividend such sum as is equal to 30% of the amount of any dividend paid to the Company by Porterhouse Insights Limited.
- 5.6 The holders of the B and the C ordinary shares shall be entitled to receive by way of dividend such sum as is equal in aggregate to 30% of the amount of any dividend paid to the Company by Porterhouse Insights Limited.
- 5.7 Save to the extent permitted by Article 21 of the Model Articles, no shares may be issued which are not fully paid up at the time of their issue.
- 5.8 Any new shares which it is proposed to allot shall first be offered to the existing members of the Company in accordance with the provisions of Article 5.9 provided that Article 5.9 shall not apply to the allotment of shares pursuant to any share option scheme operated by the Company from time to time.



- 5.9 The offer shall be on terms that each such member can apply for any number of the new shares up to the total number of new shares to be allotted and on the terms that the new shares shall be allocated (in the case of competition) in proportion (as nearly as possible without involving fractions) according to the number of shares in the Company of which they are registered or entitled to be registered as holders Provided that no applicant shall be obliged to take more than the maximum number of shares applied for by him.
- 5.10 The offer shall be made by notice in writing specifying the number of, and subscription price for, the shares offered and limiting a period (not less than 14 days) within which the offer, if not accepted, shall be deemed to have been declined. Any shares which are not so accepted by the existing members under this Article 5.10 shall be under the control of the Board which may offer or allot, grant rights to subscribe for or to convert any security into or otherwise deal in, or dispose of the same to such persons (whether or not members of the Company), for such consideration (not being less than such offer price), on such terms, in such manner and at such times as it considers appropriate but so that such shares shall not be disposed of on terms which are more favourable to such persons than the terms on which they were originally offered to members.
- 5.11 Sections 561 and 562 of the Companies Act are hereby excluded from applying to the Company.
- 5.12 Save as permitted by law, nothing in this Article 5 shall authorise the allotment or issue of shares in the Company at a discount.
- 5.13 Subject to the Companies Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of:
- 5.13.1 £15,000; or
- 5.13.2 the value of 5% of the Company's nominal share capital.

## **6. PERMITTED TRANSFERS**

- 6.1 Any share or interest in a share (whether or not a beneficial interest) may at any time be transferred in the case of a member (being an individual):
- 6.1.1 by any member or by his or her legal personal representative to any other member;
- 6.1.2 by such member or by his or her legal personal representative to any one or more of the Privileged Relations of such member;
- 6.1.3 by a member or by his or her legal personal representatives to the trustees of a family trust of such member;
- 6.1.4 following the death of a member into the names of his or her legal personal representatives in their capacity as such; or

- 6.1.5 by the trustees of a family trust to new or succeeding trustees or to any one or more beneficiaries under such trust, each such beneficiary to whom shares are transferred being either a member or a Privileged Relation of a member.
- 6.2 Any share or interest in a share (whether or not a beneficial interest therein) may at any time be transferred by any member ("the original transferor"), being a body corporate, to a body corporate which is in relation to such member a holding company or subsidiary or to a subsidiary of any such holding company. Provided that if any such transferee subsequently ceases to bear such relationship with the original transferor it shall forthwith notify the Board accordingly and shall upon so ceasing be obliged either to re-transfer the shares to the original transferor or to another body corporate bearing the requisite relationship to the original transferor or (in default) to serve a Transfer Notice in accordance with Article 7 and the provisions of Article 7 to 9.5 shall apply accordingly.
- 6.3 Any share or interest in a share (whether or not a beneficial interest therein) may at any time be transferred with the prior consent in writing of all the members of the Company at that time.
7. **PRE-EMPTION PROVISIONS**
- 7.1 Except in the case of a transfer of a share or of an interest in a share which is expressly authorised by Article 6 no share or interest in any share (whether or not a beneficial interest) may at any time be transferred (whether pursuant to a testamentary disposition or whether by way of security or for any other purpose) to any person (whether or not another member) unless and until the requirements set out in this Article 7 have been duly complied with.
- 7.2 Before transferring any shares or an interest in any shares the transfer of which is not expressly authorised by Article 6 the person or persons (the "Transferor") proposing to transfer the same (including any person or persons entitled to any shares or any interest in any shares in consequence of the death of any person or in consequence of the bankruptcy or liquidation of any member) shall give notice in writing to the Board that he desires to transfer the shares.
- 7.3 Save for a Compulsory Transfer Notice no person may serve a Transfer Notice within the period of six months following any date on which a Transfer Notice was previously served by him. A Transfer Notice shall specify the number and class of shares the Transferor desires to transfer or in which he desires to transfer an interest (such shares being in each case the "Sale Shares") and the price per share at which he proposes to transfer the same. A Transfer Notice may (but need not) identify any proposed transferee of the Sale Shares. A Transfer Notice may not relate to more than one class of shares.
- 7.4 A Transfer Notice may (except in the case of a Compulsory Transfer Notice) contain a provision (a "Total Sale Condition") that unless all of the Sale Shares are sold pursuant to the following provisions none shall be so sold and such provision shall be binding on all persons.

7.5 A Transfer Notice given by a Transferor shall constitute the Company his agent for the sale of the Sale Shares (together with all rights attached to them at the date of receipt of the Transfer Notice) at the Prescribed Price (as defined in Article 8) and according to the provisions set out in this Article 7. A Transfer Notice shall be revocable only with the prior consent in writing of the Board or otherwise in accordance with the provisions of Article 7.

7.6 A copy of the Transfer Notice shall be given or sent by the Board to each member of the Company (other than the Transferor):

7.6.1 (in the case where the Prescribed Price in relation to the Transfer Notice was agreed between the Transferor and the Board as referred to in Article 8.1) within 21 days of receipt by the Board of the Transfer Notice; or

7.6.2 (in the case where the Auditors are to carry out a valuation as provided in Article 8.3 and the Transferor has not withdrawn the Transfer Notice actually given by him) within seven days after the expiry of the Withdrawal Period referred to in Article 8.9; or

7.6.3 (in the case where the Auditors are to carry out a valuation as provided in Article 8.3 in relation to a deemed Transfer Notice) within 14 days after the Auditors' Certificate has been received by the Board,

together with a statement of the Prescribed Price in relation to the Transfer Notice in question as well as, in any case where the Prescribed Price has been determined by the Auditors, a copy of the Auditors' Certificate setting out the details referred to in Article 8.5 below.

7.7 Each copy of the Transfer Notice shall be accompanied by a notice in writing from the Board or any one of the Directors (an "Offer") offering to sell all the Sale Shares to the members of the Company (other than the Transferor) at the Prescribed Price per share and inviting each member to apply for any number of the Sale Shares up to the total number of the Sale Shares and on the terms that the Sale Shares shall be allocated, in the case of competition between them, in proportion (as nearly as possible without involving fractions) according to the number of shares in the Company of which they are registered or entitled to be registered as holders. Provided that no applicant shall be obliged to take more than the maximum number of shares applied for by him.

7.8 The Offer shall specify a period of time (not being less than 21 days nor more than 42 days) (the "Offer Period") within which it must be accepted or in default will lapse. A copy of the Offer shall be sent to the Transferor at the same time as it is sent to the other members. To be valid an acceptance must be in writing, must state the maximum number of the Sale Shares which the member wishes to purchase and must be accompanied by a remittance in favour of the Company (as agent for the Transferor) for the purchase price of the said maximum number of the Sale Shares at the Prescribed Price. The Company may retain for its own benefit any interest earned.

indirectly holds or is beneficially entitled to 5 per cent. (5%) or more of the issued share capital) of whom the Board does not approve; or

- (b) agree to register a transfer to any such person as mentioned in sub-paragraph (a) above only upon such person undertaking to the Company to serve a Transfer Notice in circumstances stipulated by the Board at the time of the Board so agreeing to register the transfer,

Provided that the Board must comply with the requirements of the Companies Act and give the transferee notice of such refusal together with reasons as soon as practicable and in any event within two months after the date on which the transfer was lodged for registration and may only exercise such right to decline to register a transfer or to require such an undertaking to be given if it shall do so or shall have notified the Transferor in writing of its intention so to do within 30 days following lodgement of the transfer or (if earlier) receipt by it of written notification by the Transferor of the identity of the proposed transferee.

- 7.11 If a Transferor shall fail or refuse to transfer any of the Sale Shares to a purchaser in accordance with a notice duly given to him by the Board, the Board or (in default of action by the Board) any member of the Company may authorise some person to execute and deliver on his behalf the necessary transfer and any other deeds or documents required in order to give effect to such transfer and the Company shall receive the purchase money in trust without interest for the Transferor and cause the purchaser to be registered as the holder of such shares. The receipt of the Company for the purchase money shall be a good discharge to the purchaser who shall not be bound to see to the application of the purchase money.

## **8. PRESCRIBED PRICE**

- 8.1 If before or within 14 days of receipt or deemed receipt of a Transfer Notice, the Transferor and the Board shall have agreed in writing (whether or not in any separate agreement) a price per share for the Sale Shares then such price shall be the "Prescribed Price" for the purposes of this Article 8.
- 8.2 In the absence of any such agreement as to the price of the Sale Shares, the Prescribed Price shall be the sum per share determined and certified by the Auditors pursuant to Article 8.3.
- 8.3 Where the sum per share is to be determined and certified by the Auditors pursuant to Article 8.2, the Board or any one of the Directors shall within 21 days of receiving a Transfer Notice (or in the case of a deemed Compulsory Transfer Notice, as soon as practicably possible after that notice is treated as having been received by the Board) request the Auditors of the Company to determine and certify the sum per share considered by them to be the fair value per share as at the date of receipt of the Transfer Notice. The fair value per share shall be calculated by ascertaining the fair value of all the issued shares in the Company as at the aforesaid date and by taking such fraction of such fair value as is arrived at by dividing the nominal value

- 7.9 If the Board shall at the expiry of the Offer Period have found members of the Company who are able and willing to purchase all the Sale Shares or (subject to any Total Sale Condition) any of them the Board or any one of the Directors shall without delay give notice in writing to the Transferor who shall (subject to any Total Sale Condition) be bound, upon payment of the Prescribed Price, to transfer such shares to the respective purchasers. Every such notice shall state the names and addresses of the purchaser or purchasers, the number and class of the Sale Shares agreed to be purchased by him or them respectively and a time for completion of the purchase or purchases, being not less than seven days nor more than 14 days after the date of such notice. Unless otherwise agreed, completion shall take place at the registered office of the Company. Following completion the Company shall return to any members of the Company who offered to purchase more of the Sale Shares than were allocated to them under Article 7.7 the appropriate proportion of their remittances.
- 7.10 If by the expiry of the Offer Period, no notice in writing shall have been given under Article 7.9 that the Company has found purchasers able and willing to purchase all of the Sale Shares or if the Board shall at any time during that period give notice in writing to the Transferor that the Company has no prospect of finding purchasers for all or some of the Sale Shares, the Transferor shall be entitled at any time within the period of 120 days of the making of such Offer to transfer the Sale Shares (or such of them for which no purchaser has been found) to any person (including to the extent permitted by law the Company itself) on a *bona fide* sale at any price per share not being less than the Prescribed Price Provided that:
- 7.10.1 if the Transfer Notice contained a Total Sale Condition he shall not without the prior consent in writing of the Board be entitled to transfer any of the Sale Shares unless all of the Sale Shares are so transferred;
- 7.10.2 in relation to any Transfer Notice given by the legal personal representatives of any deceased member, the shares in question for which no purchaser has been found may instead of being so sold be transferred to any person or persons who are beneficiaries under the testamentary disposition of the deceased member. For this purpose the expression "testamentary disposition" shall include the intestacy of the deceased and any will or equivalent disposition in any jurisdiction outside the United Kingdom whether or not varied after death;
- 7.10.3 the Board may require to be satisfied that such shares are being transferred pursuant to and in accordance with this Article 7 and if not so satisfied shall be entitled to refuse to register the instrument of transfer; and
- 7.10.4 the Board may:
- (a) by notice in writing to the Transferor, decline to register a transfer of shares to any person (not already being a member of the Company) being either a competitor of any Group Company, or a person directly or indirectly holding or beneficially entitled to 5 per cent. (5%) or more of the issued share capital of any such competitor, or a company in which a competitor directly or

of one of the Sale Shares by the nominal value of all the shares in the Company as are in issue at that date. Such certificate is referred to in these Articles as the "Auditors' Certificate".

- 8.4 In determining fair value for the purpose of Article 8.3, the Auditors shall assume a sale on a going concern basis between a willing buyer and a willing seller (and so shall take into account any arm's length agreement reached by the Transferor with any third party) and shall implement any agreement in writing made at any time between the Transferor and the Board on behalf of the Company as to the basis upon which the price for the Sale Shares is to be determined for the purposes of this Article 8.4. The Auditors shall also take into account any representations made by the members (including the Transferor) and/or by the Board, and any valuations of the Company's assets prepared by professional valuers.
- 8.5 The Auditors' Certificate shall contain the assumptions on which their valuation is carried out together with details of the calculations made in arriving at such valuation.
- 8.6 If the Company has no Auditors or if, in relation to any Transfer Notice, the Auditors are unable or unwilling to act in determining the value of the Sale Shares the valuation shall be carried out by an independent chartered accountant agreed upon by all the members of the Company or in default to be selected by the President or other proper officer for the time being of the Institute of Chartered Accountants in England and Wales on the application of the Company or of any member at any time and references to the Auditors in this Article 8 shall where appropriate be treated as including reference to a chartered accountant so agreed or selected.
- 8.7 The Auditors shall act as experts and not as arbitrators and their determination shall be final and binding on all persons and the costs of their determination shall be apportioned equally amongst the Transferor and the transferees (if any) or borne by any one or more of them in such other proportions as the Auditors in their absolute discretion consider fair or, if the Sale Shares are not ultimately transferred for any reason, by the Transferor.
- 8.8 A copy of the Auditors' Certificate shall be sent by the Board or by any one of the Directors to the Transferor in respect of whose shares it is issued immediately on its issue.
- 8.9 A Transferor shall be entitled to withdraw a Transfer Notice (other than a Compulsory Transfer Notice or one required to be given by any particular agreement to which the member is party) where the Prescribed Price determined and certified by the Auditors pursuant to this Article 8 is not acceptable to him by giving a withdrawal notice in writing to the Board within 14 days of receiving a copy of the Auditors' Certificate stating that he thereby withdraws his Transfer Notice (such period being the "Withdrawal Period").

## **9. COMPULSORY TRANSFERS**

- 9.1 For the purposes of this Article 9:

9.1.1 **"Event Date"** means the date of a relevant Compulsory Transfer Event or, if later, the date on which the Board becomes aware of the Compulsory Transfer Event having occurred;

9.1.2 **"Compulsory Transfer Event"** means the occurrence of any one or more of the following events:

- (a) in relation to all members, save through holding or being interested in a quoted company (as defined in section 385(2) of the Companies Act) not representing more than five per cent. (5%) of the issued securities of any class of any one company, directly or indirectly engaging or being concerned in the conduct (including, without limitation, being a director or employee of, or providing services to) of or interested in any business which competes to any material extent with any business being carried on at that time by any Group Company without the approval of the Board;
- (b) in relation to individual members only, :
  - (i) bankruptcy;
  - (ii) death;
  - (iii) being a member who holds shares under a Connected Person Transfer, ceasing to be a Privileged Relation by reason of divorce or legal separation for a period of six months or more;
  - (iv) being a member who holds shares as trustee of a family trust, ceasing to hold such shares on the terms of the relevant family trust (other than in consequence of a transfer to a new or succeeding trustee or to any one or more beneficiaries under such trust) or holds them on trust only for an individual in relation to whom a Compulsory Transfer Event has occurred;
  - (v) being a deceased member, any share (other than shares held by the deceased member as a trustee for any third party) remaining registered in the name of a deceased member for longer than one year after the date of his death; and/or
  - (vi) being a member who holds shares under a Connected Person Transfer, any Compulsory Transfer Event occurring in relation to the Connected Person Transferor.
- (c) in relation to corporate members only, :
  - (i) liquidation or administration; and/or
  - (ii) any person (other than a member of such company already holding not less than 30 per cent. (30%) of the issued share capital thereof at the date on which such corporate member first became a member of the Company) obtaining control (as defined by section 1124 Corporation Tax Act 2010) of the corporate member; and

9.1.3 **"Relevant Period"** means:

- (a) in the case of a Compulsory Transfer Event falling within Article 9.1.2(b)(i) or Article 9.1.2(c)(i), at any time after the relevant Event Date; and
- (b) in all other cases, during the period of one year commencing on the relevant Event Date.

9.2 If a Compulsory Transfer Event occurs in relation to any holder of shares in the capital of the Company, the relevant member or their legal personal representatives or other person becoming able to act on behalf of that member by virtue of transmission of shares, court appointment or otherwise, shall:

9.2.1 notify the Board as soon as practicable after the Compulsory Transfer Event has occurred; and

9.2.2 if required by the Board to do so during the Relevant Period, give a Transfer Notice in respect of all shares held by that member or to which that member was entitled at the time of being so required.

9.3 References in Article 9.1.2 to bankruptcy, liquidation and administration shall be treated as including any process in any jurisdiction similar to bankruptcy, liquidation or administration.

9.4 For the purpose of ensuring that a particular transfer of any share or shares is permitted under the provisions of these Articles or that no circumstances have arisen whereby a Compulsory Transfer Notice is required to be given or is to be deemed to have been given in respect of any such share the Board may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer of any share lodged for registration to furnish the Company with such information and evidence as the Board may think necessary or relevant. Failing such information or evidence being furnished to the reasonable satisfaction of the Board within a reasonable time the Board shall be entitled to refuse to register the transfer in question or to require by notice in writing that a Transfer Notice be given in respect of the shares concerned. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any such shares the Board may by notice in writing require that a Transfer Notice be given in respect of the shares concerned.

9.5 In any case where a Transfer Notice is required to be given in respect of any shares and such Transfer Notice is not duly given within a period of 14 days or such longer period as the Board may allow for this purpose such Transfer Notice shall be deemed to have been given on the expiry of such period.

10. **GENERAL PROVISIONS RELATING TO TRANSFER OF SHARES**

10.1 Except where otherwise expressly provided the provisions of Articles 7 and 8 shall apply to Compulsory Transfer Notices in the same way as they apply to actual Transfer Notices and accordingly all references in these Articles to the giving of a Transfer Notice shall be treated as including references to Compulsory Transfer



Notices and references to a Transferor shall include a person deemed to have given a Compulsory Transfer Notice. For the avoidance of doubt a deemed Transfer Notice shall not be treated as including a Total Sale Condition and the provisions of Article 8.9 (as to withdrawal of Transfer Notices) shall not apply to a Compulsory Transfer Notice.

10.2 The requirement in Article 7.6 to give or send copies of a Transfer Notice shall in the case of a Compulsory Transfer Notice be treated as complied with by sending a notice of the facts arising in connection with that Compulsory Transfer Notice. A Compulsory Transfer Notice shall be treated as having been received by the Board on the date on which it is deemed to have been given and as if it bore that date.

10.3 Without prejudice to its other powers contained in Articles 6 to 9.5 the Board shall be entitled to refuse to register any transfer of shares on which the Company has a lien. The Board shall refuse to register any transfer of shares which is not permitted by Articles 6 to 9. It may also refuse to register a transfer unless:

10.3.1 it is lodged at the registered office or at such other place as the Board may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the Transferor to make the transfer;

10.3.2 it is in respect of only one class of shares;

10.3.3 it is in favour of not more than four transferees; and

10.3.4 the transferee(s) is an adult.

Subject thereto the Board shall register any transfer made pursuant to Articles 6 to 9.

10.4 Paragraph (5) of Article 26 of the Model Articles shall not apply to the Company.

## 11. **DRAG ALONG AND TAG ALONG**

11.1 For the purposes of this Article 11:

11.1.1 **"Independent Third Party"** means a person who is not an associated company of the Company or any member of the Group, or a member of the Company, or an associate of any member of the Company;

11.1.2 **"Relevant Offer"** means an offer for the entire issued share capital of the Company (including shares arising on the exercise of any outstanding share options) which either constitutes a takeover offer as defined by Section 974 of the Companies Act or which constitutes a Third Party Offer and which (in either case) is made on terms that the consideration under such offer shall be allocated in proportion as if assets of the Company were being distributed on a return of capital in the Company; and

11.1.3 **"Third Party Offer"** means a bona fide offer in writing from an Independent Third Party to acquire all of the issued share capital of the

Company (including any shares issued following the Third Party Offer as a result of the exercise of options to subscribe for shares in the Company) not already held by the third party.

11.2 If members holding shares together carrying not less than 75 per cent. (75%) of the votes which may be cast on a poll (in this Article referred to as the "Seller") give notice to the holders of all the other shares in the Company (hereinafter called the "Other Shareholders") that the Seller has procured a "Third Party Offer" to each of the members of the Company (including the Seller) to acquire all of the issued share capital of the Company (including any shares issued following the Third Party Offer as a result of the exercise of options to subscribe for shares in the Company) not already held by the third party on terms:

11.2.1 that the consideration for the sale of the said shares shall be allocated as provided in Article 11.6;

11.2.2 which do not contain provision for any payment to any member other than in respect of the shares held by such member (but disregarding any *bona fide* payments to be made for the services of the member under any contract of employment or contract for services); and

11.2.3 which (subject to Article **Error! Reference source not found.**) are otherwise the same (or as nearly as possible on the same terms) for each member,

then the following provisions shall apply so as to override the provisions of Article 7.

11.3 If the Third Party Offer shall be accepted by the Seller (whether or not conditionally upon acceptance by the Other Shareholders) the Other Shareholders shall also accept the Third Party Offer and shall take all such action as may be necessary to transfer all their respective shares in the capital of the Company in accordance therewith (but subject as provided in Article **Error! Reference source not found.**). Any holder of options to subscribe for shares in the Company who exercises any such options following the offer shall likewise take all such action as may be necessary to transfer the resultant shares and accordingly for all purposes of this Article 11 any such holder shall be treated as an Other Shareholder with effect from exercising such options.

11.4 If the Third Party Offer shall not have been so accepted by any one or more of the Other Shareholders within the period during which it is open for acceptance (or having been accepted shall not have been fully and duly implemented at the time for completion) any person or persons nominated by the Seller shall be treated as having been hereby authorised as the attorneys of each of the Other Shareholders to accept the Third Party Offer on their behalf and to execute such agreements, deeds and other documents (including in particular (but subject as provided in Article **Error! Reference source not found.**) warranties, covenants and indemnities in respect of the sale, and stock transfer forms) on their behalf as may be necessary or convenient to give effect to the sale hereinbefore referred to.

11.5 The Other Shareholders shall not be obliged to transfer their shares in the Company pursuant to the Third Party Offer unless the Seller does likewise. The provisions of Article 7 as regards the giving of Transfer Notices shall not apply to any such transfers pursuant to this Article 11.

11.6 The aggregate amount of the value of the consideration receivable by the members of the Company under the Third Party Offer (regardless of whether it is payable on completion or deferred or subject to a retention) shall be allocated among members in accordance with the provisions of Article 5.4.

## **12. PROCEEDINGS AT GENERAL MEETINGS**

12.1 Notice of every general meeting shall be given to:

12.1.1 every member holding ordinary shares;

12.1.2 every person upon whom the ownership of an ordinary share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting;

12.1.3 the Auditors; and

12.1.4 each of the Directors of the Company and their alternates.

No other person shall be entitled to receive notices of general meetings.

12.2 It shall not be necessary to give notice of general meetings to any member of the Company who has not consented to documents and information being sent by the Company in electronic form (as permitted by sections 1143 and 1144 of the Companies Act) and who has not provided a postal address in the United Kingdom or who has consented or deemed to have consented to electronic communication by the Company but has not provided the Company with a valid email address.

12.3 No business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. The quorum for a general meeting shall be two persons present in person or by proxy or, in the case of a corporation, by representative. Notwithstanding anything in these Articles or in the Model Articles, if and for so long as there shall be a single member of the Company the quorum shall be one member present in person or by proxy or, in the case of a corporation, by representative.

12.4 If a quorum is not present within half an hour from the time appointed for any general meeting or if during any such meeting a quorum ceases to be present (other than by reason of the temporary absence of any person or persons) 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 and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved. Articles 41(1), (4) and (5) of the Model Articles shall not apply.

12.5 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, any Director or by any member present in person or by proxy and entitled to a vote. Article 44 of the Model Articles shall be modified accordingly.

12.6 Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

### 13. MEANS OF COMMUNICATION

13.1 Subject to compliance with Schedule 5 of the Companies Act, the Company may send or supply documents or information to members by making them available on a website or by other electronic means.

13.2 Subject to Article 13.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

13.2.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

13.2.2 if sent by fax, at the time of transmission; or

13.2.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second business day after posting; or

13.2.4 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or

13.2.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and

13.2.6 if deemed receipt under the previous paragraphs of this Article 13.2 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.

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

13.3.1 if delivered by hand the notice was delivered to the correct address; or

- 13.3.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- 13.3.3 if sent by post, the envelope containing the notice was properly addressed, paid for and posted; or
- 13.3.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

#### **14. INDEMNITY**

- 14.1 Subject to Article 14.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

- 14.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 14.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 14.2 This Article 14 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

- 14.3 In this Article 14:

- 14.3.1 a "relevant officer" means any director or former director of the Company or an associated company; and

- 14.3.2 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

#### **15. INVALIDITY**

- 15.1 The invalidity or unenforceability for any reason of any provision of these Articles shall not affect the validity of the remainder of these Articles which shall continue in full force and effect.