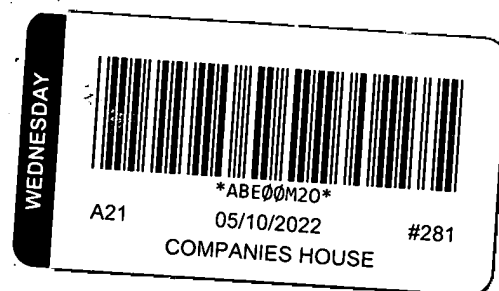


**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**SYNAPRI LIMITED (Company Number 11512364**



**(Adopted by special resolution passed on 16 March 2020 and reconfirmed by special resolution dated 3 October 2022)**

**IT IS HEREBY AGREED**

**1 INTERPRETATION**

**1.1** In these Articles, the following words have the following meanings:

<b>Act:</b>	the Companies Act 2006;
<b>Adoption Date:</b>	the date of adoption of these Articles;
<b>Articles:</b>	the Company's articles of association for the time being in force;
<b>A Share:</b>	an A ordinary share of £1 in the capital of the Company;
<b>B Share:</b>	a B ordinary share of £1 in the capital of the Company;
<b>Business Day:</b>	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
<b>Conflict:</b>	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;
<b>Controlling Interest:</b>	an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
<b>Deemed Transfer Notice:</b>	a Transfer Notice that is deemed to have been served under any provisions of these Articles;
<b>Eligible Director:</b>	any director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);
<b>Family Trust:</b>	as regards any particular shareholder who is an individual (or deceased or former shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the particular

shareholder and/or any of the Privileged Relations of that shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons).

**holding company:** has the meaning given in article 1.5;

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

**Member of the Same Group:** in relation to a company, any subsidiary or holding company of that company, and any other subsidiaries of any such holding company;

**Model Articles:** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Adoption Date and reference to a numbered "**Model Article**" is a reference to that article of the Model Articles;

**Ordinary Shares** 100 ordinary shares in the share capital of the Company

**Permitted Transfer:** a transfer of shares made in accordance with article 16;

**Permitted Transferee:** in relation to:

(a) a shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust; and

(b) a shareholder which is a company, a Member of the Same Group as that company;

**Primary Director:** an individual holder of A Shares from time to time who also holds office as a director of the Company and if there is more than one such eligible shareholder, the Primary Director shall be that individual who has the largest holding of A Shares;

**Privileged Relations:** the spouse, widow or widower of a shareholder and the shareholder's children and grandchildren (including step and adopted children), and step and adopted children of the shareholder's children;

**Purchase Notice:** has the meaning given in article 15.5;

**Sale Shares:** has the meaning given in article 15.1;

**Sale Price:** the price at which the Sale Shares shall be transferred by a Seller, calculated or determined in accordance with article 18;

**Seller:** has the meaning given in article 15.1;

- subsidiary:** has the meaning given in article 1.5;
- Transfer Notice:** an irrevocable notice in writing given by any shareholder to the Company where the shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares;
- Valuers:** three separate independent firms of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of all or any of such firms within 10 Business Days of a shareholder serving details of a suggested firm of accountants on the others, any independent firm(s) of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);
- writing or written:** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 15 to article 17, article 19 and article 20, "**writing**" or "**written**" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax);

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "**article**" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
- 1.5.1 another person (or its nominee), by way of security or in connection with the taking of security; or
- 1.5.2 its nominee.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

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

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "*properly incur*".
- 2.4 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "*either*" and "*or as the directors may otherwise decide*". Model Article 31(d) shall be amended by the deletion of the words "*either*" and "*or by such other means as the directors decide*".

## **DIRECTORS**

### **3 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors shall not be less than one and not more than a number equal to the number of shareholders of the Company from time to time. Except as agreed by special resolution of the shareholders for the time being, each director must hold at least one share in the capital of the Company throughout the duration of this time in office.

### **4 PROCEEDINGS OF DIRECTORS**

- 4.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.2 (subject to article 4.3 and article 4.4). All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall, subject to article 4.6, be decided by a majority of votes.
- 4.2 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with article 4.2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4 A decision may not be taken in accordance with article 4.2 if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 6.
- 4.5 A committee of the directors must include any Primary Director then in office. The provisions of article 6 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

- 4.6 For so long as a holder of A Shares holds more than 25% of the entire issued share capital of the Company, the Primary Director shall, when voting on any proposed resolution of the directors, be entitled to cast such number of votes as is necessary to pass or defeat (as the case may be) such resolution.

## **5 CALLING A DIRECTORS' MEETING**

Any director may call a meeting of directors by giving not less than three Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by the Primary Director) to each director or by authorising the Company secretary (if any) to give such notice.

## **6 QUORUM FOR DIRECTORS' MEETINGS**

- 6.1 Subject to article 6.4, the quorum at any meeting of the directors (including adjourned meetings) shall be two Eligible Directors, of whom one at least shall be the Primary Director, unless:

6.1.1 there is no Primary Director in office for the time being; or

6.1.2 the Primary Director has, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting (including, for the avoidance of doubt, submitting his apologies for the meeting, but authorising in writing the meeting to proceed in his absence).

- 6.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

- 6.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those Eligible Directors present will constitute a quorum.

- 6.4 For the purposes of any meeting (or part of a meeting):

6.4.1 held pursuant to article 8 to authorise a Conflict of the Primary Director; or

6.4.2 at which the Primary Director is not permitted to vote on any resolution in accordance with article 8.3 as a result of a Conflict; or

6.4.3 held in the absence of a Primary Director (in accordance with article 6.1),

the quorum for such meeting (or part of a meeting) shall be any other two Eligible Directors (or, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director).

## **7 CHAIRING OF DIRECTORS' MEETINGS**

Meetings of directors shall be chaired by the Primary Director or, in the absence of the Primary Director (in accordance with article 6.1) the remaining Eligible Directors present shall appoint a chairman from their number. The chairman shall not have a casting vote.

## **8 DIRECTORS' INTERESTS**

- 8.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a

director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.

8.2 Any authorisation under this article will be effective only if:

8.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;

8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

8.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

8.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

8.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

8.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;

8.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

8.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

8.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

8.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.

8.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any

remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

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

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

- 9.1.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
- 9.1.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 9.1.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 9.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 9.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 9.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **10 RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

## **11 APPOINTMENT AND REMOVAL OF DIRECTORS**

- 11.1 Each shareholder who is an individual shall, for so long as he continues to hold shares in the Company (other than as a result of a Permitted Transfer), be entitled to be appointed as a director of the Company, but shall not be entitled to nominate, appoint or maintain in office any other person as a director on his behalf.

- 11.2 Subject to article 17.4, if any director shall cease to hold any shares in the Company, he shall be removed from office from the date the transfer of his shares is registered in the statutory registers of the Company.
- 11.3 Any appointment of a director pursuant to this article shall be in writing and signed by or on behalf of the relevant shareholder and served on each of the other shareholders and the Company at its registered office or delivered to a duly constituted meeting of the directors of the Company. Any such appointment shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 11.4 Any removal of a director pursuant to article 11.2 shall be in writing and signed by or on behalf of the Company and served on the director.

## **SHARES**

### **12 SHARE CAPITAL**

- 12.1 Following the issue of A Shares, the Company shall purchase the Ordinary Shares in the Share Capital of the Company at nominal value from the holders of the Ordinary Shares and once purchased the A Shares and the B Shares shall be the only classes of shares in the share capital of the Company.
- 12.2 Except as otherwise provided in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 12.3 **Voting:** The holders of all shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and the holders of the shares who (being individuals) are present in person or by proxy or (being bodies corporate) are present by duly authorised representative or by proxy shall, on a show of hands, have one vote each, and, on a poll, shall have one vote for each share of which he is the holder, regardless of the class of share held by him.
- 12.4 **Dividends:** Any profits of the Company lawfully available for distribution in respect of any relevant financial period shall, subject to the approval of the shareholders, be applied amongst the holders of the A Shares and the B Shares as the directors may at any time recommend or resolve to declare different dividends per share as between each separate class of shares or no dividend on one class to the exclusion of the other class.
- 12.5 **Capital:** On a return of capital on liquidation or capital reduction or otherwise the surplus assets of the Company remaining after the payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) amongst the holders of the A Shares and the B Shares then in issue *pari passu* as if the same constituted one class of shares and in proportion to the number of A Shares and B Shares held by them respectively.
- 12.6 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 12.7 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a



corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

12.8 For the avoidance of doubt and without limitation, none of the following be deemed to constitute a variation of the rights attached to a class of shares:

12.8.1 any alteration in the Articles (other than an alteration documenting, or having the effect of, an actual change in the rights attached to a class of shares);

12.8.2 any alteration to the rights attached to another class of shares;

12.8.3 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company; and

12.8.4 any resolution to put the Company into liquidation.

12.9 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.

### 13 **ISSUE OF FURTHER SHARES**

13.1 The directors may, as a condition to the allotment and issue of shares in the Company to any person who is not already a shareholder of the Company (**New Shareholder**), require the New Shareholder to execute and deliver to the Company a deed under which that New Shareholder agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders from time to time in such form as the directors may reasonably require. If any such condition is imposed in accordance with this article 13.1, the allotment and issue of shares may not be completed unless that deed has been executed and delivered to the Company's registered office by the proposed New Shareholder.

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

### 14 **SHARE TRANSFERS: GENERAL**

14.1 In these Articles, reference to the **transfer** of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

14.2 No share shall be transferred unless the transfer is made in accordance with these Articles.

14.3 Except as provided for in article 16, no transfer shall be effective unless it is in respect of all (and not some only) shares registered in the name of the transferor shareholder and/ or his Permitted Transferees.

14.4 The directors may refuse to register the transfer of a share, whether or not it has not been made in compliance with these Articles, and if they do so, 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.

14.5 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 under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 14.5, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

14.6 Any transfer of shares by way of a sale that is required to be made under article 17, article 19 or article 20 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

## 15 PROCEDURE ON TRANSFER OF SHARES

15.1 Except where the provisions of article 16, 17, article 19 or article 20 apply, no shareholder shall transfer, be entitled to transfer, or commence any process to transfer, any shares in the capital of the Company during the period of 5 years from the Adoption Date.

15.2 A shareholder (**Seller**) wishing to transfer its shares (**Sale Shares**) at any time after the fifth anniversary of the Adoption Date must give a Transfer Notice to the Company.

15.3 Except where the provisions of article 16, article 19 or article 20 apply, the provisions of articles 15.4 to 15.7 (inclusive) shall apply following the service of:

15.3.1 any Transfer Notice after the fifth anniversary of the Adoption Date; or

15.3.2 any Deemed Transfer Notice pursuant to article 17.

15.4 The Sale Price shall be determined and notified by the Company to the Seller as soon as possible following receipt by the Company of a Transfer Notice.

15.5 Within 10 Business Days of confirmation of the Sale Price, and provided the Company shall be entitled (but not obliged) to give notice in writing to the Seller that it wishes to purchase the Sale Shares (**Purchase Notice**), provided that:

15.5.1 the Company is legally able and has the distributable reserves to do so;

15.5.2 all debts outstanding as at the Adoption Date have been repaid; and

15.5.3 the Company has the available cash to do so.

15.6 The Company is bound to buy all of the Seller's Sale Shares at the Sale Price when it gives a Purchase Notice to the Seller under article 15.5.

15.7 If, at the expiry of the period specified in article 15.5, the Company has not given a Purchase Notice, the Seller shall retain all its Sale Shares and the Transfer Notice shall lapse.

## 16 PERMITTED TRANSFERS

16.1 Any shareholder (**Original Shareholder**) may transfer all or any of his shares to a Permitted Transferee.

16.2 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the shares held by it to:

16.2.1 the Original Shareholder; or

16.2.2 a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation) without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 16.2, a Transfer Notice shall be deemed to have been given in respect of such shares on the expiry of the period set out in article 16.2.

16.3 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person) shall within 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) execute and deliver to the Company a transfer of the shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which, a Transfer Notice shall be deemed to have been given in respect of such shares on the expiry of the period set out in this article 16.3. This article 16.3 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those shares.

16.4 Where shares have been transferred to the trustee(s) of a Family Trust, the trustee(s) may transfer shares to:

16.4.1 the Original Shareholder;

16.4.2 any Privileged Relation(s) of the Original Shareholder;

16.4.3 the trustee(s) of another Family Trust of which the Original Shareholder is the settlor; or

16.4.4 any new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

## 17 **COMPULSORY TRANSFERS**

17.1 In addition to those circumstances expressly provided for elsewhere in these Articles, a shareholder (for the purposes of the application of article 15, a **Seller**) is deemed to have served a Transfer Notice immediately before any of the following events:

17.1.1 the death or bankruptcy of a shareholder (in which case any person entitled to a share in consequence of such death or bankruptcy shall be deemed to have given such Transfer Notice, and shall be deemed to be the Seller for the purposes of these Articles);

17.1.2 a shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales;

17.1.3 the termination by the Company or any Member of the Same Group as the Company of the office and/ or employment of any shareholder as a director and/ or employee of the Company or any Member of the Same Group as the Company;

17.1.4 the shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days another shareholder or the Company requiring such remedy,

and the date on which any such event occurs shall be the **Termination Date**.

17.2 A Deemed Transfer Notice shall have the same effect as a Transfer Notice and the provisions of article 15 shall apply, except that on the death of a holder of A Shares, the Sale Shares shall be deemed to be offered to, and shall be transferred to, such Privileged Relations of that holder of the A Shares as he may have previously identified (either in his Will or otherwise).

17.3 Any purchase of shares by the Company pursuant to this article 17 shall be documented by a purchase agreement (**Buyback Agreement**) to be entered into between the Seller (or his appropriate personal representatives and/ or his Permitted Transferees, as the case may be) and the Company, pursuant to which the Company shall agree to acquire and cancel the Sale Shares in up to 12 equal (or as near as may be) tranches over a period of one year. If the Company is not legally and/ or financially able to purchase the Sale Shares at the relevant time, the Company shall enter into the Buyback Agreement on terms that it shall purchase the Sale Shares in such amounts and over such period as it may, in its absolute discretion, decide.

17.4 On and with effect from the Termination Date:

17.4.1 any certificate(s) held by the Seller (or his Permitted Transferees) in respect of the Sale Shares shall be surrendered to the Company;

17.4.2 all rights attached to such Sale Shares shall lapse;

17.4.3 any offices or directorships with the Company or any Member of the Same Group as the Company shall terminate with immediate effect.

17.5 If the Seller, or any Permitted Transferee of the Seller, fails to complete a transfer of Sale Shares as required under this article 17, the Company is irrevocably authorised to appoint any person it nominates for the purpose as agent to transfer the Sale Shares on the Seller's (or any Permitted Transferee's) behalf and to do anything else that the Company may reasonably require to complete the sale, and the Company may hold the purchase price in trust for the Seller and/ or any Permitted Transferee (as the case may be)s.

## 18 SALE PRICE

18.1 This article 18 shall apply in relation to any proposed transfer of shares pursuant to articles 15 and 17.

18.2 Subject to article 18.3, on any transfer of shares taking place on or before the fifth anniversary of the Adoption Date, the Sale Price shall be calculated at a rate of £1.00 per share held by the Seller in the capital of the Company.

By way of example, a shareholding of 12.5% shall be valued at £125,000.

- 18.3 Notwithstanding article 18.2, on any transfer of shares resulting from:
- 18.3.1 the death of the holder of A Shares, the Sale Price shall be £0.00 and all of such shares shall transfer as a gift;
  - 18.3.2 any event provided for in article 17.1.3:
    - 18.3.2.1 on or before the fifth anniversary of the Adoption Date, the Sale Price shall be £1.00 per share; and
    - 18.3.2.2 after the fifth anniversary of the Adoption Date, the aggregate Sale Price shall be equal to 50% of the Sale Price determined in accordance with article 18.4.
- 18.4 Subject to article 18.3, on any transfer of shares after the fifth anniversary of the Adoption Date, the Sale Price shall be calculated as follows:
- 18.4.1 the Company shall appoint the Valuers to determine the value of the Sale Shares;
  - 18.4.2 each of the Valuers shall be requested to determine the value of the Sale Shares in accordance with article 18.5, within 20 Business Days of their appointment and to notify the Company in writing of their determination;
  - 18.4.3 the Company shall calculate the mean average of the values of the Sale Shares determined by each of the Valuers, which amount shall then be the Sale Price.
- 18.5 The value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- 18.5.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
  - 18.5.2 to take account of any residual debt in the Company and/ or any Member of the Same Group as the company;
  - 18.5.3 if the Company and/ or any subsidiary of the Company, is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 18.5.4 the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - 18.5.5 the Sale Shares are sold free of all encumbrances; and
  - 18.5.6 the sale is taking place on the date the Valuers were requested to determine the Sale Price.
- 18.6 The Valuers shall act as expert and not as arbitrator and, subject to article 18.4.3, their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud).
- 18.7 The Company shall bear all costs in relation to the reference to the Valuers and the Valuers' fees and costs properly incurred by them in arriving at their valuation.

## 19 TAG ALONG

- 19.1 After first giving a Transfer Notice to the Company and going through the procedure set out in article 15, the provisions of article 19.2 to article 19.6 shall apply if the holder of more than 25% of the A Shares in issue for the time being (**Major Shareholders**) proposes to transfer the A Shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**) acquiring their Interest in the Company.
- 19.2 Before making a Proposed Transfer, the Major Shareholder shall procure that the Buyer makes an offer (**Offer**) to the holders of the remaining A Shares and the B Shares in issue for the time (**Minority Shareholders**) to purchase all of the A Shares and/ or B Shares held by them for a consideration in cash per share that is at least equal to the price per share offered by the Buyer in the Proposed Transfer (**Specified Price**).
- 19.3 The Offer shall be made by written notice (**Offer Notice**), at least 5 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 19.3.1 the identity of the Buyer;
  - 19.3.2 the Specified Price and other terms and conditions of payment;
  - 19.3.3 the Transfer Date; and
  - 19.3.4 confirmation that the Offer relates to all shares held by the relevant Minority Shareholder (**Offer Shares**).
- 19.4 If the Buyer fails to make the Offer in accordance with article 19.2 and article 19.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 19.5 If the Offer is accepted by the Minority Shareholders (or any of them) in writing within 4 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such Minority Shareholder.
- 19.6 The Proposed Transfer is subject to the rights of pre-emption set out in article 15, but the purchase of the Offer Shares shall not be subject to those provisions.

## 20 DRAG ALONG

- 20.1 After first giving a Transfer Notice to the Company and going through the procedure set out in article 15, if the Major Shareholders wish to transfer all (but not some only) of its A Shares to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Major Shareholders may require the Minority Shareholders to sell and transfer all of their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 20.2 The Major Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Minority Shareholders (**Drag Along Notice**) at any time before the transfer of the A Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 20.2.1 that the Minority Shareholders are required to transfer all of their Called Shares pursuant to this article 20;

- 20.2.2 the person to whom the Called Shares are to be transferred;
  - 20.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the A Shares; and
  - 20.2.4 the proposed date of the transfer.
- 20.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Major Shareholders have not sold the A Shares to the Proposed Buyer within 15 Business Days of serving the Drag Along Notice. The Major Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20.4 No Drag Along Notice shall require the Minority Shareholders to agree to any terms except those specifically set out in this article 20.
- 20.5 Completion of the sale of the Called Shares shall take place on the Completion Date. **Completion Date** means the date proposed for completion of the sale of the A Shares unless:
- 20.5.1 the Major Shareholders and the Minority Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
  - 20.5.2 that date is less than 5 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the fifth Business Day after service of the Drag Along Notice.
- 20.6 The proposed sale of the A Shares by the Majority Shareholder to the Proposed Buyer is subject to the rights of pre-emption set out in article 15, but the sale of the Called Shares by the Minority Shareholders shall not be subject to those provisions.
- 20.7 On or before the Completion Date, the Minority Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date (and except and to the extent that alternative arrangements are agreed between the Majority Shareholder, the Minority Shareholders and the Proposed Buyer), the Company shall pay the Minority Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 20.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Minority Shareholders in trust for the Minority Shareholders without any obligation to pay interest.
- 20.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Minority Shareholders shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Minority Shareholders shall have no further rights or obligations under this article 20 in respect of its shares.
- 20.9 If any of the Minority Shareholders does not, on or before the Completion Date, execute and deliver (in accordance with article 20.7) transfer(s) in respect of all of the Called Shares held by it, that Minority Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Shareholder to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such

holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 20.9.

## **DECISION MAKING BY SHAREHOLDERS**

### **21 QUORUM FOR GENERAL MEETINGS**

21.1 The quorum at any general meeting of the Company shall be all shareholders of the Company for the time being, present in person or by proxy. If a quorum is not present within 30 minutes of the commencement of the meeting, the meeting shall be adjourned for one week at the same time and place (or such other time and place as those present shall decide), and if no quorum is present within 30 minutes of the commencement of the adjourned general meeting, the holder of A Shares (if present) shall constitute quorum for the purposes of that adjourned meeting.

21.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

21.3 The chairman of the board of directors shall chair general meetings.

### **22 VOTING**

At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

### **23 POLL VOTES**

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

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

### **24 PROXIES**

24.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "*is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate*".

24.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "*and a proxy notice which is not delivered in such manner shall be invalid*" as a new paragraph at the end of that article.

## **ADMINISTRATIVE ARRANGEMENTS**



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

25.1 Subject to article 25.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

25.1.1 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

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

25.1.3 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

25.1.4 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

25.1.5 if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or

25.1.6 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,

25.1.7 if deemed receipt under the previous paragraphs of this article 25.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 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.

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

25.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

25.2.2 if sent by post, the envelope containing the notice was properly addressed, paid for and posted; or

25.2.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

25.3 Any notice, document or other information served on, or delivered to, an intended recipient under article 15, article 17, article 19 or article 20 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website.

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

## **26 INDEMNITY AND INSURANCE**

26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 26.1.1 each relevant officer of the Company 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 affairs; and
- 26.1.2 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 26.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 26.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 26.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 26.4 In this article:
- 26.4.1 a "**relevant officer**" means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- 26.4.2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.