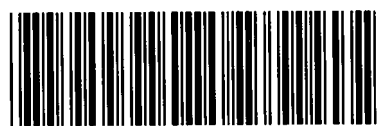


KM2 ETHICAL FINANCE LIMITED

ARTICLES OF ASSOCIATION

(adopted on 13th January 2021)

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COMPANIES HOUSE

COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
KM2 ETHICAL FINANCE LIMITED

(adopted by Special Resolution of the Company passed on 13th January 2021)

INTERPRETATION

1. MODEL ARTICLES

- 1.1 The model articles for public companies (as set out in Schedule 3 to the Companies (Model Articles) Regulations 2008 SI No 3229 as amended before the date of adoption of these Articles) (the **Model Articles**) apply to the Company, except to the extent that they are excluded or modified by these Articles, to the exclusion of the model articles contained in any other enactment.
- 1.2 Model Articles 10, 11, 13(3), 15, 16(1) to (4), 20, 21, 23, 26, 37, 39, 41, 46(2), 48, 50, 51, 64, 67(3), 76(2), 80, 81(5)-(7) and 82 do not apply to the Company.

2. DEFINITIONS

- 2.1 In these Articles the following words and expressions will have the following meanings:

Adoption Date: means the date on which these Articles are adopted as the articles of association of the Company;

Appointee Director: means a Director appointed pursuant to Article 23.3;

Auditors: means the auditors of the Company from time to time;

Available Profits: means available profits for distribution as that expression is defined within the meaning of part 23 of the Act;

Board: means the board of Directors of the Company as constituted from time to time;

Business Day: means a day (which for these purposes ends at 5.30pm) on which banks are open for commercial business in the City of London other than a Saturday, Sunday or public holiday;

CA 2006: means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

Called Shareholders: has the meaning given in Article 11.1;

Called Shares: has the meaning given in Article 11.1;

Called Shares Price: has the meaning given in Article 11.4;

Capital Event: means a Share Sale, a Listing or a winding up or other return of capital;

Company's lien: has the meaning given in Article 6.1;

Compulsory Sale Notice: means a notice served on a Compulsory Seller pursuant to Article 12.2;

Compulsory Sale Shares: has the meaning given in Article 12.2;

Compulsory Seller: has the meaning given in Article 12.2;

Connected Person: means a person connected with another within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010;

Continuing Shareholders: has the meaning given to it in Article 9.3

Controlling Interest: means an ownership interest conferring more than 50% in aggregate of the total voting rights of a company;

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

Departing Shareholder: a shareholder to whom articles 12.1 and 12.2 applies

Director: means a Director of the Company;

Drag Along Documents: means any or all of the stock transfer form, indemnity for lost share certificate, sale agreement and form of acceptance and any other related documents required by Dragging Shareholders to be executed by Called Shareholders to give effect to the provisions of Article 11;

Drag Along Notice: has the meaning given in Article 11.2;

Drag Along Right: has the meaning given in Article 11.1;

Drag Completion: means the proposed place, date and time of completion of the transfer of the Called Shares as specified in the Drag Along Notice;

Dragging Shareholder: has the meaning given in Article 11.1;

Drag Offeror: has the meaning given in Article 11.1;

Encumbrance: means any mortgage, charge, restriction, right to acquire or other third party right or encumbrance of whatever nature;

Fair Value: has the meaning given in Article 13.2;

Family Member: means the spouse, civil partner, mother, father, grandmother, grandfather, brother, sister or child of a First Shareholder;

Family Trust: means a settlement set up by a First Shareholder provided that only such individual and/or Family Members of such individual are capable of being a beneficiary thereof;

First Offer: has the meaning given to it in Article 9.3;

First Offer Period: has the meaning given to it in Article 9.3;

First Shareholder Consent: means the consent or approval in writing of the majority of the First Shareholders;

First Shareholders: has the meaning given in the Shareholders' Agreement and references to First Shareholder will be construed accordingly;

Group: means the Company and its subsidiary undertakings from time to time and references to a member of the Group or a Group Member will be construed accordingly;

Initial Surplus Shares: has the meaning given in Article 9.4.1;

Independent Expert: the auditors for the time being of the Company or, if they decline the instruction or if the Company does not have auditors, 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 5 Business Days of the expiry of the 10 Business Day period referred to in article 13.1, 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);

Insolvency Event: has the meaning given in Article 8.4;

Listing: has the meaning given in the Shareholders' Agreement;

New Shares: means Shares or rights to subscribe for or to convert into Shares which, in either case, the Company proposes to allot or grant (as the case may be) after the Adoption Date;

One Third of Available Profits: means 1/3 of profits available for distribution as that expression is defined within the meaning of part 23 of the Act;

Option Shareholder: has the meaning given in Article 11.8;

Ordinary Shares: means ordinary shares of 1 penny (£0.01) in the capital of the Company having the rights set out in these Articles and any other class of New Shares designated as Ordinary Shares by the Board (with First Shareholder Consent) from time to time;

Permitted Transfer: means a transfer of Shares permitted by Article 8.1;

Permitted Transferee: means a person who holds shares pursuant to a Permitted Transfer;

Purchaser: has the meaning given to it in Article 9.5;

Relevant Shares: means, in relation to a Departing Shareholder, all Shares held by any Permitted Transferee of that Shareholder, 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;

Relevant Situation: means 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 (other than a situation that cannot reasonably be regarded as likely to give rise to a conflict of interest or a conflict of interest arising in relation to a transaction or arrangement with the Company);

Sale Shares: has the meaning attributed in Article 9.1.1;

Second Offer: has the meaning given to it in Article 9.6;

Second Offer Period: has the meaning given to it in Article 9.6;

Share: means a share in the capital of the Company;

Shareholder: means a registered holder of any Share as recorded in the Company's register of members from time to time;

Shareholders' Agreement: means an agreement dated on the Adoption Date and made between the Company and its Shareholders as at completion of the share subscriptions provided for therein;

Share Sale: means the sale of any Shares to any person pursuant to a transaction or series of transactions resulting in that person together with any Connected Persons or person acting in concert (as defined in the City Code on Takeovers and Mergers) holding a Controlling Interest in the Company, and persons who are holders of shares at the Adoption Date shall not be deemed to be acting in concert with each other;

Surplus Shares: has the meaning given in Article 9.7.1;

Tag Offer: has the meaning given in Article 10.1;

Tag Offeror: has the meaning given in Article 10.1;

Tag Seller: has the meaning given in Article 10.1;

Transfer Notice: means a notice in writing given to the Company by a Shareholder who wishes to transfer Shares in accordance with Article 9.1 and otherwise than in accordance with Article 8 (*Permitted Transfers*);

Transferor: shall have the meaning given to it in Article 9.1; and

Transfer Price: the price per Sale Share specified in any applicable Transfer Notice.

2.2 Words and phrases which are defined or referred to in or for the purposes of the CA 2006 as it is in force on the Adoption Date, have the same meanings in these Articles (unless otherwise expressly defined in these Articles).

2.3 In these Articles, (unless the context otherwise requires):

2.3.1 words which refer to the singular number include the plural number and vice versa, words which refer to one gender include all genders, and words which refer to persons include bodies corporate and unincorporated associations;

2.3.2 reference to a statute or a statutory provision includes reference to:

- (a) the statute or statutory provision as modified or re-enacted or both from time to time; and
- (b) any subordinate legislation made under the statutory provision (as modified or re-enacted as set out above);

2.3.3 reference to an Article is to a provision of these Articles;

2.3.4 reference to a **transfer** of Shares or any similar expression will be deemed to include (without limitation):

- (a) any sale or other disposition of the legal or equitable interest in a Share (including any voting right attached to a Share) or entry into any commitment agreeing to do so (**Interest**);
- (b) the creation of any Encumbrance over any Interest;
- (c) any direction by a Shareholder entitled to an allotment or issue of Shares that a Share be allotted or issued to some person other than himself; and
- (d) any grant of an option to acquire either or both of the legal and equitable ownership of any Share by any Shareholder entitled to any such Share;

2.3.5 reference to a **group undertaking** means, in relation to any undertaking, its holding company (if any) and its subsidiaries (as such terms are defined

by sections 1159 and 1161 of the CA-2006) and any other subsidiaries of its holding company; and

2.3.6 reference to **written** or **in writing** includes any method of representing or reproducing words in a legible form.

2.4 Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount, whether in relation to Market Value of any Shares under Articles 12 or 13 or otherwise pursuant to these Articles, will be referred promptly for final determination: a) by the Auditors; b) If the Auditors decline to act in respect of any such referral, or if there are no Auditors, then by an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement within 5 Business Days from written request, appointed by the incumbent president of the Institute of Chartered Accountants in England and Wales on the application of either party. The Auditors or independent accountants (as the case may be) will act as expert and not as arbitrator and their costs will be borne as directed by the Article in question or, if the Article is silent on the point, as directed by the Auditors/independent accountants. In the absence of any such direction, such costs will be borne equally between the parties concerned and may be paid in full by either party in which event the half unpaid shall be as a debt due to the paying party. The written certificate of the Auditors/ independent accountants (as the case may be) will be conclusive and binding on the Company and the Shareholders (except in the case of fraud or manifest error).

2.5 The headings in these Articles are included for convenience only and do not affect the meaning of these Articles.

2.6 Where, for any purpose, an ordinary resolution of the Company is required, a special resolution is also effective for that purpose.

SHARES

General Provisions

3. RETURN OF CAPITAL

3.1 Subject to the terms of any relevant agreement in force among the Shareholders for the time being that is binding on the Company, on any Capital Event the total of all and any form of consideration received or receivable by the Shareholders at any time in respect of the Shares held by them, shall be allocated between them so as to ensure the total of all or any form of consideration received or receivable by them will be applied pro rata to the number of Shares respectively held by them.

3.2 If a Listing occurs, the provisions of Article 3.1 shall apply *mutatis mutandis* to the value attributable to the Shares in any reorganisation of the Company's share capital for the purpose of the Listing.

4. VARIATION OF SHARE RIGHTS

- 4.1 The rights attached to the Ordinary Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) only with:
- 4.1.1 the prior consent in writing of the holders of 75 per cent, or more of that class; or
 - 4.1.2 by a special resolution passed at a separate general meeting of the holders of the Shares of that class; or
 - 4.1.3 by a written resolution of the holders of not less than 75 per cent, in nominal value of the Shares of that class.
- 4.2 All the provisions of these Articles relating to general meetings of the Company or to the proceedings at general meetings will apply, with changes where appropriate, to separate general meetings referred to in Article 4.1, except that:
- 4.2.1 the quorum at a separate general meeting will be two Shareholders holding at least one-third in nominal value of the issued shares of the class in question present in person or by proxy or by corporate representative (unless there is only one Shareholder of the relevant class in which case it will be one);
 - 4.2.2 a poll may be demanded by the chairman or by any Shareholder of the class present in person or by proxy or by corporate representative; and
 - 4.2.3 every Shareholder of the class will, on a poll, have one vote in respect of every share of the class held by him.

Issue of Shares

5. NEW ISSUES

- 5.1 Any New Shares will be offered by the Directors for subscription to the holders of the Ordinary Shares in such proportions as is equal (as nearly as possible) to the proportion of Ordinary Shares held by them respectively at that time.
- 5.2 The offer for any New Shares by the Directors will be made by notice specifying the number and class of Shares offered, the price per Share, and a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the person(s) to whom such notice is given that he/they decline(s) to accept some or all of the Shares so offered, the Directors will offer the declined Shares in the same proportions to the holders of Ordinary Shares who have accepted all the Shares initially offered to them. This further offer will be made in the same manner as the original offer but may, at the discretion of the Directors, be limited to a period of 7 days after which it will (to the extent that any Shares remain unaccepted) be deemed to have been withdrawn.
- 5.3 Any Shares not taken up at the end of the procedure set out in Articles 5.1 and 5.2 may be offered by the Directors to a bona fide third party, subject to First Shareholder

Consent, and such Shares will be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms as they think fit. However:

- 5.3.1 no Shares will be issued at a discount to the price stated in 5.2 above;
- 5.3.2 no Shares will be issued more than 3 months after the end of the period for acceptance of the last offer of such Shares under Articles 5.1 and 5.2 unless the procedure set out in those Articles is repeated in respect of such Shares; and
- 5.3.3 no Shares will be issued on terms which are more favourable than those on which they were offered to the Shareholders.

In accordance with section 567(1) of the CA 2006, sections 561 and 562 of the CA 2006 shall not apply to an allotment of equity securities (within the meaning of section 560 of the CA 2006) by the Company.

- 5.4 If, due to any inequality between the number of New Shares to be issued and the number of Shares held by Shareholders entitled to have the offer of New Shares made to them, any difficulty arises in the apportionment of any such New Shares amongst the Shareholders, such difficulties will be determined by the Board.

6. COMPANY'S LIEN OVER PARTLY PAID SHARES

- 6.1 The Company has a lien (the **Company's lien**) over every Share which is partly paid for any part of:

- 6.1.1 that Share's nominal value;
- 6.1.2 any premium at which it was issued; and
- 6.1.3 all other monies due to the Company from the holder of that Share or his estate, whether solely or jointly with any other person (whether a Shareholder or not),

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it. Model Article 52(1) shall not apply.

- 6.2 The Board may accept in cash only from any Shareholder the whole or any part of the amount remaining unpaid on any Share held by him even though no part of that amount has been called up.
- 6.3 The liability of a person who is in default of a call shall be increased by the addition, at the end of Model Article 57(1), of the words "and that person must pay all expenses that may have been incurred by the Company by reason of such failure".

Transfer and Transmission of Shares

7. PROHIBITED TRANSFERS

7.1 The Directors will not register any transfer of Shares to any of the following:

7.1.1 if such Shares are being transferred to:

- (a) any person who, in the reasonable opinion of the Board and the First Shareholders is carrying on business directly or indirectly in competition with the Company, except that this restriction will not apply to any transfer of Shares pursuant to 10 (Tag Along Rights) or Article 11 (Drag Along Rights); or
- (b) any person who does not have legal capacity to comply fully with the provisions of this agreement; or

7.1.2 if such transfer is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

7.1.3 the transferor of such Shares has failed to provide promptly information available to the transferor and reasonably requested by the Board and the First Shareholders to enable the Board and the First Shareholders to form the opinion referred to in Article 7.1.1(a).

7.2 Subject to 7.1.1, the Directors will not register a transfer of Shares unless:

7.2.1 the transfer is a Permitted Transfer; and

7.2.2 the proposed transferee has entered into a Deed of Adherence unless the First Shareholders have approved dispensing with this requirement in 7.2.2 in the case of a specific transferee or group of transferees.

7.3 For the purpose of ensuring that:

7.3.1 a transfer of Shares is permitted under the Articles; or

7.3.2 no circumstances have arisen pursuant to which Article 7.6 or Article 8.3 would apply; or

7.3.3 no circumstances have arisen whereby the tag along provisions are required to be or ought to have been triggered pursuant to Article 10,

the Board and/or the First Shareholders may require any Shareholder to procure that such Shareholder or any person the Shareholder proposes as transferee whom the Board reasonably believes to have information relevant to any proposed transfer of Shares provides the Company promptly and in a timely manner with such information and other evidence as the Board think fit, which the Board shall notify to the Shareholder in writing. In the event the Board has notified such Shareholder in accordance with this Article 7.3, until the such information has been provided to the

Board and the Board is accordingly satisfied (acting reasonably and in its sole discretion), the Board shall not register any relevant proposed transfer.

7.4 If the Board has notified a Shareholder in accordance with Article 7.3 and is unable to determine to its reasonable satisfaction that compliance with these Articles or other obligations of the Shareholder to the Company applies in respect of a proposed transfer, or if, as a result of such information and evidence received, the Board is reasonably satisfied that a failure to comply with these Articles and or a breach of such Shareholders obligations to the Company has occurred or will occur, the Board may notify ("Compliance Notice") the holder of such Shares in writing specifying its finding and, if the holder of the relevant Shares, fails to provide information or evidence that shows compliance or remedy of such breach within 10 Business Days of the Compliance Notice, the relevant Shares shall cease to confer upon the holder thereof (or any proxy thereof) any of the following rights:

7.4.1 to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question) or on any written resolutions of shareholders or of separate classes of shareholders; or

7.4.2 to receive dividends or other distributions (other than the amount paid-up (including any premium) or amounts Credited as Paid Up (as the case may be) on the relevant Shares upon a return of capital); or

7.4.3 otherwise attaching to such Shares; or

7.4.4 to any further Shares issued in respect of such Shares or in pursuance of an offer made to the relevant holder,

and such holder may be required (by further notice in writing to such holder from the Board) at any time following the expiry of such 10 Business Days to transfer some or all of the relevant Shares to such person(s) and at a price determined by the Board.

7.5 The rights referred to in Article 7.4 shall be reinstated by the Board once the failure to provide information satisfactory to the Board, or to remedy the breach, is remedied or, if earlier, upon the completion of any transfer referred to in Article 7.4 above and may be reinstated by the Board at any time with First Shareholder Consent.

7.6 If a Shareholder defaults in transferring Shares to be transferred pursuant to Article 7.4 (the **Relevant Shares**), the defaulting Shareholder will be deemed to have irrevocably appointed any then acting Director as the Board shall designate to be his agent, with limited power of attorney, to execute, complete and deliver a transfer of the Relevant Shares in favour of the Board's approved transferee against receipt from the Company of the consideration due for the Relevant Shares. The Company's receipt of the consideration will be a good discharge to the approved transferee, who will not be bound to verify application of the consideration. The Company will hold the consideration on trust for the relevant Shareholder(s) without any obligation to pay interest. Subject to stamping, the Directors shall without delay register the transfer(s), after which the validity of such proceedings shall be complete in law, without prejudice

to any rights of remedies of the relevant parties in relation to the Relevant Shares. Each Shareholder of Relevant Shares will surrender his share certificate(s) (or, where appropriate provide an indemnity in respect of (it) (them) in a form satisfactory to the Directors) although it will be no impediment to registration of a transfer of Shares under this Article that no share certificate has been produced. On such surrender or provision, the defaulting Shareholder(s) will be entitled to the consideration for the Relevant Shares transferred on his or its behalf, without interest.

8. PERMITTED TRANSFERS

8.1 The legal or beneficial interest in any Share may at any time be transferred:

- 8.1.1 to a Tag Offeror pursuant to Article 10 (*Tag Along Rights*), to a Drag Offeror pursuant to Article 11 (*Drag Along Rights*); or
- 8.1.2 when required by, and in accordance with, Article 12 (*Compulsory Transfers*); or
- 8.1.3 in the case of Shares held by or on behalf of a corporation, to any undertaking within the group of that corporation; or
- 8.1.4 in the case of Shares held by a First Shareholder, to any of their Family Members or the trustees of his Family Trust; or
- 8.1.5 in the case of Shares held by the trustees of a Family Trust, to new trustees of that Family Trust; or
- 8.1.6 in the case of any Shares transferred pursuant to this Article 8.1, back to the original transferor or to any other person to whom the original transferor, if it still held such Shares, would have been able to transfer them under this Article 8.1.

8.2 If any Family Trust whose trustees hold Shares ceases to be a Family Trust, the trustees shall without delay notify the Company that such event has occurred and shall transfer such Shares back to the individual who originally set up the Family Trust or to such other person if any (designated by that individual) to whom such individual, if it still held such Shares, would have been able to transfer them under Article 8.1. If the trustees fail to transfer the Shares pursuant to this Article 8.2, within 10 Business Days of such event, the provisions of Article 7.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply *mutatis mutandis*.

8.3 In the event that any person to whom Shares are transferred pursuant to Article 8.1 ceases to be within the required relationship to the original holder of such Shares, the holder of such Shares shall without delay notify the Company that such change of relationship has occurred and transfer such Shares back to the Shareholder who originally held them or to such other person if any (designated by such original Shareholder) to whom such original Shareholder, if it still held such Shares, would have been able to transfer them under Article 8.1. If the holder of such Shares fails to transfer the Shares pursuant to this Article 8.3 within 10 Business Days of such change

of relationship, the provisions of Article 7.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply *mutatis mutandis*.

- 8.4 In the event of bankruptcy or insolvency (**Insolvency Event**) in relation to any Shareholder which is an undertaking holding Shares transferred to it pursuant to Article 8.1.3, that Shareholder shall without delay notify the Company of such event and transfer such Shares back to the Shareholder who originally held such Shares or to such other person if any (designated by such Shareholder) to whom such original Shareholder, if it still held such Shares, could transfer such Shares pursuant to Article 8.1. If the holder of such Shares fails to transfer the Shares pursuant to this Article 8.4 within 10 Business Days of such event, the provisions of Article 7.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply *mutatis mutandis*.

9. PRE-EMPTION ON TRANSFER

- 9.1 Save in respect of any Permitted Transfer, before transferring any Shares, the Shareholder proposing to transfer the same (the **Transferor**) shall give notice in writing (a **Transfer Notice**) to the Company that he desires to transfer the same specifying:

- 9.1.1 the number of Shares to be transferred (the **Sale Shares**);
- 9.1.2 the name of the proposed transferee; and
- 9.1.3 the price in cash per Sale Share at which the Transferor wishes to transfer the Sale Shares (the **Transfer Price**).

- 9.2 A Transfer Notice given by a Transferor shall constitute the Company as the Transferor's agent for the sale of the Sale Shares (together with all rights attached thereto at the date of receipt of the Transfer Notice). A Transfer Notice once given shall be revocable only with the prior consent in writing of the Board.

- 9.3 The Board shall as soon as reasonably practical but within 15 Business Days of receipt by the Company of the Transfer Notice by a notice in writing offer to sell the Sale Shares to all Shareholders other than the Transferor (the **Continuing Shareholders**) at the Transfer Price and such offer (the **First Offer**) shall invite the Continuing Shareholders to state in writing within 15 Business Days of the date of the First Offer (the **First Offer Period**) whether or not they are willing to purchase any Sale Shares, and if so, what number of Sale Shares at the Transfer Price.

- 9.4 At the expiration of the First Offer Period the Directors of the Company shall:

- 9.4.1 in the event that the total number of Sale Shares applied for by any Continuing Shareholder is less than the total number of Sale Shares, allocate the Sale Shares comprised in the Transfer Notice to such Continuing Shareholders who have notified their willingness to purchase Sale Shares (the balance of Sale Shares remaining unallocated being the

Initial Surplus Shares);

- 9.4.2 in the event that the total number of Sale Shares applied for by any Continuing Shareholder is equal to the total number of Sale Shares, allocate the Sale Shares comprised in the Transfer Notice to such Continuing Shareholders who have notified their willingness to purchase; and
- 9.4.3 in the event that the total number of Sale Shares applied for by any Continuing Shareholder is greater than the total number of Sale Shares, in proportion (as nearly as may be and without increasing the numbers sold to any such member beyond the number applied for) to their existing holding of the same class or classes as the Sale Shares. Fractional entitlements shall be rounded to the nearest whole number.
- 9.5 If the Directors of the Company shall within the First Offer Period find one or more Continuing Shareholders ("Purchasers") who are able and willing to purchase all the Sale Shares under any Transfer Notice then notice in writing thereof shall forthwith be given by the Directors of the Company to the Transferor who shall be bound, upon payment of the Transfer Price, to transfer such Sale Shares to the Purchasers free from all Encumbrances.
- 9.6 At the end of the First Offer Period, the Board shall by a notice in writing offer to sell the Initial Surplus Shares (if any) to the Purchasers at the Transfer Price and such offer (the **Second Offer**) shall invite the Purchasers to state in writing within 15 Business Days of the date of the Second Offer (the **Second Offer Period**) whether or not they are willing to purchase any Initial Surplus Shares, and if so, what number of Initial Surplus Shares at the Transfer Price.
- 9.7 At the expiration of the Second Offer Period the Directors of the Company shall in respect of those Purchasers ("Second Offer Purchasers") who have applied for Initial Surplus Shares:
- 9.7.1 in the event that the total number of Initial Surplus Shares applied for is less than or equal to the total number of Initial Surplus Shares, allocate the number of shares applied for by the Second Offer Purchasers (the balance of Initial Surplus Shares not allocated being the **Surplus Shares**); and
- 9.7.2 in the event that the total number of Initial Surplus Shares applied for is greater than the total number of Initial Surplus Shares, allocate the Initial Surplus Shares to the Second Offer Purchasers in proportion (as nearly as may be and without increasing the numbers sold to any such member beyond the number applied for) to their existing holdings of the same class or classes of Shares as the Initial Surplus Shares. Fractional entitlements shall be rounded to the nearest whole number.
- 9.8 If at the expiration of the Second Offer Period there remains any amount of Surplus Shares, the Transferor shall be entitled at any time within 6 months of the making of

the First Offer to sell and transfer those Surplus Shares to any person provided that any such sale or transfer shall be at a price not less than the Transfer Price.

- 9.9 If a Transferor shall fail or refuse to transfer any of the Sale Shares in accordance with the provisions of Article 9.5 or any person under Article 9.8, the Directors of the Company shall authorise some person to execute and deliver on the Transferor's behalf the necessary transfer and the Company shall receive the purchase money in trust without interest for the Transferor and cause the relevant transferee to be registered as the holder of such Sale Shares and a new share certificate to be issued to him in respect thereof. The receipt of the Company for the purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof.
- 9.10 The restrictions imposed under this Article 9 may be waived in relation to any proposed transfer of Sale Shares with the prior consent of all Shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article 9.

10. TAG ALONG RIGHTS

- 10.1 If Shares are proposed to be transferred that represent all or a majority of the Shares held by the First Shareholders (the **Tag Seller(s)**) to a person or persons (the **Tag Offeror**) and the transfer is other than to Permitted Transferees of such Tag Seller(s) and a Drag Along Notice has not been served in relation to such proposed transfer of Shares, such Tag Seller(s) will not be entitled to transfer any such Shares and no such Shares shall be capable of being purchased or transferred unless the Tag Offeror shall have offered (the **Tag Offer**) to purchase from each other Shareholder all the Shares held by such other Shareholders.
- 10.2 The Tag Offer will be made on the terms set out in Article 10.3 (unless, in the case of a particular Shareholder, less favourable terms are agreed by the Tag Offeror with that Shareholder).
- 10.3 The terms of the Tag Offer will be that:
- 10.3.1 it will be open for acceptance for not less than 20 Business Days from the date on which the Tag Offeror makes a Tag Offer, and will be deemed to have been rejected if not accepted during such period;
- 10.3.2 the value of such consideration will be equivalent to that offered by the Tag Offeror to the Tag Seller(s).

For the purposes of this Article 10.3, where a Tag Seller is being offered securities by way of consideration, the value of consideration offered to the other Shareholders will be equivalent to that offered by the Tag Offeror to the Tag Seller(s) and, if it is cash consideration, equal to the amount which is the greater of the subscription price attributable to such securities or their market value at the date of the transfer to the Tag Seller(s).

10.4 The completion date for the transfer of any Shares under any Tag Offer will be the same date as the date proposed for completion of the sale of the Tag Seller(s) Shares unless any other Shareholders who wish to accept the Tag Offer and the Tag Offeror agree otherwise.

10.5 Any transfer of Shares made in accordance with this Article 10 will not be subject to any other restrictions on transfer contained in these Articles.

11. DRAG ALONG RIGHTS

11.1 If all or a majority of the First Shareholders (the **Dragging Shareholders**) wish to sell all of their respective Shares to a bona fide third party and/or any of such third party's Connected Persons (together the **Drag Offeror**), the Dragging Shareholders will have the right (the **Drag Along Right**) to require all of the other First Shareholders and the Shareholders (the **Called Shareholders**) to sell and transfer all their Shares (the **Called Shares**) to the Drag Offeror, or as the Drag Offeror may direct, free from all Encumbrances and together with all rights then attaching to them.

11.2 The Drag Along Right will be exercisable by the Dragging Shareholders by giving written notice of their intention to exercise the Drag Along Right to the Company prior to the transfer of the Dragging Shareholders' Shares to the Drag Offeror (the **Drag Along Notice**). The Drag Along Notice will specify:

11.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article 11;

11.2.2 any terms of sale to which Called Shareholders are required to adhere and will enclose copies of the Drag Along Documents (if any) relating to it;

11.2.3 the identity of the Drag Offeror;

11.2.4 the proposed price to be paid by the Drag Offeror for each class of the Called Shares; and

11.2.5 the proposed place, date and time of Drag Completion.

11.3 The Company will send copies of the Drag Along Notice and Drag Along Documents (if any) to each of the Called Shareholders at their address shown on the Company's register of members within 10 Business Days of receipt of any Drag Along Notice and require all of the Called Shareholders to sell and transfer to the Drag Offeror, or as the Drag Offeror may direct, at Drag Completion all of their Called Shares on the terms set out in the Drag Along Notice.

11.4 The value of such consideration for each class of Called Shares will be equivalent to that offered for the Dragging Shareholders' Shares being transferred by the Dragging Shareholders to the Drag Offeror (the **Called Shares Price**). The Called Shares Price will be expressed net of any transaction costs that are for the account of the Dragging Shareholders and Called Shareholders which, in the absence of agreement otherwise, will be borne by each of the Dragging Shareholders and Called Shareholders in

proportion to his holding of Shares.

11.5 For the purposes of this Article 11.5, where a Dragging Shareholder is being offered securities by way of consideration, the value of consideration offered to the Called Shareholders shall be equivalent to that offered by the Drag Offeror to that Dragging Shareholder if it is cash consideration equal to the amount which is the greater of the subscription price attributable to such securities or their market value at the date of the transfer to the Dragging Shareholder.

11.5 Drag Along Notices will be irrevocable but will lapse if the sale of the Dragging Shareholders' Shares to the Drag Offeror does not proceed either:

11.5.1 due to the expiry or non-fulfilment of any conditions to the sale (unless the conditions have been waived in accordance with the terms of the sale documentation); or

11.5.2 within 30 Business Days after the date of service by the Dragging Shareholders of the Drag Along Notice on the Company; or

11.5.3 if, with the consent of the Dragging Shareholders, notices are issued under section 979 of the CA 2006 in respect of the Called Shares,

and, in the case of Articles 11.5.1 and 11.5.2, the Dragging Shareholders will be entitled to serve further Drag Along Notices no earlier than seven calendar days following the lapse of any previous Drag Along Notice.

11.6 Drag Completion will take place on the same date as the date proposed for completion of the sale of the Dragging Shareholders' Shares unless the Dragging Shareholders elect otherwise in which case Drag Completion will take place on a date to be specified by the Dragging Shareholders that is no more than 20 Business Days later than the date upon which the Dragging Shareholders sell the Dragging Shareholder Shares.

11.7 On or before Drag Completion, each Called Shareholder will deliver duly executed Drag Along Documents in respect of his Called Shares to the Company. Subject always to receipt of the Drag Along Documents, on Drag Completion the Company will pay each Called Shareholder, on behalf of the Drag Offeror, the Called Shares Price due, to the extent only that the Drag Offeror has put the Company in the requisite cleared funds or other form of consideration. Payment to a Called Shareholder will be made to its address on the Company's register of members. The Company's receipt for the Called Shares Price due will be a good discharge to the relevant Drag Offeror who will not be bound to see its application. Pending compliance by the Called Shareholder with the obligations in this Article 11, the Company will hold any funds or other form of consideration received from the Drag Offeror in respect of the Called Shares on trust for the defaulting Called Shareholder, without any obligation to pay interest.

11.8 If, following the issue of a Drag Along Notice, either:

11.8.1 a person becomes a Shareholder pursuant to the exercise of a pre-

~~existing option to acquire Shares or the exercise of another right or option or otherwise;~~
or

11.8.2 additional Shares are issued to an existing Shareholder pursuant to the exercise of a pre-existing option to acquire Shares or the exercise of another right or option or otherwise,

(each an **Option Shareholder**), in each case, a Drag Along Notice will be deemed to have been served on the Option Shareholder on the date he acquired such Shares and on the same terms as the previous Drag Along Notice. The Option Shareholder will be bound to sell and transfer all the Shares so acquired by him to the Drag Offeror, or as the Drag Offeror may direct, and the provisions of this Article 11 will apply (with changes where appropriate) to the Option Shareholder as if references to Called Shareholder included the Option Shareholder except that completion of the sale of the Shares will take place on such date as the Drag Offeror will determine.

11.9 If any Called Shareholder does not transfer the Called Shares registered in his name and execute all of the Drag Along Documents (if any), the provisions of Article 7.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article 11) shall apply *mutatis mutandis*.

11.10 The Company will be entitled to hold the Called Shares Price payable to any Called Shareholder on behalf of any Dragging Shareholder without any obligation to pay interest for so long as the Called Shareholder does not execute all of the Drag Along Documents to the satisfaction of the Directors.

11.11 Any transfer of Shares made by the Dragging Shareholders or Called Shareholders in accordance with this Article 11 will not be subject to any restrictions on transfer contained in this agreement.

12. COMPULSORY TRANSFERS

12.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) or death of a Shareholder shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine subject to First Shareholder Consent.

12.2 A Shareholder is deemed to have served a Transfer Notice in respect of all Relevant Shares before any of the following events (a Compulsory Transfer):

12.2.1 the Shareholder committing an act of fraud in respect of the Company or any Group Company; or

12.2.2 the Court has made an order or appointed a deputy under section 16 of the Mental Capacity Act 2005.

12.3 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Transfer shall, where the Departing Shareholder is the aggregate

Fair Value of such Sale Shares.

- 12.4 Forthwith upon a Transfer Notice being deemed to be served under this article 12, the Shares ("Restricted Shares") subject to the relevant Deemed Transfer Notice shall cease to confer on the holder of them any rights:

12.4.1 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;

12.4.2 to receive dividends or other distributions otherwise attaching to those Shares; or

12.4.3 to participate in any future issue of Shares.

The Directors may reinstate the rights referred to in article 12.4 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 12 on completion of such transfer.

13. VALUATION

- 13.1 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 (any Director with whom the Seller is connected not voting) 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.

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

14.2.1 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);

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

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

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

14.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

- 13.3 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.
- 13.4 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.
- 13.5 The parties are entitled to make submissions to the Independent Expert including oral submissions 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.
- 13.6 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).
- 13.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 13.8 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.

14. DIVIDEND

- 14.1 In respect of any Financial Year, part of Available Profits of the Company shall be used to pay dividends as set out in this article 14.
- 14.2 To the extent that Available Profits are determined in respect of a Financial Year by the Company, provided that:

14.2.2 after any reserves as determined by the Directors to be reasonable and proper have been made; and

14.2.3 not less than £100,000 of Available Profit remains;

the Available Profits in excess of such £100,000 shall be distributed among the holders of the Shares: a) in accordance with class rights associated with any class of Shares; b) according to the priority prescribed for each class of Shares, if more than one class exists; and c) pro rata to their respective holdings of Shares.

- 14.3 Subject to the Act, the Directors may pay interim dividends, provided that:

14.3.1 Taking into account the prospective application of Article 14.2, Available Profits of the Company at that time justify the payment; and

14.3.2 the Company obtains First Shareholder Consent to any such interim dividend.

- 14.4 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.

DIRECTORS Decision Making

by Directors

15. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) will not be subject to any maximum.

16. PARTICIPATION IN DIRECTORS' MEETINGS

If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is. In the absence of agreement it will be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is.

17. QUORUM FOR DIRECTORS' MEETINGS

17.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

17.2 The quorum for meetings of the Directors will be two, one of whom must be an Appointee Director appointed by one of the First Shareholders (if appointed and unless otherwise agreed in writing by First Shareholder Consent).

17.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:

17.3.1 to appoint further Directors; or

17.3.2 to call a general meeting so as to enable the Shareholders to appoint further Directors.

18. DIRECTORS' WRITTEN RESOLUTIONS

18.1 Notice of a proposed Directors' written resolution must indicate:

18.1.1 the proposed resolution; and

18.1.2 the time by which it is proposed that the Directors should adopt it, failing which the resolution shall lapse. Model Articles 17(4) and 18(2) shall not apply.

18.2 A proposed Directors' written resolution is adopted when a majority of the Directors who would have been entitled to vote on the resolution at a Directors' meeting have signed one or more copies of it, provided that those Directors would have formed a quorum at such a meeting.

19. TRANSACTIONS WITH THE COMPANY

- 19.1 Provided that he has declared to the other Directors the nature and extent of any interest of his, a Director notwithstanding his office may be a party to, or otherwise directly or indirectly interested in, any proposed or existing transaction or arrangement with the Company.
- 19.2 Provided that he has declared to the other Directors the nature and extent of any interest of his, a Director may participate in the decision-making process and count in the quorum and vote if a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which the Director is interested.

20. CONFLICTS OF INTEREST

Directors may authorise conflicts

- 20.1 The Directors may authorise in accordance with section 175(5)(a) of the CA 2006 a Relevant Situation in respect of any Director and the continuing performance by the relevant Director of his duties as a Director on such terms as they may determine. For the avoidance of doubt, such terms may permit the interested Director to continue to participate in the decision making process and vote and count in the quorum at a meeting of the Directors or of a committee of the Directors in respect of resolutions relating to the subject matter of the Relevant Situation. Authorisation of a Relevant Situation may be withdrawn, and the terms of authorisation may be varied or subsequently imposed, at any time. Any resolution of the Directors for the purposes of providing, varying the terms of or withdrawing such authorisation will not be effective unless:

- 20.1.1 the requirement as to the quorum at the meeting at which the resolution is proposed is met without counting the interested Director or any other interested Director; and
- 20.1.2 the resolution is passed without the interested Director or any other interested Director voting or would have been passed if their votes had not been counted,

but otherwise will be dealt with in the same way as any other matter may be proposed to and resolved upon by the Directors in accordance with the provisions of these Articles. An interested Director must act in accordance with any terms determined by the Directors under this Article 20.1.

Director to vote and count in quorum

- 20.2 Provided that a Relevant Situation has been duly authorised by the Directors or the Company and its nature and extent has been disclosed under Article 22, a Director may participate in the decision making process and count in the quorum and vote if a proposed decision of the Directors is concerned with such situation (subject to any

restrictions imposed under the terms on which it was authorised).

Nature of interests

- 20.3 References in these Articles to a conflict of interest include a conflict of interest and duty and a conflict of duties, and an interest includes both a direct and an indirect interest.

21. DIRECTOR NOT LIABLE TO ACCOUNT

A Director will not, by reason of his holding office as a Director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from any situation or interest permitted under Articles 19 or 20 duly authorised by the Directors or the Company, nor will the receipt of such remuneration, profit or other benefit constitute a breach of the Director's duty under section 176 of the CA 2006 or otherwise, and no contract, transaction or arrangement will be liable to be avoided on the grounds of any Director having any type of interest which is permitted under Articles 19 or 20 or duly authorised by the Directors.

22. DECLARATIONS OF INTEREST

A declaration of interest or other notification may be made by a Director for the purposes of Articles 19 and 20 at a meeting of the Directors or by notice in writing to the other Directors. A Director need not declare any interest if it cannot reasonably be regarded as likely to give rise to a conflict of interest, or if he is not aware of the interest, or if, or to the extent that, the other Directors are already aware of it (and for these purposes a Director will be treated as aware of anything of which he ought reasonably to be aware) or if, or to the extent that, it concerns terms of his service contract that have been or are to be considered (a) by a meeting of the Directors or (b) by a committee of the Directors appointed for the purpose under the Company's constitution.

Appointment of Directors

23. METHODS OF APPOINTING DIRECTORS

- 23.1 The Directors may appoint with First Shareholder Consent a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
- 23.2 The holders of a majority of the Shares may appoint a person to be a Director, either to fill a vacancy or as an additional Director and remove from office any Director so appointed.
- 23.3 The First Shareholders may appoint one Director each as they choose in accordance with the terms of the Shareholders' Agreement (each an **Appointee Director**) and may remove any such Director so appointed by them and appoint another person in his place.

- 23.4 Any appointment or removal referred to in Articles 23.1 to 23.3 will be in writing notified to the Company and will take effect on being delivered to or sent by post to the Company at its registered office or upon delivery to the company secretary (if any) or to the Company at a meeting of the Directors or, if contained in electronic form, upon delivery to the address (if any) as may for the time being be notified by or on behalf of the Company for the receipt of messages in electronic form.

24. TERMINATION OF DIRECTOR'S APPOINTMENT

- 24.1 Except for an Appointee Director, the office of a Director will be vacated if he is removed from office by a majority of the other Directors. If he holds an appointment to an executive office which automatically determines as a result, his removal will be deemed to be an act of the Company and will have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company.

- 24.2 Subject to the provisions of Article 24.1, the Company may by special resolution remove any Director (other than an Appointee Director) before the expiration of his period of office and may by ordinary resolution appoint another Director in his place, in each case, without the need for any special notice and without the need for such resolutions to be passed at a meeting.

- 24.3 The office of a Director will be vacated if:

- 24.3.1 he ceases to be a Director by virtue of any provision of the CA 2006 or he becomes prohibited by law from being a Director;
- 24.3.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally unless the First Shareholders agree that the office of Director need not be vacated;
- 24.3.3 he becomes, in the reasonable opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
- 24.3.4 he resigns his office by notice in writing to the Company;
- 24.3.5 he has for more than 6 consecutive months been absent without permission of the Directors from meetings of Directors held during that period and his alternate Director (if any) has not during that period attended any such meetings instead of him, and the Directors resolve that his office be vacated;
- 24.3.6 other than in the case of the Appointee Director, he is removed from office by notice addressed to him at his last-known address and signed by all his co-Directors;
- 24.3.7 other than in the case of the Appointee Director, he is removed from office by notice given by a Shareholder or Shareholders under Article 23.4; or

- 24.3.8 being an executive Director he ceases, for whatever reason, to be employed by any member of the Group.
- 24.3.9 Model Article 22 shall not apply.

Alternate Directors

25. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 25.1 An alternate Director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the alternate's appointor.
- 25.2 Subject to Article 25.4, a person may act as alternate Director to represent more than one Director.
- 25.3 Except as these Articles specify otherwise, alternate Directors:
- 25.3.1 are deemed for all purposes to be Directors;
 - 25.3.2 are liable for their own acts and omissions;
 - 25.3.3 are subject to the same restrictions as their appointors; and
 - 25.3.4 are not deemed to be agents of or for their appointors.
- 25.4 A Director or any other person who is an alternate Director will not count as more than one Director for the purposes of determining whether a quorum is participating but:
- 25.4.1 has a vote as alternate for each appointor on a decision taken at a meeting of the Directors, in addition to his own vote, if any, as Director; and
 - 25.4.2 may sign a Directors' written resolution for himself, if he is a Director, and as alternate for each appointor who would have been entitled to sign or agree to it, and will count as more than one Director for this purpose,
 - 25.4.3 provided that his appointor is eligible to (but does not) participate in the relevant quorum, vote or Directors' written resolution. For the avoidance of doubt, if his appointor is not eligible to participate in the relevant quorum, vote or written resolution, this does not preclude the alternate from participating as alternate for another appointor who is eligible to (but does not) participate.
- 25.5 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company. Model Article 26 shall not apply.

DECISION-MAKING BY SHAREHOLDERS

26. VOTING - GENERAL

- 26.1 Subject to any special rights or restrictions as to voting attached to any Shares by or

in accordance with these Articles, Shares will carry votes in accordance with this Article 26.

- 26.2 Each Ordinary Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to a proposed written resolution as if each Ordinary Share carried one vote per share.
- 26.3 No voting rights attached to a Share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it; or in respect of a written resolution which would otherwise have to be proposed at a general meeting, unless all amounts payable to the Company in respect of that share have been paid.

Organisation of General Meetings

27. PROCEEDINGS AT GENERAL MEETINGS

- 27.1 The quorum for a general meeting will be two qualifying persons determined in accordance with section 318(2) and (3) of the CA 2006, except that at least one of the qualifying persons must be a First Shareholder (for so long as any of the First Shareholders are a Shareholder) (present in person or by proxy or by corporate representative).
- 27.2 An Appointee Director acting alone may call a general meeting of the Company.
- 27.3 A general meeting may consist of a conference between Shareholders, some or all of whom are in different places if each Shareholder who participates is able:
- 27.3.1 to hear each of the other participating Shareholders addressing the meeting; and
- 27.3.2 if he so wishes, to address all of the other participating Shareholders simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these Articles are adopted or not) or by a combination of those methods. A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Shareholders required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating Shareholders is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting will be decided by each Shareholder indicating to the chairman (in such manner as the chairman may direct) whether the Shareholder votes in favour of or against the resolution or abstains. References in this Article 27 to Shareholders includes their duly appointed proxies and, in the case of corporate Shareholders, their duly authorised representatives.

- 27.4 If any meeting is adjourned because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present will form a quorum.

28. POLL VOTES

A poll may be demanded by the chairman of the meeting, the Directors, or any person having the right to vote on the resolution. Article 36(2) of the Model Articles shall be modified accordingly. A demand that is withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

29. DELIVERY OF PROXY NOTICES

- 29.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 29.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 29.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 29.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

30. INDEMNITY AND INSURANCE

- 30.1 Subject to Article 30.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
 - 30.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto, including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Member's) affairs; and
 - 30.1.2 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 30.1.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

30.2 This Article 30 does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.

30.3 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.

30.4 In this Article 30:

30.4.1 **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Member) or any pension fund of the Company (or other Group Member); and

30.4.2 **Relevant Officer** means any Director or other officer or former Director or other officer of any Group Member, but excluding in each case any person engaged by a Group Member as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor.

MISCELLANEOUS

31. CHANGE OF NAME

31.1 The Company may change its name:

31.1.1 by special resolution; or

31.1.2 by a decision of the Directors which includes a vote in favour by each Appointee Director appointed by the First Shareholders (for so long as any of the First Shareholders are a Shareholder).

32. MEANS OF COMMUNICATION

Any notice or other document sent by the Company under these Articles which is delivered or left at a registered address otherwise than by post will be deemed to have been received on the day it was so delivered or left. A notice or other document sent by the Company in electronic form will be deemed to have been received at the time it is sent. A notice sent or supplied by means of a website will be deemed to have been received by the intended recipient at the time when the material was first available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

33. WINDING UP

33.1 If the Company is wound up, the liquidator may, with the authority of a special resolution:

33.1.1 divide among the Shareholders in specie the whole or any part of the assets of the Company, (and may, for that purpose, value any assets and determine how the division will be carried out as between the Shareholders or different classes of Shareholders); and

33.1.2 ~~vest the whole or any part of the assets of the Company in trustees upon~~
such trusts for the benefit of the Shareholders as the liquidator determines,

but no Shareholder will be compelled to accept any assets in respect of which there is a liability.


34. 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.

35. PURCHASE OF OWN SHARES

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) 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 of the Company.


DIRECTOR

CHRIS METALF