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THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

HTYT LIMITED

(Adopted by a special resolution passed on 2nd June 2021)



Riverside West
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Ref: AFP/HTY1/2

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1. INTRODUCTION

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the **Model Articles**) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.3 In these Articles:
- 1.3.1 article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
 - 1.3.2 words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa; and
 - 1.3.3 Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company.

2. DEFINITIONS

In these Articles the following words and expressions shall have the following meanings:

A Shares means the A ordinary shares of £0.01 each in the capital of the Company from time to time;

Accountants means the accountants of the Company from time to time;

Act means the Companies Act 2006 (as amended from time to time);

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

Allocation Notice has the meaning given in Article 12.9.2;

Applicant has the meaning given in Article 12.9.2;

Available Profits means profits available for distribution within the meaning of part 23 of the Act;

B Shares means the B ordinary shares of £0.01 each in the capital of the Company from time to time;

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

Business Day means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

C Shares means the C ordinary shares of £0.01 each in the capital of the Company from time to time;

call has the meaning given in Article 31.1;

Call Notice has the meaning given in Article 31.1;

Call Payment Date has the meaning given in Article 31.10.1;

Called Shareholder has the meaning given in Article 16.1;

Called Shares has the meaning given in Article 16.2.1;

Company means HTYT Limited, a company registered in England and Wales under number 11499942;

Company's Lien has the meaning given in Article 30.1;

Continuing Shareholders has the meaning given in Article 12.8.1;

Controlling Interest means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010;

CTA 2010 means the Corporation Tax Act 2010;

D Shares means the D ordinary shares of £0.01 each in the capital of the Company from time to time;

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

Director(s) means a director or directors of the Company from time to time;

Disposal Costs means the amount of the transaction costs in relation to a Share Sale including, without prejudice to the generality of the foregoing, any premium and other costs of any warranty and indemnity insurance or the costs and disbursements of any professional adviser, corporate financier, intermediary, and/or any diligence provider;

Drag Along Notice has the meaning given in Article 16.2;

Drag Along Option has the meaning given in Article 16.1;

Drag Consideration has the meaning given in Article 16.4;

Drag Purchaser has the meaning given in Article 16.1;

electronic address has the same meaning as in section 333 of the Act;

electronic form and **electronic means** have the same meaning as in section 1168 of the Act;

Eligible Director means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors;

Employee means an individual who is employed by or who provides consultancy services to, the Company;

Encumbrance means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

Expert Valuer is as determined in accordance with Article 13.2;

Fair Value is as determined in accordance with Article 13.3;

Financial Year has the meaning set out in section 390 of the Act;

Founders means Godric Smith and Gregory Nugent;

hard copy form has the same meaning as in section 1168 of the Act;

Interested Director has the meaning given in Article 25.4;

Investor Director means such non-executive director of the Company nominated by the Investors under Article 22.1;

Investor Majority means both (i) the holders of at least seventy five per cent. (75%) of the nominal value of the A Shares, the C Shares and the D Shares and (ii) at least fifty per cent. (50%) in number of the holders of the A Shares, the C Shares and the D Shares, in each case as if they constituted a single class;

Investor Majority Consent means the prior written consent of the Investor Majority;

Investors means the holders of the A Shares, the C Shares and the D Shares from time to time;

ITEPA means Income Tax (Earnings and Pensions) Act 2003;

Lien Enforcement Notice has the meaning given in Article 30.3.1;

Loan Notes means the loan notes issued by the Company pursuant to the terms of:

(a) a series 2 loan note instrument entered into by the Company on 1 August 2020; or

(b) a series 3 loan note instrument entered into by the Company on or around the Date of Adoption;

Minimum Transfer Condition has the meaning given in Article 12.2.4;

New Securities means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption;

New Shareholders has the meaning given in Article 16.11;

Offer Period has the meaning set out in Article 12.8.1;

Ordinary Shares means the ordinary shares of £0.01 each in the capital of the Company from time to time;

Primary Holder has the meaning set out in Article 26.8;

Priority Rights means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 12.7;

Proceeds of Sale means the consideration received (including any deferred consideration) whether in cash or otherwise by those Shareholders selling Shares under a Share Sale after the payment of any Disposal Costs;

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

Relevant Interest has the meaning set out in Article 25.4;

Relevant Rate has the meaning given in Article 31.10.2;

Sale Agreement has the meaning given in Article 16.2.5;

Sale Shares has the meaning set out in Article 12.2.1;

Seller has the meaning set out in Article 12.2;

Sellers' Shares has the meaning given in Article 16.1;

Selling Shareholders has the meaning set out in Article 16.1;

Shareholder means any holder of any Shares;

Shares means the Ordinary Shares, A Shares, B Shares, C Shares and D Shares from time to time;

Share Sale means the sale of (or the grant of a right to acquire or to dispose of) any of the Shares (in one transaction or as a series of transactions) which will result in the purchaser of those Shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of Shares held by each of them are the same as the Shareholders and their Shareholdings in the Company immediately prior to the sale;

Subscribers has the meaning given in Article 10.1;

Subscription Period has the meaning given in Article 10.1.1;

Transfer Notice has the meaning given in Article 12.2; and

Transfer Price has the meaning given in Article 12.3.

3. **SHARE CAPITAL**

3.1 The issued share capital of the Company at the Date of Adoption is £402.18 divided into 29,800 ordinary shares of £0.01 each, 6100 A shares of £0.01 each, 3600 B shares of £0.01 each, 500 C shares of £0.01 each and 218 D shares of £0.01 each.

3.2 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking pari passu in all respects with the shares of the relevant class then in issue.

3.3 Except as otherwise provided in these Articles, the Ordinary Shares, the A Shares, the B Shares, the C Shares and the D Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

3.4 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".

4. **DIVIDENDS**

4.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4, provided no dividends shall be paid unless and until all the Loan Notes have been repaid in full.

4.2 Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Ordinary Shares, A Shares, B Shares, C Shares and D Shares (pari passu as if the Ordinary Shares, A Shares, B Shares, C Shares and D Shares constituted one class of shares) pro rata to their respective holdings of Shares.

4.3 Subject to the Act and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period.

4.4 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.

4.5 If there are nil paid or partly paid share(s), any holder of such share(s) shall only be entitled, in case of any dividend, to be paid an amount equal to the amount of the dividend multiplied by the percentage of the amount that is paid up (if any) on such share(s) during any portion or portions of the period in respect of which a dividend is paid.

4.6 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any sums unpaid on existing Shares held by the persons entitled to such capitalised sum.

4.7 If:

4.7.1 a Share is subject to the Company's Lien; and

4.7.2 the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company by the holder of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice. Money so deducted shall be used to pay any of the sums payable in respect of that Share. The Company shall notify the distribution recipient in writing of:

4.7.2.1 the fact and sum of any such deduction;

4.7.2.2 any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and

4.7.2.3 how the money deducted has been applied.

4.8 Article 31(1) of the Model Articles shall be amended by:

4.8.1 the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing"; and

4.8.2 the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".

5. DISTRIBUTION ON A LIQUIDATION

5.1 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares or a Share Sale) the surplus assets of the Company remaining after payment of its liabilities shall be distributed among the holders of Ordinary Shares, A Shares, B Shares, C Shares and D Shares as follows:

5.1.1.1 an amount equal to 15.17% of the surplus assets shall be distributed amongst the holders of the A Shares;

5.1.1.2 an amount equal to 12.01% of the surplus assets shall be distributed amongst the holders of the B Shares;

5.1.1.3 an amount equal to 1.25% of the surplus assets shall be distributed amongst the holders of the C Shares;

5.1.1.4 an amount equal to N% of the surplus assets shall be distributed amongst the holders of the D Shares

$N = (\text{the number of D Shares in issue at the time of the distribution} \div 1883) \times 4.5$; then

5.1.1.5 the balance (if any) of any remaining surplus assets, shall be distributed amongst the holders of the Ordinary Shares.

5.1.2 Any return on a particular class of Shares will be made amongst their holders pro rata as nearly as possible to their respective holdings of shares of that class.

6. DISTRIBUTION ON A SHARE SALE

6.1 On a Share Sale the Proceeds of Sale shall be distributed among the holders of Ordinary Shares, A Shares, B Shares, C Shares and D Shares in accordance with Article 6.3 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in accordance with Article 6.1.

6.2 In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration as set out in Article 6.1.

6.3 The Proceeds of Sale shall be distributed as follows:

6.3.1.1 an amount equal to 15.17% of the Proceeds of Sale shall be distributed amongst the holders of the A Shares;

6.3.1.2 an amount equal to 12.01% of the Proceeds of Sale shall be distributed amongst the holders of the B Shares;

6.3.1.3 an amount equal to 1.25% of the Proceeds of Sale shall be distributed amongst the holders of the C Shares;

6.3.1.4 an amount equal to N% of the Proceeds of Sale shall be distributed amongst the holders of the D Shares

$$N = (\text{the number of D Shares in issue at the time of the Share Sale} \div 1883) \times 4.5; \text{ then}$$

6.3.1.5 the balance (if any) of any remaining Proceeds of Sale, shall be distributed amongst the holders of the Ordinary Shares.

6.3.2 Any return on a particular class of Shares will be made amongst their holders pro rata as nearly as possible to their respective holdings of shares of that class.

7. VOTES IN GENERAL MEETING AND WRITTEN RESOLUTIONS

7.1 The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

7.2 The A Shares shall confer on each holder of A Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

7.3 The B Shares shall confer on each holder of B Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company:

7.4 The C Shares shall confer on each holder of C Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

7.5 The D Shares shall confer on each holder of D Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

7.6 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

7.7 No voting rights attached to a Share which is nil paid or partly paid may be exercised:

7.7.1 at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or

7.7.2 on any proposed written resolution,

unless all of the amounts payable to the Company in respect of that share have been paid.

8. CONSOLIDATION OF SHARES

8.1 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares

representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net Proceeds of Sale in due proportion among those Shareholders, and the Directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- 8.2 When the Company sub-divides or consolidates all or any of its Shares, the Company may, subject to the Act and to these Articles, by ordinary resolution determine that, as between the Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

9. **VARIATION OF RIGHTS**

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than seventy five per cent. (75%) in nominal value of the issued shares of that class save that the special rights attaching to the A Shares, the C Shares and the D Shares may only be varied or abrogated with Investor Majority Consent.

10. **ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION**

- 10.1 Unless otherwise agreed by special resolution, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Ordinary Shares (the **Subscribers**) on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Ordinary Shares held by those holders (as nearly as may be without involving fractions). The offer:

10.1.1 shall be in writing, be open for acceptance from the date of the offer to the date ten (10) Business Days after the date of the offer (inclusive) (the **Subscription Period**) and give details of the number and subscription price of the New Securities; and

10.1.2 may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.

- 10.2 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Ordinary Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).

- 10.3 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.

- 10.4 Subject to the requirements of Articles 10.1 to 10.3 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may

allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

- 10.5 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.

11. TRANSFERS OF SHARES – GENERAL

- 11.1 In Articles 11 to 16 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.

- 11.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

- 11.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

- 11.4 Any transfer of a Share by way of sale which is required to be made under Articles 11 to 16 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

- 11.5 Subject to Article 11.6, until the Loan Notes are repaid in full by the Company, no Shares shall be transferred without Investor Majority Consent and the prior written consent of the Founders.

- 11.6 Notwithstanding any other provision of these Articles, the Founders may at any time transfer Shares to another Founder.

- 11.7 The Directors may refuse to register a transfer if:

11.7.1 it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;

11.7.2 the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;

11.7.3 it is a transfer of a Share which is not fully paid:

11.7.3.1 to a person of whom the Directors do not approve; or

11.7.3.2 on which Share the Company has a lien;

11.7.4 the transfer is not lodged at the registered office or at such other place as the Directors may appoint;

11.7.5 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; or

11.7.6 these Articles otherwise provide that such transfer shall not be registered.

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

11.8 The Directors may, as a condition to the registration of any transfer of shares in the Company, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any 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 under any such agreement or other document) and if any condition is imposed in accordance with this Article 11.8 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

11.9 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

11.9.1 the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question); or

11.9.2 the withholding of payment of all dividends or other distributions otherwise attaching to the relevant shares or to any further shares issued in respect of those shares; and

11.9.3 the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in Article 11.9.1 and Article 11.9.2 above may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in Article 11.9.3 above.

11.10 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:

11.10.1 the Transfer Price for the Sale Shares will be as agreed between the Board (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five (5) Business Days after the date on which the Board becomes aware that a

Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

11.10.2 it does not include a Minimum Transfer Condition; and

11.10.3 the Seller wishes to transfer all of the Shares held by it.

11.11 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

11.11.1 the transferor; and

11.11.2 (if any of the Shares are partly or nil paid) the transferee.

12. **TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**

12.1 Save where the provisions of Articles 11.6 and 16 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 12.

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

12.2.1 the number of Shares which he wishes to transfer (the **Sale Shares**);

12.2.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;

12.2.3 the price at which he wishes to transfer the Sale Shares; and

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

12.3 If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the **Transfer Price**) must be agreed by the Board. In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board. In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within five (5) Business Days of the Company receiving the Transfer Notice.

12.4 Unless otherwise specified in these Articles, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

12.5 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

12.6 As soon as practicable following the later of:

12.6.1 receipt of a Transfer Notice; and

12.6.2 in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under this Article 12,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 12.7 and 12.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

12.7 **Priority for offer of Sale Shares**

The Sale Shares shall be offered in the following priority:

- 12.7.1 first, to the holders of Ordinary Shares;
 - 12.7.2 second, to the holders of A Shares, B Shares, C Shares and D Shares (as if the A Shares, B Shares, C Shares and D Shares constituted one and the same class),
- in each case on the basis set out in Article 12.8 (the **Priority Rights**).

12.8 *Transfers: Offer*

- 12.8.1 The Board shall offer the Sale Shares to all shareholders other than the Seller (the **Continuing Shareholders**) inviting them to apply in writing within the period from the date of the offer to the date ten (10) Business Days after the offer (inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy and the Board shall on expiry of the Offer Period allocate the Sale Shares pursuant to the Priority Rights.
- 12.8.2 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Article 12.8 will be conditional on the fulfilment of the Minimum Transfer Condition.
- 12.8.3 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of the relevant class(es) of Shares bears to the total number of the relevant class(es) of Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- 12.8.4 If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders pursuant to the Priority Rights and in accordance with their applications and the balance will be dealt with in accordance with Article 12.9.5.

12.9 **Completion of transfer of Sale Shares**

- 12.9.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 12.8 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 12.9.2 If:
 - 12.9.2.1 the Transfer Notice does not include a Minimum Transfer Condition; or
 - 12.9.2.2 the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board shall, when no further offers are required to be made under Article 12.8 and once the requirements of Article **Error! Reference source not found.** have been fulfilled to the extent required, give written notice of allocation (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (an **Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than five (5) Business Days nor more than ten (10) Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

12.9.3 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

12.9.4 If the Seller fails to comply with the provisions of Article 12.9.3:

12.9.4.1 the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:

12.9.4.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

12.9.4.1.2 receive the Transfer Price and give a good discharge for it; and

12.9.4.1.3 (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

12.9.4.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).

12.9.5 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 12.9.6, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.

12.9.6 The right of the Seller to transfer Shares under Article 12.9.5 does not apply if the Board is of the opinion on reasonable grounds that:

12.9.6.1 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

12.9.6.2 the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

13. VALUATION OF SHARES

13.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Article 11.10, 12.2 or otherwise then, on the date of failing agreement, the Board shall either:

13.1.1 appoint an expert valuer in accordance with Article 13.2 (the **Expert Valuer**) to certify the Fair Value of the Sale Shares; or

13.1.2 (if the Fair Value has been certified by an Expert Valuer within the preceding twelve (12) weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

13.2 The Expert Valuer will be either:

13.2.1 the Accountants; or

13.2.2 (if otherwise agreed by the Board and the Seller) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date ten (10) Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.

13.3 The **Fair Value** of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

13.3.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;

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

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

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

13.3.5 reflect any other factors which the Expert Valuer reasonably believes should be taken into account.

13.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

13.5 The Expert Valuer shall be requested to determine the Fair Value within twenty (20) Business Days of their appointment and to notify the Board of their determination.

13.6 The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).

13.7 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.

13.8 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five (5) Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.

13.9 The cost of obtaining the certificate shall be paid by the Company unless:

13.9.1 the Seller cancels the Company's authority to sell; or

13.9.2 the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller shall bear the cost.

14. **COMPULSORY TRANSFERS – GENERAL**

14.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.

14.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors, a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

14.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder save to the extent that, and at a time, the Directors may determine.

14.4 If there is a change in control (as control is defined in section 1124 of the CTA 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 and their names and their respective nominees' names.

15. **[NOT USED]**

16. **DRAG-ALONG**

16.1 If the holders of fifty one per cent. (51%) of the Shares (the **Selling Shareholders**) wish to transfer all their interest in Shares (the **Sellers' Shares**) to a Proposed Purchaser, the Selling Shareholders shall have the option (the **Drag Along Option**) to compel each other holder of Shares (each a **Called Shareholder** and together the **Called Shareholders**) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the **Drag Purchaser**) in accordance with the provisions of this Article.

16.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **Drag Along Notice**) to the Company, which the Company shall forthwith copy to the Called Shareholders, at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that:

16.2.1 the Called Shareholders are required to transfer all their Shares (the **Called Shares**) under this Article;

- 16.2.2 the person to whom they are to be transferred;
- 16.2.3 the consideration (whether in cash or otherwise) for which the Called Shares are to be transferred (calculated in accordance with this Article);
- 16.2.4 the proposed date of transfer, and
- 16.2.5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the **Sale Agreement**),

(and, in the case of Articles 16.2.2 to 16.2.4 above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.

- 16.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within sixty (60) Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 16.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid, allotted or transferred by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 6 (the **Drag Consideration**).
- 16.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee of the Shares held by such Called Shareholder.
- 16.6 Within three (3) Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the **Drag Completion Date**), each Called Shareholder shall deliver:
 - 16.6.1 duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;
 - 16.6.2 the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
 - 16.6.3 duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,(together the **Drag Documents**).
- 16.7 On the Drag Completion Date, the Company shall pay or transfer to each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid, allotted or transferred such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. Following the Company's receipt of the Drag Consideration, but pending its payment or transfer to the Called Shareholder, the Company shall hold the Drag

Consideration in trust for each of the Called Shareholders without any obligation to pay interest.

- 16.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid, allotted or transferred the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 16 in respect of their Shares.
- 16.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 16 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid, allotted or transferred the Drag Consideration to the Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty (if any is required) has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.
- 16.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 12.
- 16.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

17. GENERAL MEETINGS

- 17.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than twenty eight (28) days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 17.2 No business shall be transacted at a general meeting unless a quorum of Shareholders is present throughout the meeting. A quorum shall be at least two (2) Shareholders, one of whom must be a holder of A Shares, present in person or by proxy. If a meeting is adjourned because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present will form a quorum.
- 17.3 If any two or more Shareholders attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Shareholders is assembled or, if no such group can be identified, at the location of the chairman.

- 17.4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 17.5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than fourteen (14) days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
- 17.6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven (7) clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 17.7 If the poll is to be held more than forty eight (48) hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to twenty four (24) hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

18. PROXIES

- 18.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: "is signed by or on behalf of the shareholder appointing the proxy and accompanied by the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)".
- 18.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may:
- 18.2.1 be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
 - 18.2.2 be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director; or
 - 18.2.3 in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

19. DIRECTORS' BORROWING POWERS

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures,

debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party.

20. **ALTERNATE DIRECTORS**

20.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the **Appointer**) may appoint any director or any other person as he thinks fit to be his alternate Director to:

20.1.1 exercise that Director's powers; and

20.1.2 carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

The appointment of an alternate Director shall not require approval by a resolution of the Directors.

20.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

20.3 The notice must:

20.3.1 identify the proposed alternate; and

20.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

20.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.

20.5 Except as these Articles specify otherwise, alternate directors:

20.5.1 are deemed for all purposes to be Directors;

20.5.2 are liable for their own acts and omissions;

20.5.3 are subject to the same restrictions as their Appointors; and

20.5.4 are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.

20.6 A person who is an alternate Director but not a Director:

20.6.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and

20.6.2 may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).

No alternate may be counted as more than one Director for such purposes.

- 20.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision).
- 20.8 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.
- 20.9 An alternate Director's appointment as an alternate shall terminate:
- 20.9.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 20.9.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
 - 20.9.3 on the death of the alternate's Appointor; or
 - 20.9.4 when the alternate's Appointor's appointment as a Director terminates.

21. NUMBER OF DIRECTORS

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than two.

22. APPOINTMENT OF DIRECTORS

- 22.1 In addition to the powers of appointment under article 17(1) of the Model Articles, the Investors (acting by an Investor Majority) shall be entitled to nominate one person to act as a non-executive Director by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office (the **Investor Director**). The Investors (acting by an Investor Majority) shall be entitled to remove their nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place.
- 22.2 An appointment or removal of a Director under Article 22.1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company.
- 22.3 The Investor Director shall be entitled at his request to be appointed to any committee of the Board established from time to time.

23. DISQUALIFICATION OF DIRECTORS

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated.

24. PROCEEDINGS OF DIRECTORS

- 24.1 The quorum for Directors' meetings shall be two (2) Directors who must include the Investor Director (save that where a Relevant Interest of an Investor Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such Investor Director and any other interested Director shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting). If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall

stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

- 24.2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 24.3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participants in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 24.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 24.5 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 24.6 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 24.7 A decision of the Directors 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 (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this Article also.

25. **DIRECTORS' INTERESTS**

Specific interests of a Director

- 25.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- 25.1.1 where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- 25.1.2 where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or

in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;

- 25.1.3 where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- 25.1.4 where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- 25.1.5 where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- 25.1.6 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 25.1.7 any other interest authorised by ordinary resolution.

Interests of which a Director is not aware

- 25.2 For the purposes of this Article 25, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

Accountability of any benefit and validity of a contract

- 25.3 In any situation permitted by this Article 25 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

Terms and conditions of Board authorisation

- 25.4 Subject to Article 25.5, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director (**Interested Director**) who has proposed that the Directors authorise his interest (**Relevant Interest**) pursuant to that section may, for the avoidance of doubt:
 - 25.4.1 be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:
 - 25.4.1.1 restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
 - 25.4.1.2 restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
 - 25.4.1.3 restricting the application of the provisions in Articles 25.6 and 25.7, so far as is permitted by law, in respect of such Interested Director;

25.4.2 be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time; and

subject to Article 25.5, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 25.

Terms and conditions of Board authorisation for an Investor Director

- 25.5 Notwithstanding the other provisions of this Article 25, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 25.7.

Director's duty of confidentiality to a person other than the Company

- 25.6 Subject to Article 31.8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 25), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

25.6.1 to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or

25.6.2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

- 25.7 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 25.6 shall apply only if the conflict arises out of a matter which falls within Article 25.1 or has been authorised under section 175(5)(a) of the Act.

Additional steps to be taken by a Director to manage a conflict of interest

- 25.8 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:

25.8.1 absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and

25.8.2 excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

Requirement of a Director to declare an interest

25.9 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 25.1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:

25.9.1 falling under Article 25.1.6;

25.9.2 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

25.9.3 if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

Shareholder approval

25.10 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 25.

25.11 For the purposes of this Article 25:

25.11.1 a conflict of interest includes a conflict of interest and duty and a conflict of duties;

25.11.2 the provisions of section 252 of the Act shall determine whether a person is connected with a Director;

25.11.3 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

26. NOTICES

26.1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:

26.1.1 in hard copy form;

26.1.2 in electronic form (other than by facsimile or email); or

26.1.3 (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 26.

Notices in hard copy form

- 26.2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post:
- 26.2.1 to the Company or any other company at its registered office; or
 - 26.2.2 to the address notified to or by the Company for that purpose; or
 - 26.2.3 in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or
 - 26.2.4 in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or
 - 26.2.5 to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
 - 26.2.6 where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in Articles 26.2.1 to 26.2.5 above, to the intended recipient's last address known to the Company.

- 26.3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:

- 26.3.1 if delivered, at the time of delivery;
- 26.3.2 if posted, on receipt or forty eight (48) hours after the time it was posted, whichever occurs first.

Notices in electronic form

- 26.4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:

- 26.4.1 if delivered or sent by first class post in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 26.2; or
- 26.4.2 be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify:
 - 26.4.2.1 on its website from time to time; or
 - 26.4.2.2 by notice (in hard copy or electronic form) to all members of the Company from time to time.

- 26.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:

- 26.5.1 if posted in an electronic form, on receipt or forty eight (48) hours after the time it was posted, whichever occurs first;
- 26.5.2 if delivered in an electronic form, at the time of delivery; and
- 26.5.3 if sent by any other electronic means as referred to in Article 26.4.2, at the time such delivery is deemed to occur under the Act.

- 26.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address

supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

Notice by means of a website

- 26.7 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website.

General

- 26.8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the **Primary Holder**). Notice so given shall constitute notice to all the joint holders.
- 26.9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

27. INDEMNITIES AND INSURANCE

- 27.1 Subject to the provisions of and so far as may be permitted by, the Act:

27.1.1 every Director or other officer of the Company (excluding the Accountants) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no current or former Director or current or former director of any associated company is indemnified by the Company against:

27.1.1.1 any liability incurred by the director to the Company or any associated company; or

27.1.1.2 any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or

27.1.1.3 any liability incurred by the director:

27.1.1.3.1 in defending any criminal proceedings in which he is convicted;

27.1.1.3.2 in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or

27.1.1.3.3 in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 27.1.1, 27.1.1.3.2 and 27.1.1.3.3 applying;

27.1.2 the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such current or former Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

27.2 The Company shall (at the cost of the Company) effect and maintain for each current or former Director or current or former director of any associated company policies of insurance insuring each such director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

28. **DATA PROTECTION**

Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the Shareholders and Directors (each a **Recipient**) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to employees, directors and professional advisers of that Recipient.

29. **SECRETARY**

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

30. **LIEN**

30.1 The Company shall have a first and paramount lien (the **Company's Lien**) over every Share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share.

30.2 The Company's Lien over a Share:

30.2.1 shall take priority over any third party's interest in that Share; and

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

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.

30.3 Subject to the provisions of this Article 30, if:

30.3.1 a notice complying with Article 30.4 (a **Lien Enforcement Notice**) has been given by the Company in respect of a Share; and

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

the Company shall be entitled to sell that Share in such manner as the Directors decide.

30.4 A Lien Enforcement Notice:

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

30.4.2 must specify the Share concerned;

30.4.3 must require payment of the sum payable within fourteen (14) days of the notice;

30.4.4 must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and

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

30.5 Where any Share is sold pursuant to this Article 30:

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

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

30.6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

30.6.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice;

30.6.2 secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity for lost certificate in a form acceptable to the Board has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.

30.7 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:

30.7.1 shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

- 30.7.2 subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.

31. CALL NOTICES

- 31.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a **Call Notice**) to a Shareholder who has not fully paid for that Shareholder's Share(s) requiring the Shareholder to pay the Company a specified sum of money (a **call**) which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice.
- 31.2 A Call Notice:
- 31.2.1 may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium);
 - 31.2.2 shall state when and how any call to which it relates it is to be paid; and
 - 31.2.3 may permit or require the call to be paid by instalments.
- 31.3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before fourteen (14) days have passed since the notice was sent.
- 31.4 Before the Company has received any call due under a Call Notice the Directors may:
- 31.4.1 revoke it wholly or in part; or
 - 31.4.2 specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.
- 31.5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.
- 31.6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to:
- 31.6.1 pay calls which are not the same; or
 - 31.6.2 pay calls at different times.
- 31.7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):
- 31.7.1 on allotment;
 - 31.7.2 on the occurrence of a particular event; or
 - 31.7.3 on a date fixed by or in accordance with the terms of issue.
- 31.8 If the due date for payment of such a sum as referred to in Article 31.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.

31.9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below):

31.9.1 the Directors may issue a notice of intended forfeiture to that person; and

31.9.2 until the call is paid, that person shall be required to pay the Company interest on the call from the Call Payment Date at the Relevant Rate (as defined below).

31.10 For the purposes of Article 31.9:

31.10.1 the **Call Payment Date** shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the **Call Payment Date** is that later date;

31.10.2 the **Relevant Rate** shall be:

31.10.2.1 the rate fixed by the terms on which the Share in respect of which the call is due was allotted;

31.10.2.2 such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors; or

31.10.2.3 if no rate is fixed in either of these ways, five per cent. (5%) a year, provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

31.11 The Directors may waive any obligation to pay interest on a call wholly or in part.

31.12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.

32. **FORFEITURE OF SHARES**

32.1 A notice of intended forfeiture:

32.1.1 may be sent in respect of any Share for which there is an unpaid sum in respect of which a call has not been paid as required by a Call Notice;

32.1.2 shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;

32.1.3 shall require payment of the call and any accrued interest by a date which is not fewer than fourteen (14) days after the date of the notice;

32.1.4 shall state how the payment is to be made; and

32.1.5 shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

32.2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

- 32.3 Subject to these Articles, the forfeiture of a Share extinguishes:
- 32.3.1 all interests in that Share, and all claims and demands against the Company in respect of it; and
 - 32.3.2 all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.
- 32.4 Any Share which is forfeited in accordance with these Articles:
- 32.4.1 shall be deemed to have been forfeited when the Directors decide that it is forfeited;
 - 32.4.2 shall be deemed to be the property of the Company; and
 - 32.4.3 may be sold, re-allotted or otherwise disposed of as the Directors think fit.
- 32.5 If a person's Shares have been forfeited then:
- 32.5.1 the Company shall send that person notice that forfeiture has occurred and record it in the register of members;
 - 32.5.2 that person shall cease to be a Shareholder in respect of those Shares;
 - 32.5.3 that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
 - 32.5.4 that person shall remain liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
 - 32.5.5 the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 32.6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.
- 32.7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer.
- 32.8 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 forfeited on a specified date:
- 32.8.1 shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - 32.8.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 32.9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

32.10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which:

32.10.1 was, or would have become, payable; and

32.10.2 had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds.

33. **SURRENDER OF SHARES**

33.1 A Shareholder shall be entitled to surrender any Share:

33.1.1 in respect of which the Directors issue a notice of intended forfeiture;

33.1.2 which the Directors forfeit; or

33.1.3 which has been forfeited.

The Directors shall be entitled to accept the surrender of any such Share.

33.2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.

33.3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited.