

18 March
DATED 2021

**KVASIR TECHNOLOGIES LTD
PRIVATE COMPANY LIMITED BY SHARES**

**THIRD AMENDED AND RESTATED
ARTICLES OF ASSOCIATION**



Company number 11554676
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
KVASIR TECHNOLOGIES LIMITED
18 March
(Adopted by special resolution passed on _____ 2021)

INTRODUCTION

1. INTERPRETATION

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

Accepting Offeree: has the meaning given in article 19.4(b).

Act: the Companies Act 2006.

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

Adoption Date: the date of adoption of these Articles.

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

Bad Leaver: an Employee (other than a Founder) who ceases to be an Employee as a consequence of that person's dismissal as an Employee for cause, where "cause" shall mean:

- (i) the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of employment or consultancy; and/or
- (ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996.

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

Called Shareholders: has the meaning given in article 20.1.

Called Shares: has the meaning given in article 20.2(a).

Chairman: has the meaning given to it in article 6;

Company: means Kvasir Technologies Ltd (Company number 11554676).

Company's Lien: has the meaning given to it in article 24.1.

Compulsory Employee Transfer: has the meaning given in article 18.4.

Conflict: has the meaning given in article 8.1.

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

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

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

Departing Employee: an Employee who ceases to be an employee of or a consultant to, the Company, whichever is the latest;

Directors: the directors of the Company from time to time.

Drag Along Notice: has the meaning given in article 20.2.

Drag Along Option: has the meaning given in article 20.1.

Early Leaver: an Employee (other than a Founder) who becomes a Departing Employee before 8 February 2022.

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

Employee: an individual (other than a Founder) who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, the Company.

Excess Securities: has the meaning given in article 13.4(c).

Fair Value: has the meaning given in article 17.2.

Family Trust: 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).

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

Founder: Martin Oberhuber, Mads Ingwar and Michael Merritt-Holmes.

Fund Manager: a person whose principal business is to make, manage or advise upon investments in securities.

Good Leaver: an Employee (other than a Founder) who is neither a Bad Leaver nor an Early Leaver.

holding company: has the meaning given in article 1.10.

Independent Expert: the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 Business Days of the expiry of the 10 Business Day period referred to in article 17.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

Interested Director: has the meaning given in article 8.1.

Investment Fund: a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager.

Investment Vehicle: an investment vehicle of which a Shareholder is the sole shareholder or majority shareholder and which is set up principally to hold shares on behalf of such Shareholder.

Investor Director: has the meaning given in article 5.3.

Issue Price: in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.

Lien Enforcement Notice: means a notice in writing which complies with the requirements of article 25.2.

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

Member of the Same Fund Group: if the Shareholder is an Investment Fund or a nominee of that person:

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any Investment Fund managed by that Fund Manager;
- (c) any trustee, nominee or custodian of such Investment Fund and vice versa;
- (d) the Fund Manager of that Investment Fund and vice versa; or
- (e) any Member of the same Group as that Fund Manager.

Minimum Transfer Condition: has the meaning given in article 16.2(d).

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

New Shareholder: has the meaning given in article 20.10.

Observer: has the meaning given in article 5.3.

Offer Notice: has the meaning given in article 19.3.

Offer Period: has the meaning given in article 19.3.

Offer Price: has the meaning given in article 19.2.

Offer: has the meaning given in article 19.2.

Offeree: has the meaning given in article 19.2.

Original Shareholder: has the meaning given in article 15.1.

Permitted Transfer: a transfer of Shares made in accordance with article 15.

Permitted Transferee: In relation to:

- (a) a Shareholder who is an individual, any of his Privileged Relations, his Investment Vehicle or the trustee(s) of a Family Trust;
- (b) a Shareholder which is a company, a Member of the Same Group as that company or any person holding a controlling interest in the Shareholder Company (**Majority Shareholder**) or any Privileged Relation or trustee(s) of a Family Trust of such Majority Shareholder; and
- (c) a Shareholder who is not a Related Shareholder of a Founder, to (i) a Member of the Same Fund Group as that Shareholder, or (ii) a Member of the Same Group as that Shareholder, or (iii) any nominee of that Shareholder (or of a Member of the Same Fund Group as that Shareholder).

Pre-emption Purchasers: has the meaning given in article 16.7.

Privileged Relation: in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).

Proposed Seller: has the meaning given in article 19.1.

Proposed Buyer: has the meaning given in article 20.1.

Proposed Sale Price: has the meaning given in article 16.2(c).

Proposed Transfer: has the meaning given in article 19.1.

Related Shareholder: in respect of a Founder, (i) the Shareholder through whom such Founder (either alone or jointly with any other person) indirectly holds the Shares; or (ii) any Permitted Transferee (if applicable) to whom such Shareholder referred to in (i) has transferred Shares in accordance with article 15;

Relevant Loss: has the meaning given in article 27.4(a).

Relevant Offeree: has the meaning given in article 13.3.

Relevant Officer: has the meaning given in article 27.4(b).

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

- (a) the grant of any options under a share option plan (and the issue of Shares on the exercise of any such options);
- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles; and
- (c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business.

Relevant Shares: in relation to an Employee means all Shares held by:

- (a) the Employee in question; and
- (b) any Permitted Transferee of that Employee,
and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice.

Restricted Shares: has the meaning given in article 18.6.

Sale Date: has the meaning given in article 19.3.

Sale Shares: has the meaning given in article 16.2(a).

Seller: has the meaning given in article 16.2.

Sellers' Shares: has the meaning given in article 20.1.

Selling Shareholders: has the meaning given in article 20.1.

Shareholder: a holder for the time being of any Share or Shares.

Shares: ordinary shares of £0.0001 each in the capital of the Company and Share: shall be construed accordingly.

subsidiary: has the meaning given in article 1.10.

Termination Date: where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served;

- (a) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (b) where an Employee dies, the date of his death;
- (c) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Company is terminated; or

(d) in any other case, the date on which the employment or holding of office is terminated.

Transfer Notice: has the meaning given in article 16.2.

Transfer Price: has the meaning given in article 17.

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

1.2 Headings in these Articles shall not affect the interpretation of these Articles.

1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.

1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).

1.6 A reference in these Articles to:

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

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

unless expressly provided otherwise.

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

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

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

1.10 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

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

(b) its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model articles 7, 8, 9(1), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 18(e), 26(5), 44(2), 49, and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 2.4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

DIRECTORS

3. NUMBER OF DIRECTORS

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

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 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 be decided by a majority of votes.

- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 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 4.6 and article 4.7.
- 4.5 Meetings of the Directors shall take place at least four times in each year, with a period of not more than 12 weeks between any two meetings. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 5 Business Days' advance notice in writing of each such meeting shall be given to each Director along with an agenda for that meeting.
- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be three Eligible Directors (which shall include at least two Directors appointed by any two Founders under article 5.2). If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine.
- 4.7 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a Conflict, if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 4.8 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:
- (a) appoint further Directors; or
 - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote.
- 4.10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

5. APPOINTMENT AND REMOVAL OF DIRECTORS

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

- (b) other than in respect of an Investor Director (who may only be removed pursuant to article 5.1(c) or article 5.3), a majority of the other Directors resolve that he cease to be a Director;
- (c) in respect of an Investor Director, when the Shareholder who appointed such Investor Director ceases to hold at least 8% by nominal value of the Shares in issue for the time being; and
- (d) in the case of an executive Director only, he shall cease to be employed by the Company or other Company (as appropriate) and does not continue as an employee of any other Company.

5.2 For so long as for so long as a Related Shareholder of a Founder continues to hold Shares in issue, such Founder shall have the right to appoint and maintain in office one (1) natural person as the Founder may from time to time direct as a Director (and as a member of each and any committee of the Board) and to remove any Director so appointed and, upon his removal whether by the appointing Founder or otherwise, to appoint another person to act as a Director in his place.

5.3 For so long as a Shareholder holds at least 8% by nominal value of the Shares in issue for the time being they shall have the right to appoint, by notice in writing addressed to the Company, and to maintain in office one person as a Director (and as a member of each and any committee of the Board) (an **Investor Director**) and to remove any such Investor Director and to appoint a replacement. If any such Shareholder has, in its sole discretion, elected not to appoint an Investor Director in accordance with this article 5.3, it shall have the right to appoint a representative to attend as an observer at each and any meeting of the Board and of any committee of the Board (who will be entitled to speak at any such meetings but will not be entitled to vote) (the "**Observer**"). An Observer shall have the same rights as a Director or a member of any committee of the Board, as applicable, to receive notice of meetings and receive all information a Director or member of any committee is entitled to receive.

5.4 Any appointment and removal of a Director made in accordance with article 5.2 above shall be by written notice to the Company which shall take effect on delivery at its registered office or at any meeting of the Board or committee thereof.

6. CHAIRMAN

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

7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

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

8. DIRECTORS' CONFLICTS

8.1 The Directors may, in accordance with the requirements set out in this article 8, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

8.2 Any authorisation under this article 8 will be effective only if:

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

8.3 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;

- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

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, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise Interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 8.1 shall be necessary in respect of any such interest.

8.7 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. SECRETARY

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

SHARES AND DISTRIBUTIONS

10. DIVIDENDS

10.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this article 10.

10.2 Each dividend shall be distributed to the appropriate Shareholders *pro rata* according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.

11. [INTENTIONALLY LEFT BLANK]

12. VARIATION OF CLASS RIGHTS

12.1 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 at least 75% in nominal value of the Issued Shares of that class.

12.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares.

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

13.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution (which, for the avoidance of doubt, shall not prejudice the application of article 13.3), the Directors shall not, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

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

13.3 If the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all Shareholders (on the date of the offer) (each a **Relevant Offeree**) on a *pari passu* basis and in the respective proportions that the number of Shares held by each shareholder (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

13.4 An offer made under article 13.3 shall:

- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- (b) remain open for a period of at least 20 Business Days from the date of service of the offer; and
- (c) stipulate that any Relevant Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 13.3 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.

13.5 If, on the expiry of an offer made in accordance with article 13.3, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Relevant Offerees in accordance with their applications, subject to a maximum of each Relevant Offeree's proportionate entitlement.

13.6 Any Relevant Securities not accepted by Relevant Offerees pursuant to an offer made in accordance with article 13.3 shall be used to satisfy any requests for Excess Securities made pursuant to article 13.4(c). If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions of Shares held by each such applicant (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After

those allotments, any Excess Securities shall be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.

13.7 Subject to Articles 13.3 to 13.6 and to section 551 of the Act, any equity securities shall be at the disposal of the Directors 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.

13.8 No Shares shall be allotted to any current or prospective employee or director of any Company unless such person shall first have entered into a joint election with the relevant Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

14. TRANSFERS OF SHARES: GENERAL

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

14.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to article 14.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

14.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately given a Transfer Notice in accordance with article 14.7 and article 16 in respect of all Shares held by him.

14.4 Any transfer of a Share by way of sale which is required to be made under article 18, article 19 or article 20 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

14.5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:

- (a) any holder (or the legal representatives of a deceased holder); or
- (b) any person named as a transferee in a transfer lodged for registration

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

14.6 If any such information or evidence referred to in article 14.5 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 5 Business Days of receipt of such written notice, then:

- (a) the relevant Shares shall cease to confer on the holder of them any rights:
 - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;

- (ii) to receive dividends or other distributions (other than the amount to which they may be entitled pursuant to the application of article 10) otherwise attaching to those Shares; or
 - (iii) to participate in any future issue of Shares issued in respect of those Shares; and
- (b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in article 14.6(a) at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 14.6(b) on completion of such transfer.

14.7 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:

- (a) It does not contain a Minimum Transfer Condition; and
- (b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

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

15. PERMITTED TRANSFERS OF SHARES

15.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

15.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

- (a) the Original Shareholder;
- (b) any Privileged Relation(s) of the Original Shareholder;
- (c) subject to article 15.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
- (d) subject to article 15.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

15.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Board is satisfied:

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s);

- (b) with the identity of the proposed trustee(s);
- (c) that the proposed transfer will not result in 50% or more of the aggregate of the Company's share capital being held by trustees of that and any other trusts; and
- (d) that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

15.4 If a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Permitted Transferee, transfer the Shares held by it to:

- (a) the Original Shareholder; or
- (b) another Permitted Transferee of 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 15.4, 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 15.4.

15.5 Notwithstanding any other provision of this article 15, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

16. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

16.1 Except where the provisions of article 15, article 19 or article 20 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 16.

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

- (a) subject to article 16.2(b), the number of Shares he wishes to transfer (**Sale Shares**);
- (b) the name of the proposed transferee, if any;
- (c) subject to article 16.5, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (**the Proposed Sale Price**); and
- (d) subject to article 16.2(a), whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (**a Minimum Transfer Condition**).

16.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice.

16.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

16.5 As soon as practicable following the later of:

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

(b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 16.3) offer the Sale Shares for sale to all the Shareholders (other than the Seller) at the Transfer Price, and the Directors shall give notice in writing to all the Shareholders (other than the Seller) of the number and description of the Sale Shares, the Transfer Price and whether or not the Sale Shares are subject to a Minimum Transfer Condition. The notice shall invite each of such Shareholders to state in writing to the Company within 20 Business Days of such notice being given whether he is willing to purchase any of the Sale Shares, and if so the maximum number. The Directors shall at the same time give a copy of the notice to the Seller.

16.6 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation made under article 16.5 shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- (b) if the total number of Sale Shares applied for under article 16.5 is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

16.7 On the expiration of the 20 Business Day period the Directors shall allocate the Sale Shares to or amongst the Shareholders who have accepted the invitation ("Pre-emption Purchasers") and such allocation shall be made so far as practicable as follows:

- (a) to the holders of the Shares on a *pari passu* basis *pro rata* to their existing holdings but so that the number allocated shall not exceed the maximum which such holders have expressed a willingness to purchase; and
- (b) if the Transfer Notice contains a valid Minimum Transfer Condition, no allocation will be made unless the Minimum Transfer Condition can be satisfied.

16.8 On the allocation being made, the Directors shall give details of the allocation in writing to the Seller and each Pre-emption Purchaser and, on the 5th Business Day after such details are given, the Pre-emption Purchasers to whom the allocation has been made shall be bound to pay the Transfer Price for, and to accept a transfer of, the Sale Shares allocated to them respectively and the Seller shall be bound, on payment of the Transfer Price, to transfer the Sale Shares to the respective Pre-emption Purchasers to whom the allocation has been made.

16.9 If the Seller after becoming bound to transfer any or all of the Sale Shares fails to do so, the Company may receive the Transfer Price and the Directors may appoint a person (acting as agent for the Seller(s)) to execute instruments of transfer of the Sale Shares in favour of the Pre-emption Purchasers to whom the allocation has been made and shall (subject only to stamping of the transfers, if required) cause the names of those Pre-emption Purchasers to be entered in the register of members of the Company as the holders of the Sale Shares and shall hold the Transfer Price on trust for the Seller. The receipt of the Company shall be a good discharge to those Pre-emption Purchasers and, after their names have been entered in the register of members of the Company under this provision, the validity of the transactions shall not be questioned by any person.

16.10 If, following the expiry of the 20 Business Day period referred to in article 16.5, any of the Sale Shares have not been allocated under that article, the Seller may at any time within a period

of 4 months after the expiry of the 20 Business Day period transfer the Sale Shares not allocated to any person and at any price (being not less than the Transfer Price) provided that:

- (a) the transferee is a person (or nominee for a person) approved by the Board (such consent not to be unreasonably withheld or delayed);
- (b) If the Transfer Notice contained a Minimum Transfer Condition, he shall not be entitled to transfer any of the Sale Shares unless the Minimum Transfer Condition is satisfied;
- (c) the Directors may require to be satisfied that those shares are being transferred under a *bona fide* sale for the consideration stated in the transfer without any deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the Instrument of transfer (without prejudice, however, to the Directors' absolute discretion to refuse to approve or register any transfer of shares in the circumstances described in Article 14); and
- (d) the Seller has not failed or refused to provide promptly information available to him and reasonably requested by the Directors for the purpose of enabling them to form the opinions mentioned above.

17. VALUATION

17.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (excluding any Director with whom the Seller is connected) and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.

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

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

- 17.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 17.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 17.5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 17.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 17.7 The Independent Expert shall be requested to determine the Fair Value within 15 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 17.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
- (a) the Seller withdraws the relevant Transfer Notice in accordance with article 16.3; or
 - (b) In respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

18. COMPULSORY TRANSFERS

- 18.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine.
- 18.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine.
- 18.3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice.
- 18.4 If a Shareholder who is an Employee becomes a Departing Employee a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within 10 Business Days after the relevant Termination Date, be deemed to have

been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.

18.5 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee is:

- (a) a Bad Leaver or an Early Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares; and
- (b) a Good Leaver, be the aggregate Fair Value of such Sale Shares.

18.6 Forthwith upon a Transfer Notice being deemed to be served under article 18.4 the Relevant Shares (**Restricted Shares**) shall cease to confer on the holder of them any rights:

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

The Directors may reinstate the rights referred to in article 18.6 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 18.4 on completion of such transfer.

19. MANDATORY OFFER ON CHANGE OF CONTROL AND TAG ALONG

19.1 In the event that a proposed transfer of Shares by one or more Shareholders (**Proposed Sellers**) (other than a transfer of Shares made pursuant to article 15, article 18 or article 23.2, but after the operation of the pre-emption procedure set out in article 16), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest or more than 50% by nominal value of the Shares in issue for the time being, the remaining provisions of this article 19 shall apply.

19.2 The Proposed Sellers shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder (other than the Proposed Sellers) (each an **Offeree**) on the date of the Offer, to buy all of the Shares held by such Offerees on the date of the Offer for a consideration in cash per Share (the **Offer Price**) which is equal to the highest price per Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Shares proposed to be transferred by the Proposed Sellers, and on such other similar terms in connection with the Proposed Transfer.

19.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 10 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). The Offer Notice shall specify:

- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer);
- (b) the Offer Price and any other terms and conditions of the Offer;
- (c) the Sale Date; and

- (d) the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 19.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- (a) the making of an Offer in accordance with this article 19; and
 - (b) the completion of the transfer of any Shares by any Offeree (each an **Accepting Offeree**) who accepts the Offer within the Offer Period,
- and the Directors shall refuse to register any Proposed Transfer made in breach of this article 19.4.
- 19.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 19 shall not be, subject to the pre-emption provisions of article 16.
- 20. DRAG ALONG**
- 20.1 If the holders of more than 65% by nominal value of the Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a *bona fide* purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 20.
- 20.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 20;
 - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - (c) the consideration payable for the Called Shares calculated in accordance with article 20.4;
 - (d) the proposed date of completion of transfer of the Called Shares.
- 20.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 Business Days

of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 20.4 The Called Shares shall be acquired on the same terms and conditions (including time of payment and form of consideration) for which the Selling Shareholders shall have agreed to sell.
- 20.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 20.
- 20.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
 - (b) that date is less than 5 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 20.7 Within 10 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 20.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 20.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 20.4 in trust for the Called Shareholders without any obligation to pay interest.
- 20.8 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period, put the Company in funds to pay the amounts due pursuant to article 20.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 20 in respect of their Shares.
- 20.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 20.
- 20.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to a share option scheme established from time to time (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New

Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 20 shall apply *mutatis mutandis* to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 20.10 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.

- 20.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 16.
- 20.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

DECISION-MAKING BY SHAREHOLDERS

21. GENERAL MEETINGS

- 21.1 No business other than, subject to article 21.2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 21.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

22. VOTING

- 22.1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 22.2 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.
- 22.3 Model article 45(1) shall be amended by:
- (a) the deletion of model article 45(1)(d) and its replacement with the words "Is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
 - (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid." as a new paragraph at the end of that model article.

23. PURCHASE OF OWN SHARES

23.1 Subject to the Act but without prejudice to any other provision of these Articles (including, without limitation, article 13.2), the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a Financial Year not exceeding the lower of:

- (a) £15,000; and
- (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.

23.2 Subject to the remaining provisions of this article 23, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:

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

24. COMPANY'S LIEN OVER SHARES

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

24.2 The Company's Lien over a share:

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

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

25. ENFORCEMENT OF THE COMPANY'S LIEN

25.1 Subject to the provisions of this article 25, if:

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

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

25.2 A Lien Enforcement Notice:

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

- (b) must specify the Share concerned;
- (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

25.3 Where Shares are sold under this article 25:

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

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

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

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

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

ADMINISTRATIVE ARRANGEMENTS

26. MEANS OF COMMUNICATION TO BE USED

26.1 Subject to article 26.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if delivered by hand, on signature of a delivery receipt; or
- (b) if sent by fax, at the time of transmission; or
- (c) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the Business Day after posting; or

- (d) If sent by pre-paid airmail to an address outside the country from which It is sent, at 9.00 am on the fifth Business Day after posting; or
- (e) 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
- (f) if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
- (g) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
- (h) if deemed receipt under the previous paragraphs of this article 26.1 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.

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

- (a) If delivered by hand the notice was delivered to the correct address; or
- (b) If sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) If sent by email, the notice was properly addressed and sent to the email address of the recipient.

26.3 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form (other than by fax), or by means of a website.

26.4 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.

27. INDEMNITY AND INSURANCE

27.1 Subject to article 27.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

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

negligence, default, breach of duty or breach of trust in relation to the Company's (or other Company's) affairs; and

- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 27.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

27.2 This article 27 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

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

27.4 In this article 27:

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