

Companies Act 2006

Private Company Limited By Shares

Company Number **11957019**



ARTICLES OF ASSOCIATION

OF

**RIGHTCHARGE LIMITED**

Adopted 14<sup>th</sup> October 2021

## Contents

### Clause

1	Interpretation .....	1
2	Adoption of the Model Articles .....	3
3	Directors' meetings.....	4
4	Unanimous decisions of directors .....	4
5	Number of directors .....	4
6	Calling a directors' meeting .....	5
7	Quorum for directors' meetings .....	5
8	Chairing of directors' meetings .....	5
9	Transactions or other arrangements with the company .....	5
10	Directors' conflicts of interest .....	6
11	Records of decisions to be kept.....	7
12	Alternate directors .....	7
13	Share capital .....	9
14	Further issues of shares: authority .....	10
15	Further issues of shares: pre-emption rights .....	10
16	Share transfers: general .....	11
17	Pre-emption rights on the transfer of shares.....	12
18	Compulsory transfers .....	14
19	Valuation.....	15
20	Drag along.....	16
21	Tag Along .....	17
22	Quorum for general meetings.....	18
23	Chairing general meetings.....	18
24	Voting.....	18
25	Poll votes .....	18
26	Proxies .....	18
27	Means of communication to be used .....	19
28	Indemnity and insurance .....	20

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**RIGHTCHARGE LIMITED**

**Adopted by special resolution passed on 14<sup>th</sup> October 2021**

**Introduction**

**1 Interpretation**

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

<b>Act:</b>	the Companies Act 2006;
<b>Acting in Concert:</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).
<b>Appointor:</b>	has the meaning given in article 12.1;
<b>Articles:</b>	the Company's articles of association for the time being in force;
<b>B Share:</b>	an ordinary share of £0.0001 in the capital of the Company designated as a B Share;
<b>B Shareholder:</b>	a holder of B Shares;
<b>Bad Leaver:</b>	a Departing Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is not a Good Leaver;
<b>Conflict:</b>	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
<b>Controlling Interest:</b>	means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
<b>Deemed Transfer Notice:</b>	a Transfer Notice that is deemed to have been served under any provision of these Articles;

<b>Departing Employee Shareholder:</b>	an Employee Shareholder who ceases to be an employee of the Company;
<b>Director:</b>	a director of the Company registered as such at Companies House;
<b>Eligible Director:</b>	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);
<b>Employee Shareholder:</b>	a B Shareholder who is also an employee of the Company;
<b>Fair Value:</b>	in relation to shares, as determined in accordance with article 19;
<b>Founder</b>	Charles Cook;
<b>Interested Director:</b>	has the meaning given in article 10;
<b>Model Articles:</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ) as amended prior to the date of adoption of these Articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles;
<b>Ordinary Share:</b>	an ordinary share of £0.0001 in the capital of the Company designated as an Ordinary Share;
<b>Ordinary Shareholder:</b>	a holder of Ordinary Shares;
<b>Proposed Sale Price:</b>	has the meaning given in article 17.1;
<b>Sale Shares:</b>	has the meaning given in article 17.1;
<b>Seller:</b>	has the meaning given in article 17.1;
<b>Termination Date:</b>	<p>(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;</p> <p>(b) 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; or</p> <p>(d) in any other case, the date on which the employment is terminated;</p>
<b>Transfer Notice:</b>	has the meaning given in article 17.1;
<b>Transfer Price:</b>	has the meaning given in article 17.4;
<b>Valuers:</b>	the accountants 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 17.4, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);

**Writing or written:**

the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 17, article 20 and article 21 "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax);

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have those meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

## **2 Adoption of the Model Articles**

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22(2), 26(5), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.

- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" 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 Articles 27(2)(a) and (b) shall be amended by the insertion, in each case, of the words "and to any other agreement to which the holder was party at the time of his death" after the words "subject to the articles".
- 2.6 Model Article 28(2) shall be amended by the deletion of the word "If" and the insertion of the words "Subject to the articles and to any other agreement to which the holder was party at the time of his death, if" in its place.
- 2.7 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **Directors**

### **3 Directors' meetings**

- 3.1 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.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors shall be made only by resolution, which shall be decided by a majority of votes. Where there is only one director, such decision shall be taken when that director comes to a view on the matter.
- 3.4 Each director has one vote at a meeting of directors, save that any director who is the holder of the majority of the Ordinary Shares shall have a casting vote.

### **4 Unanimous decisions of directors**

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision 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.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

### **5 Number of directors**

- 5.1 Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any limitation. When the minimum number shall be one, a sole director may exercise all powers and authorities vested in the directors by the Model Articles and these articles.

## **6 Calling a directors' meeting**

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

6.2 Notice of any directors' meeting must be accompanied by:

6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting; and

6.2.2 copies of any papers to be discussed at the meeting.

6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors present at the meeting agree in writing.

## **7 Quorum for directors' meetings**

7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors.

7.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 10 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

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

7.4 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place.

## **8 Chairing of directors' meetings**

8.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, any director who is the holder of the majority of the Ordinary Shares shall have a casting vote.

8.2 Article 8.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, such director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

## **9 Transactions or other arrangements with the company**

9.1 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 Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

9.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;

- 9.1.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 9.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 9.1.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 9.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 9.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such 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.

## **10 Directors' conflicts of interest**

- 10.1 The directors may, in accordance with the requirements set out in this article, 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**).
- 10.2 Any authorisation under this article 10 will be effective only if:
  - 10.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
  - 10.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
  - 10.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 10.3 Any authorisation of a Conflict under this article 10 may (whether at the time of giving the authorisation or subsequently):
  - 10.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 10.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;



- 10.3.3 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;
  - 10.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 10.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
  - 10.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 10.4 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.
- 10.5 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.
- 10.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **11 Records of decisions to be kept**

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

## **12 Alternate directors**

- 12.1 Any director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director) other than an existing director representing another class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of shares but not otherwise.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 12.3 The notice must:

- 12.3.1 identify the proposed alternate; and
- 12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 Except as the Articles specify otherwise, alternate directors:
  - 12.5.1 are deemed for all purposes to be directors;
  - 12.5.2 are liable for their own acts and omissions;
  - 12.5.3 are subject to the same restrictions as their Appointors; and
  - 12.5.4 are not deemed to be agents of or for their Appointors,and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors.
- 12.6 A person who is an alternate director but not a director may, subject to him being an Eligible Director:
  - 12.6.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
  - 12.6.2 participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 12.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 12.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
  - 12.9.1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
  - 12.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
  - 12.9.3 when the alternate director's Appointor ceases to be a director for whatever reason.

## Shares

### **13 Share capital**

13.1 Each class of shares issued from time to time shall rank *pari passu* save as specifically provided otherwise at the time of their issue or in these Articles.

13.2 In respect of the right to vote:

13.2.1 Ordinary Shares have the right to one vote per share;

13.2.2 B Shares issued by the Company will have the right to vote.

13.3 In respect of dividends:

13.3.1 The Ordinary Shares shall be entitled to receive a dividend;

13.3.2 The B Shares will be entitled to a dividend;

13.3.3 Every ordinary resolution by which a dividend is declared may direct that such dividend shall be paid in respect of one or more classes of share to the exclusion of other classes or in respect of all classes of shares.

13.3.4 Where a dividend is declared in respect of more than one class of shares, the Company may, by ordinary resolution, differentiate between such classes as to the amount or percentage of dividend payable;

13.3.5 When paying interim dividends, the Directors may make payments to one or more classes of share to the exclusion of other classes or to all classes of shares. When making such payments the Directors may differentiate between the classes to which payments are being made as to the amount or percentage of dividend payable.

13.4 On the transfer of any share as permitted by these Articles:

13.4.1 a share transferred to a non-shareholder shall remain of the same class as before the transfer; and

13.4.2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.

13.5 No variation of the rights attaching to the Ordinary Shares shall be effective except with the sanction of a special resolution of the holders of the Ordinary Shares. Each of the following shall be deemed to constitute a variation of the rights attached to the Ordinary Shares:

13.5.1 any alteration in the Articles;

13.5.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its ordinary Shares or other alteration in the share capital of the Company or any of the rights attaching to the Ordinary Shares.

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

#### **14 Further issues of shares: authority**

- 14.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, 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 in the Company.

- 14.2 Subject to the remaining provisions of this Article 14 and to Article 15, the directors are generally and unconditionally authorised, for the purposes of section 551 of the 2006 Act and generally, to exercise any power of the Company to:

14.2.1 offer or allot;

14.2.2 grant rights to subscribe for or to convert any security into;

14.2.3 otherwise deal in, or dispose of,

any Ordinary Shares or B Shares in the company (**Shares**) to any person, at any time and subject to any terms and conditions as the directors think proper.

- 14.3 The authority referred to in Article 14.2:

14.3.1 shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution; and

14.3.2 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

#### **15 Further issues of shares: pre-emption rights**

- 15.1 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.

- 15.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any shares (other than any B Shares to be held under an employees' share scheme), those shares shall not be allotted to any person unless the Company has first offered them to all Ordinary Shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those Ordinary Shareholders (as nearly as possible without involving fractions). The offer:

15.2.1 shall be in writing, shall be open for acceptance for a period of 10 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and

15.2.2 may stipulate that any Ordinary or B Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.

- 15.3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 15.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 15.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with Article 15.2 (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 that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.
- 15.4 Subject to Articles 15.2 and 15.3 and to section 551 of the Act, any such shares 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.
- 16 Share transfers: general**
- 16.1 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.
- 16.2 No shareholder shall transfer any share except:
- 16.2.1 a shareholder may transfer all (but not some only) of his shares in the Company for cash in accordance with the procedure set out in article 17; or
  - 16.2.2 in accordance with article 18; or
  - 16.2.3 in accordance with article 20; or
  - 16.2.4 in accordance with article 21; or
  - 16.2.5 with the consent in writing of the holders of all of the Ordinary Shares in issue from time to time.
- 16.3 Subject to article 16.4, the directors must register any duly stamped or certified exempt transfer made in accordance with these Articles and shall have a discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 16.4 The directors may, as a condition to the registration of any transfer of shares in the Company, require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 16.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 16.5 Any transfer of shares by way of a sale that is required to be made under article 18, article 20 or article 21 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

- 16.6 Any Transfer Notice served in respect of the transfer of any shares which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of the Deemed Transfer Notice.

**17 Pre-emption rights on the transfer of shares**

- 17.1 Except where the provisions of article 18, article 20 or article 21 apply, a shareholder (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:

17.1.1 if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and

17.1.2 the price (in cash) at which he wishes to sell the Sale Shares (**Proposed Sale Price**).

- 17.2 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

- 17.3 Once given, a Transfer Notice may only be withdrawn by the Seller 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. In such case, the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.

- 17.4 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the directors or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 19.

- 17.5 As soon as practicable following the determination of the Transfer Price, the directors may elect for the Company to buy back the Sale Shares, in default of which the directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 17 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

- 17.6 The directors shall, subject to article 17.11, offer the Sale Shares in the following order of priority:

17.6.1 first, to the Ordinary Shareholders (if any); and

17.6.2 second, to the B Shareholders,

in each case excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice.

- 17.7 The directors shall offer the Sale Shares first to the Ordinary Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

- 17.8 If:

17.8.1 at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to the Ordinary Shareholder. No allocation shall be made to a shareholder

of more than the maximum number of Sale Shares which he has stated he is willing to buy; and

- 17.8.2 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Ordinary Shareholders in accordance with his application. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 17.9.
- 17.9 At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares (if any) to the B Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.
- 17.10 If:
- 17.10.1 at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to each B Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of shares of the class held by B Shareholders bears to the total number of shares of that class. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the B Shareholders shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;
- 17.10.2 not all Initial Surplus Shares are allocated following allocations in accordance with article 17.10.1, but there are applications for Initial Surplus Shares that have not been satisfied, the directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in article 17.10.1. The procedure set out in this article 17.10.2 shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and
- 17.10.3 at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the B Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) may, with the prior written consent of all of the Ordinary Shareholders (but not otherwise), be transferred to the buyer identified in the Transfer Notice (if any) in accordance with article 17.15.
- 17.11 In the event that there are no Ordinary Shareholders (other than the Seller(s)) at the date of the Transfer Notice and/or Deemed Transfer Notice(s) (as the case may be), article 17.7 and article 17.8 shall apply but the Sale Shares shall be offered first to the B Shareholders and the provisions of those articles shall apply to an offer of the Sale Shares to the B Shareholders *mutatis mutandis*.
- 17.12 The directors shall, if they have elected for the Company to buy back the Sale Shares or when no further offers or allocations are required to be made under article 17.6 to article 17.10 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and the Company or each shareholder (as applicable) to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to the Company or each Applicant and the place and time for completion

of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).

17.13 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from the Company or an Applicant, execute and deliver a transfer of the Sale Shares allocated to the Company or such Applicant, in accordance with any requirements specified in the Allocation Notice.

17.14 If the Seller fails to comply with article 17.13:

17.14.1 the Chairman (or, failing him, any other director or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:

- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Company or the Applicants;
- (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- (c) (subject to the transfers being duly stamped) cancel the Sale Shares (if a Company buy back) or enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and

17.14.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board may reasonably require to prove good title to those Sale Shares, to the Company.

17.15 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may not transfer the Initial Surplus Shares (subject to article 17.11) or the Second Surplus Shares (subject to article 17.10.3) (as the case may be).

## 18 Compulsory transfers

18.1 A B Shareholder is deemed to have served a Transfer Notice under article 17.1 immediately before any of the following events:

18.1.1 a petition being presented, or an order being made, for the shareholder's bankruptcy; or

18.1.2 the shareholder becoming a Departing Employee Shareholder (a **Compulsory Employee Transfer**) (unless the directors otherwise direct in writing within 10 Business Days of the relevant Termination Date that a Transfer Notice shall not be deemed to have been served). For the purpose of this article 18.1.2, the Transfer Notice is deemed to have been served on the relevant Termination Date. Any Transfer Notice served (or deemed to be served) by such Employee Shareholder before the date that the relevant Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse.

18.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:



- 18.2.1 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares;
- 18.2.2 the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Shareholder is:
  - (a) a Bad Leaver, be restricted to a maximum of the lower of the aggregate nominal value of the 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.

## **19 Valuation**

- 19.1 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 19.2 The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:
  - 19.2.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
  - 19.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 19.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - 19.2.4 the Sale Shares are sold free of all encumbrances;
  - 19.2.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
  - 19.2.6 to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 19.3 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 19.4 To the extent not provided for by this article 19, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary), instructing professional advisers to assist them in reaching their valuation.
- 19.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud).
- 19.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct unless the Seller withdraws the relevant Transfer Notice in accordance with article 17.3, in which case the Seller shall bear the cost.

## **20 Drag along**

- 20.1 If the Founder wishes to transfer all but not some only) of his shares to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Ordinary Shareholders may require all other holders of shares in the Company to sell and transfer their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 20.2 The Ordinary Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Ordinary Shareholders' shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 20.2.1 that the relevant Called Shareholder is required to transfer all of his Called Shares pursuant to this article 20;
  - 20.2.2 the person to whom the Called Shares are to be transferred;
  - 20.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Ordinary Shareholders' shares; and
  - 20.2.4 the proposed date of the transfer.
- 20.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Ordinary Shareholders have not sold their shares to the Proposed Buyer within 90 Business Days of serving the Drag Along Notice. The Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20.4 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 20.
- 20.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Ordinary Shareholders' shares unless:
- 20.5.1 the Ordinary Shareholders and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
  - 20.5.2 that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 30th Business Day after service of the Drag Along Notice.
- 20.6 Neither the proposed sale of the Ordinary Shareholders' shares to the Proposed Buyer nor the sale of the Called Shares by the Called Shareholders shall be subject to the rights of pre-emption set out in article 17.
- 20.7 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form(s) for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 20.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders 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 Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form(s) and share certificate(s) (or suitable indemnity) for the relevant Called 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 does not, on or before the Completion Date, execute and deliver (in accordance with article 20.7) transfer(s) in respect of all of the Called Shares held by him, that Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Ordinary Shareholders to be their agent to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 20.9.

## 21 Tag Along

21.1 The provisions of article 21.2 to article 21.6 shall apply if, in one or a series of related transactions, the Founder proposes to transfer any of the Ordinary Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.

21.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to:

21.2.1 the other shareholders to purchase all of the shares held by them;

21.2.2 the holders of any existing options to acquire shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer,

for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 6 months preceding the date of the Proposed Transfer (**Specified Price**).

21.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

21.3.1 the identity of the Buyer;

21.3.2 the Specified Price and other terms and conditions of payment;

21.3.3 the Sale Date; and

21.3.4 the number of shares proposed to be purchased by the Buyer (**Offer Shares**).

21.4 If the Buyer fails to make the Offer to all of the holders of shares in the Company in accordance with article 21.2 and article 21.3, the Seller shall not be entitled to complete the

Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.

- 21.5 If the Offer is accepted by any shareholder (**Accepting Shareholder**) in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 21.6 Neither the Proposed Transfer nor the purchase of Offer Shares from Accepting Shareholders is subject to the pre-emption provisions of Article 14.

## **Decision making by Ordinary Shareholders**

### **22 Quorum for general meetings**

- 22.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, including an Ordinary Shareholder.
- 22.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

### **23 Chairing general meetings**

- 23.1 The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, he shall be entitled to appoint his proxy present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

### **24 Voting**

- 24.1 At a general meeting, on a show of hands every Ordinary Shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder, except that in the case of any resolution proposed, any Original Shareholder voting against such resolution (whether on a show of hands, a poll or on a written resolution) shall be entitled to cast such number of votes as is necessary to defeat the resolution.

### **25 Poll votes**

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

### **26 Proxies**

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

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

#### **Administrative arrangements**

#### **27 Means of communication to be used**

- 27.1 Subject to article 27.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 27.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - 27.1.2 if sent by fax, at the time of transmission; or
  - 27.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
  - 27.1.4 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
  - 27.1.5 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
  - 27.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
  - 27.1.7 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
  - 27.1.8 if deemed receipt under the previous paragraphs of this article 27.1 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 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 27.2 To prove service, it is sufficient to prove that:
- 27.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
  - 27.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
  - 27.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
  - 27.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 27.3 Any notice, document or other information served on, or delivered to, an intended recipient under article 17, or article 18 or article 20 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website.

## **28 Indemnity and insurance**

**28.1** Subject to article 28.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

**28.1.1** each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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 affairs; and

**28.1.2** 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 28.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

**28.2** This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

**28.3** 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.

**28.4** In this article:

**28.4.1** a "relevant officer" means any director or other officer or former director or other officer of the Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and

**28.4.2** a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.