

Company Number: 12507981

## THE COMPANIES ACT 2006 PRIVATE COMPANY LIMITED BY SHARES

### ARTICLES OF ASSOCIATION OF

### ASSET MANAGEMENT (2020) LIMITED

(As adopted by Special Resolution passed on 10 March 2020)

#### 1. PRELIMINARY

- 1.1. The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "Model Articles") shall apply to the Company save in so far as they are excluded or modified hereby and such Model Articles and the articles set out below shall be the Articles of Association of the Company (the "Articles").
- 1.2. In these Articles, any reference to a provision of the Companies Act 2006 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 1.3. Model Articles 9(2), 14, 19(5), 26(5), 28(3), 44(4) and 52 do not apply to the Company.
- 1.4. The headings used in these Articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of these Articles.
- 1.5. In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa.

#### 2. DEFINED TERMS

- 2.1. Model Article 1 shall be varied by the inclusion of the following definitions:

"the Act"	means the Companies Act 2006;
"Acting in Concert"	has the meaning given by the City Code on Takeovers and Mergers;
"Appointer"	has the meaning given in Article 8.1;
"Auditors"	means the auditors from time to time appointed by the Company or such other professional adviser(s) as the Board may from time to time select for the relevant purpose required under these Articles;
"Board"	means the board of directors of the Company from time to time and any duly authorised committee thereof;
"Cessation Date"	the date on which a member becomes a Leaver and no longer holds office or employment with the Company or any group undertaking within the meaning of Section 1161 of the Act;
"Deadlock Decider"	means Peter Davis;



"Employee	
Shareholder"	means an employee of the Company or any member of its Group who holds Shares other than the Initial Directors;
"Fair Value"	has the meaning given in article 13.21;
"Group"	in relation to a company, that company, any subsidiary or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Group is a member of the Group.
"Initial Directors"	means Gordon Craig and Andrew Wood
"Ordinary	
Shareholder"	means any holder of Ordinary Shares from time to time;
"Ordinary Shares"	means the Ordinary Shares of £0.01 each in the capital of the Company from time to time, having the rights and being subject to the restrictions as provided for in these Articles;
"Preference Shares"	means 3% Preference Shares of £0.01 each in the capital of the Company from time to time, having the rights and being subject to the restrictions as provided for in these Articles;
"Preference	
Shareholder"	means any holder of Preference Shares from time to time;
"Proceeds"	means the proceeds of a sale, liquidation, winding up or other return of capital available for distribution among the members (after any outstanding loans have been repaid);
"Sale Shares"	means the shares stated in a Transfer Notice;
"Shareholders	
Agreement"	means the shareholders' agreement entered into on the Adoption Date by the Company and its shareholders;
"Shares"	means the Preference Shares and Ordinary Shares;
"Transfer Notice"	has the meaning given in article 13.2;
"Working Day"	means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the Company is registered.

### **3. APPOINTMENT OF DIRECTORS**

- 3.1. There shall be no maximum number of directors and the minimum number of directors shall be one. Whenever the Company has two or more directors, at least one of them shall be a natural person.
- 3.2. Each Initial Director, for so long as he holds Shares, shall be entitled to hold office as director of the Company.

### **4. PROCEEDINGS OF DIRECTORS**

- 4.1. Subject to Article 4.2, notwithstanding the fact that a proposed decision of the directors concerns or relates to any matter in which a director has, or may have, directly or indirectly, any kind of interest whatsoever, that director may participate in the decision-making process for both quorum and voting purposes.
- 4.2. If the directors propose to exercise their power under section 175(4)(b) of the Act to authorise a director's conflict of interest, the director facing the conflict is not to be counted as participating in the

decision to authorise the conflict for quorum or voting purposes.

4.3. Subject to the provisions of the Act, and provided that (if required to do so by the said Act) he has declared to the directors the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:

- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested; and
- (c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.

4.4. If the Board is made up of only the Initial Directors, if there is an equality of votes on a board resolution, the Deadlock Decider shall assume a position of a non-executive chairman for the matter which is subject to the deadlock, and shall have the casting vote for that resolution, subject to those matters listed in schedule 1 of the Shareholders' Agreement, which require unanimous consent of the Initial Directors.

## **5. UNANIMOUS DECISIONS**

Model Article 8(2) shall be amended by the deletion of the words "copies of which have been signed by each eligible director" and the substitution of the following "where each eligible director has signed one or more copies of it" in its place. Model Article 8(2) shall be read accordingly.

## **6. TERMINATION OF DIRECTOR'S APPOINTMENT**

In addition to the events terminating a director's appointment set out in Model Article 18, a person ceases to be a director as soon as that person has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors make a decision to vacate that person's office.

## **7. SECRETARY**

The directors may appoint a secretary to the Company for such period, for such remuneration and upon such conditions as they think fit; and any secretary so appointed by the directors may be removed by them.

## **8. ALTERNATE DIRECTORS**

8.1. Any director (the "Appointer") may appoint as an alternate any other director, or any other person approved by a decision of the directors, to:

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's Appointer.

8.2. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointer, or in any other manner approved by the directors. The notice must:

- (a) identify the proposed alternate; and
- (b) 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 his Appointor.

8.3. An alternate director has the same rights to participate in any directors' meeting or decision of the directors reached in accordance with Model Article 8, as the alternate's Appointor.

8.4. Except as these Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts or omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) are not deemed to be agents of or for their Appointors.

8.5. A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating);
- (b) may sign or otherwise signify his agreement in writing to a written resolution in accordance with Model Article 8 (but only if that person's Appointor has not signed or otherwise signified his agreement to such written resolution); and
- (c) shall not be counted as more than one director for the purposes of this article 8.5.

8.6. An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration payable to that alternate's Appointor as the Appointor may direct by notice in writing made to the Company.

8.7. Model Article 20 is modified by the deletion of each of the references to "directors" and the replacement of each such reference with "directors and/or any alternate directors".

8.8. An alternate director's appointment as an alternate terminates:

- (a) when his Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) 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 office as director;
- (c) on the death of his Appointor; or
- (d) when his Appointor's appointment as a director terminates.

## **9. ISSUE OF SHARES**

9.1. Subject to article 9.2, unless the Ordinary Shareholders of the Company by special resolution direct otherwise, all Ordinary Shares which the directors propose to issue must first be offered to the members in accordance with the following provisions of this Article.

9.2. Unless the Preference Shareholders of the Company unanimously resolve in writing otherwise, there shall be no allotments of Preference Shares.

9.3. Shares must be offered to members of the same class in proportion as nearly as may be to the number of

existing Shares of that class held by them.

- 9.4. The offer shall be made by notice specifying the number of shares offered and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined.
- 9.5. After the expiration of the period referred to in 9.4, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; and such further offer shall be made in the like terms in the same manner and limited by a like period as the original offer.
- 9.6. Any shares not accepted pursuant to the offer referred to in 9.3 and the further offer referred to in 9.4 shall be offered to Shareholders who hold different classes of Shares to those being offered (**Second Offerees**), in proportion as nearly as may be to the number of existing Shares held by all Second Offerees.
- 9.7. After the expiration of the period referred to in 9.6, those shares so deemed to be declined shall be offered in the proportion aforesaid to the Second Offerees who have, within the said period, accepted all the shares offered to them; and such further offer shall be made in the like terms in the same manner and limited by a like period as the original offer.
- 9.8. Those Shares not accepted pursuant to the offer referred to in 9.6 and the further offer in 9.7, or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the directors; who may allot, grant options over or dispose of the same to such persons, on such terms, and in such manner as they think fit.
- 9.9. In accordance with section 567 of the Act, sections 561 and 562 of the said Act are excluded.

## **10 CONSOLIDATION OF SHARES**

10.1 This Article applies in circumstances where:

- (a) there has been a consolidation of shares; and
- (b) as a result, members are entitled to fractions of shares.

10.2 The directors may:

- (a) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable; and
- (b) authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser.

10.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.

10.4 A person to whom shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

- 10.5 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## **11 TRANSMISSION OF SHARES**

- 11.1 Model Article 27 is modified by the addition of new Model Article 27(4) in the following terms:  
"Nothing in these Articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member."
- 11.2 All the Articles relating to the transfer of shares apply to:
- (a) any notice in writing given to the Company by a transmittee in accordance with Model Article 28(1); and
  - (b) any instrument of transfer executed by a transmittee in accordance with Model Article 28(2),  
as if such notice or instrument were an instrument of transfer executed by the person from whom the transmittee derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **12 SHARE CAPITAL**

- 12.1 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 12.2 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:
- (a) any alteration in the Articles;
  - (b) any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital.
- 12.3 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.

### ***Income***

- 12.4 The holders of the Preference Shares shall be entitled, in priority to the payment of dividends to the holders of any other Shares and before the application of profits to reserve or for any other purpose, and in proportion to the number of Shares held by them to a fixed, cumulative annual cash dividend equal to 3.3% of their nominal value (the "**Share Dividend**").
- 12.5 If, as a result of not having sufficient available profits, the Company is not lawfully permitted to pay the Share Dividend in full on the due date, it shall pay the Share Dividend to the extent it is lawfully able to do so, and any arrears shall accrue until the following financial year.
- 12.6 Subject to the payment of the Share Dividend and any arrears payable pursuant to articles 12.4 and 12.5, the Ordinary Shares shall be entitled to the payment in proportion to the number of Shares held by them to any

dividend declared by the Board from time to time.

### **Capital**

- 12.7 On a sale, liquidation, winding up or other return of capital, the proceeds available for distribution among the members (after any outstanding loans have been repaid) shall be distributed in the following proportions, pro-rata to the number of shares of each class held by each member:
- (a) first, in paying to the holders of the Preference Shares a sum equal to £4,612,718, pro-rata to their Preference Shareholdings. If there shall be insufficient surplus assets to pay such amounts in full, the amount payable to such holders shall be abated pro rata to the number of such Preference Shares held by each of them;
  - (b) second, in paying to the holders of the Preference Shares, a sum equal to the aggregate of any arrears of the Share Dividend. If there shall be insufficient surplus assets to pay such amounts in full, the amount payable to such holders shall be abated pro rata to the number of such Preference Shares held by each of them;
  - (c) third, in distributing the balance of such assets then to the Ordinary Shareholder in proportion to the number of such Shares held by them respectively.

## **13 SHARE TRANSFERS**

- 13.7 No Shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any Share or any interest in any Share (**Disposal**), except as permitted by this agreement or with the consent of the Board, save that:
- (a) Louise Wood is required to transfer her shares to Andrew Wood in the event of a divorce for no consideration, completion to take place simultaneous with pronouncement of decree absolute; and
  - (b) with the exception of 13.1(a), the procedure set out in articles 13.2 - 13.7 shall be followed in the event of such a Disposal.
- 13.8 A Shareholder (**Seller**) wishing to transfer Shares (**Sale Shares**) shall give notice in writing (**Transfer Notice**) to the other Shareholders excluding any Shareholder whose Shares are, at the date of the Transfer Notice the subject of a Deemed Transfer Notice under article 6 (**Continuing Shareholders**) specifying the details of the proposed transfer, including the class and number of Sale Shares comprised within the Transfer Notice, the identity of the proposed buyer(s) (if any), the proposed price for each Sale Share (**Proposed Sale Price**) and each Continuing Shareholder's entitlement to the Sale Shares, being the same proportion of the Sale Shares as the proportion that the number of Shares of the same class as the Sale Shares held by a Continuing Shareholder bears to the total number of Shares of the same class as the Sale Shares held by all Continuing Shareholders (in respect of each Continuing Shareholder, his **Entitlement**) and for the avoidance of doubt, any Continuing Shareholder who does not hold Shares of the same class as the Sale Shares shall have no Entitlement.
- 13.9 The Continuing Shareholders (or any of them) may, by giving notice in writing (**Price**

**Notice)** to the Seller at any time within ten Business Days of receipt of a Transfer Notice, notify the Seller that the Proposed Sale Price is too high. Following service of a Price Notice, the parties shall endeavour to agree a price for each of the Sale Shares. If the parties have not agreed such a price within ten Business Days of the Seller's receipt of a Price Notice, they (or any of them) shall immediately instruct the Valuers to determine the Fair Value of each Sale Share in accordance with articles 13.20 to 13.24 inclusive.

- 13.10 If, following delivery to him of the Valuers' written notice in accordance with articles 13.20 to 13.24 inclusive, the Seller does not agree with the Valuers' assessment of the Fair Value of the Sale Shares, he shall be entitled to revoke the Transfer Notice by giving notice in writing to the Continuing Shareholders within five Business Days of delivery to him of the Valuers' written notice. If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with this agreement.
- 13.11 Within ten Business Days of receipt (or deemed receipt) of a Transfer Notice or, if later, within ten Business Days of receipt of the Valuers' determination of the Fair Value (**Acceptance Period**) (and provided the Seller has not withdrawn the Transfer Notice in accordance with article 13.4), each Continuing Shareholder (provided he has an Entitlement) shall be entitled (but not obliged) to give notice in writing (**Acceptance**) to the Seller stating that he wishes to purchase all or some of his Entitlement to the Sale Shares at the Sale Price, plus such additional number of Sale Shares that the Continuing Shareholder may wish to purchase (**Accepting Shareholders**).
- 13.12 If:
- (a) at the end of the Acceptance Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Accepting Shareholder who has applied for Sale Shares in accordance with his Entitlement. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the directors. No allocation shall be made to a Accepting Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
  - (b) not all Sale Shares are allocated following allocations in accordance with article 1.1(a), but there are applications for Sale Shares that have not been satisfied (because an Accepting Shareholders wishes to purchase more than his Entitlement and one or more Continuing Shareholder does not wish to purchase some or all of his Entitlement, the directors shall allocate the remaining Sale Shares to such applicants in accordance with their Entitlement. The procedure set out in this article 1.1(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
  - (c) at the end of the Acceptance 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



Accepting Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 13.11.

- 13.13 When no further offers or allocations are required to be made under article 13.6, the Seller shall give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Accepting Shareholder to whom Sale Shares have been allocated. The Allocation Notice shall specify the number of Sale Shares allocated to each Accepting Shareholder and the place and time for completion of the transfer of the Sale Shares (which shall be at least ten Business Days, but not more than twenty Business Days, after the date of the Allocation Notice).
- 13.14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Accepting Shareholder, transfer the Sale Shares allocated to such Accepting Shareholder, in accordance with any requirements specified in the Allocation Notice.
- 13.15 If the Seller fails to comply with article 13.8:
  - 13.15.1 the Chairman (or, failing him, any other director or some other person nominated by a resolution of the directors) may, as agent and attorney on behalf of the Seller:
  - 13.15.2 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Accepting Shareholders;
  - 13.15.3 receive the price and give a good discharge for it (and no Accepting Shareholder shall be obliged to see to the distribution of the price); and
  - 13.15.4 (subject to the transfer being duly stamped) enter the Accepting Shareholder's name in the register of Shareholders as the holders of the Sale Shares purchased by them; and
  - 13.15.5 the Company shall pay the 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 Shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.
- 13.16 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the twenty Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, offer the Initial Surplus Shares to Shareholders who own Shares of a different class to the Sale Shares at a price at least equal to the Price offered to the Continuing Shareholders with an Initial Entitlement and the provisions of article 13.6 to article 13.9 inclusive shall apply to such offer and any reference to the Continuing Shareholders or Accepting Shareholders in those articles shall be a reference to the Shareholders who have received an offer under this article 13.10.
- 13.17 In relation to any Sale Shares or Initial Surplus Shares not accepted under the pre-ceding articles of this article 13, the Seller shall be entitled to transfer those Sale Shares to the third party buyer identified in the Transfer Notice or some other third party buyer at a price per Sale Share not less than the Sale Price.

### ***Compulsory transfers***

- 13.18 A Shareholder is deemed to have served a Transfer Notice under article 13.2 immediately upon any of the following events of default:
- 13.18.1 his death; or
  - 13.18.2 a permanent incapacity through accident or illness; or
  - 13.18.3 an order being made for the Shareholders' bankruptcy or an arrangement or composition being proposed with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or
  - 13.18.4 in the case of the Employee Shareholders only, he ceases to be an employee of any member of the Company's Group; or
  - 13.18.5 he fails to remedy a material breach by him of any obligation under this agreement within twenty Business Days of notice to remedy the breach being served by all the other Shareholders; or
  - 13.18.6 he is guilty of any conduct likely to have a serious adverse effect upon the Business; or
  - 13.18.7 he is found guilty of a criminal offence resulting in a term of imprisonment.
- 13.19 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of articles 13.1 to 13.11 inclusive shall apply, except that:
- 13.19.1 the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice);
  - 13.19.2 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares;
  - 13.19.3 subject to article 13.13(d), the Sale Price shall be the Fair Value of those Shares, determined by the Valuers in accordance with articles 13.20 to 13.24 inclusive;
  - 13.19.4 if the Seller is deemed to have given a Transfer Notice as a result of article 13.13(e), (f) and (g), the Sale Price shall be restricted to a maximum of the lower of the Exercise Price paid in respect of the Sale Shares, the aggregate subscription price paid in respect of the Sale Shares and the aggregate Fair Value of such Sale Shares;
  - 13.19.5 the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation;
  - 13.19.6 if the Accepting Shareholders do not accept the offer of Sale Shares comprised in the Deemed Transfer Notice in full, the Seller does not have the right to sell the Shares to a third party without Shareholder Consent.
- 13.20 Forthwith upon a Transfer Notice being deemed to be served under article 6.1 the Shares subject to the relevant Deemed Transfer Notice (Restricted Shares) shall cease to confer on the holder of them any rights:

- 13.20.1 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;
- 13.20.2 to receive dividends or other distributions otherwise attaching to those Shares; or
- 13.20.3 to participate in any future issue of Shares,

however such rights shall be reinstated upon completion of the transfer of the Sale Shares.

***Completion of share purchase***

- 13.21 Completion of the sale and purchase of Shares under articles 13.1 to 13.14 inclusive of this agreement shall take place twenty Business Days after the date of delivery (or deemed date of delivery) of the last Allocation Notice received (within the Acceptance Period) under article 13.7 or, if applicable, 13.10.
- 13.22 At such completion:
  - 13.22.1 the Seller shall deliver, or procure that there is delivered to each Accepting Shareholder who is to purchase Sale Shares, a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Sale Shares to him, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Accepting Shareholders or the Company may reasonably require to show good title to the Shares, or to enable him to be registered as the holder of the Shares;
  - 13.22.2 each relevant Accepting Shareholder shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to his order for the Sale Price for the Sale Shares being transferred to him (or such other method of payment agreed between an Accepting Shareholder and the Seller); and
  - 13.22.3 the Seller shall procure that any buyer of Sale Shares that is not, immediately prior to completion of the transfer in question, a party to this agreement shall, at completion, enter into a deed of adherence with the Accepting Shareholders, agreeing to be bound by the terms of this agreement, in such form as the Accepting Shareholders may reasonably require (but not so as to oblige the buyer to have any obligations or liabilities greater than those of the Seller).
  - 13.22.4 if, following a sale of Shares in accordance with this agreement, the Seller holds no further Shares:
    - (i) the Seller shall deliver, or procure that there are delivered to the Company, his resignation as a director of each member of the Company's Group and resignations from any directors appointed by him, such resignations to take effect at completion of the sale of the Shares;
    - (ii) the Seller shall automatically cease to be a party to this agreement, but without prejudice to any rights or obligations of the Seller which accrued before such cessation (including, without limitation, his obligations under articles 14 and 18 which shall survive such cessation), including in

respect of any prior breach of this agreement; and

- (iii) if required by the Company, resign as a Trustee of the Group's employee benefit trust.

- 13.23 Any transfer of Shares by way of a sale under this agreement shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee.
- 13.24 If any Accepting Shareholder fails to pay the Sale Price payable by him on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Sale Price shall accrue interest at a rate equal to 4% per annum above the base rate of Lloyds Bank Plc from time to time.
- 13.25 Each of the Accepting Shareholders shall use his reasonable endeavours to procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) the registration (subject to due stamping by the Accepting Shareholders) of the transfers of the Sale Shares under these articles and each of them consents to such transfers and registrations.

***Fair value***

- 13.26 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:
- (a) valuing each of the Sale Shares as a 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;
  - (b) if the Company is then carrying on Business as a going concern, on the assumption that it will continue to do so;
  - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - (d) the Shares are sold free of all Encumbrances;
  - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
  - (f) taking into account any previous method of valuation adopted by the Company's accountants upon a valuation of the Company or any member of its Group.
- 13.27 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties (in the absence of manifest error or fraud).
- 13.28 The parties 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 parties may reasonably require.

13.29 To the extent not provided for by these article 13.15 to 13.24 inclusive, 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.

13.30 The cost of obtaining the Valuers' valuation shall be borne as to half by the Seller and half by the Company unless the Seller withdraws the relevant Transfer Notice in accordance with article 13.4, in which case the Seller shall bear the cost.

#### 14 TAG ALONG RIGHTS ON A CHANGE OF CONTROL

14.7 Without prejudice to article 13, this article 14 shall apply when both Initial Directors propose to transfer all Shares to a third party buyer (**Buyer**) which when completed, shall result in the Buyer acquiring Control of the Company. For the purpose of the remainder of this article 14, the Initial Directors shall be referred to as the Seller and the other Shareholders shall be referred to as the Continuing Shareholders.

14.8 The Seller shall procure that the Buyer makes an offer (**Offer**) to the Continuing Shareholders to purchase all of the Shares held by them at the same price per share and on the same terms and conditions (**Specified Price and Terms**) and at the same time as the Buyer completes the purchase of the Sellers' Shares. For the avoidance of doubt, the price shall be paid in accordance with article 12.7.

14.9 The Offer shall be made by written notice (**Offer Notice**), and shall be served simultaneously with the Transfer Notice. The Offer Notice shall set out:

14.9.1 the identity of the Buyer;

14.9.2 the Specified Price and Terms;

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

14.10 If the Buyer fails to make the Offer to the Continuing Shareholders in accordance with Articles 14.2 and 14.3, the Seller shall not be entitled to complete the proposed transfer of their Shares.

14.11 Acceptance of the Offer by any Continuing Shareholder (**Accepting Shareholder**) shall be by notice in writing to the Buyer (**Accepting Notice**) within ten Business Days of receipt (or deemed receipt) of the Offer Notice.

14.12 Completion of the sale of the Sellers' Shares shall be conditional on completion of the purchase of all the Offer Shares held by the Accepting Shareholders and completion of the sale and purchase of the Sellers' Shares and the Offer Shares under this article shall:

14.12.1 take place twenty Business Days after the date of delivery (or deemed date of delivery) of the last Accepting Notice (within the requisite time period) to the Buyer; and

14.12.2 upon completion:

- (i) the Seller and Accepting Shareholders shall procure that there is delivered to the Company a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Sellers' Shares and Offer Shares to the Buyer, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Company may reasonably require to show good title to the Shares, or to enable the Buyer to be registered as the holder of the Shares;
- (ii) the Seller and Accepting Shareholder shall also procure that any Buyer of the Sellers' Shares and the Offer Shares that is not, immediately prior to completion of the transfer in question, a party to this agreement shall, at completion, enter into a deed of adherence with the Shareholders (if any), agreeing to be bound by the terms of this agreement, in such form as the Shareholders may reasonably require (but not so as to oblige the Buyer to have any obligations or liabilities greater than those of the Seller and the Accepting Shareholder).

14.13 Any transfer of Shares by way of a sale and purchase in accordance with this article 14 shall be deemed to include a warranty that the Seller and Accepting Shareholders sell the Shares with full title guarantee.

14.14 Each of the Continuing Shareholders (if any) shall use his reasonable endeavours to procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) the registration (subject to due stamping by the Accepting Shareholders) of the transfers of the Sellers' Shares and Offer Shares under this article 14 and each of them consents to such transfers and registrations.

## 15 DRAG ALONG RIGHTS

15.7 After first serving a Transfer Notice in accordance with article 13.2 and with the consent of the Board, the Initial Directors may require all other Shareholders to sell and transfer all their Shares (**Called Shares**) to the Buyer in accordance with the provisions of this article 9 (**Drag Along Option**). For the purpose of this article 15, the Initial Directors shall be referred to as the Sellers.

15.8 The Sellers may exercise the Drag Along Option by giving written notice (**Drag Along Notice**) to that effect to all other Shareholders (to now be referred to as **Called Shareholders** for the purposes of this article 15) at any time within ten Business Days of service (or deemed service) of the Drag Along Notice to the Called Shareholders. The Drag Along Notice shall specify:

- 15.8.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 15;
- 15.8.2 the person to whom the Called Shares are to be transferred; and
- 15.8.3 the purchase price payable for the Called Shares which shall, for each Share, be an amount at least equal to the price per share offered by the proposed Buyer for the Seller's Shares, but which shall be distributed in accordance with article 12.7.
- 15.9 Once issued, a Drag Along Notice shall be irrevocable.
- 15.10 Completion of the sale and purchase of Shares under this article 15 shall take place twenty Business Days after the date of delivery (or deemed date of delivery) of the Drag Along Notice to the Called Shareholders and the Sellers and Called Shareholders shall deliver to the Company a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Called Shares to the Buyer, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Company may reasonably require to show good title to the Called Shares, or to enable the Buyer to be registered as the holder of the Called Shares.
- 15.11 If any Called Shareholder does not on or before completion execute and deliver (in accordance with article 15.4) stock transfer form(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Sellers to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Buyer as the holder thereof. After the Buyer 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 15.
- 15.12 A Drag Along Notice shall lapse if, for any reason, the Sellers have not completed on the sale of their Shares to the Buyer by the expiry of the period specified in article 15.4, but further Drag Along Notices may be served.
- 15.13 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 15.

## **16 WRITTEN RESOLUTIONS OF MEMBERS**

- 16.7 Subject to Article 16.2, a written resolution of members passed in accordance with Part 13 of the Act is as valid and effectual as a resolution passed at a general meeting of the Company.
- 16.8 The following may not be passed as a written resolution and may only be passed at a general meeting:
- 16.8.1 a resolution under section 168 of the Act for the removal of a director before the expiration of

his period of office; and

16.8.2 a resolution under section 510 of the Act for the removal of an auditor before the expiration of his period of office.

16.9 Subject to Article 16.5, on a written resolution, a member has one vote in respect of each Ordinary Share held by him.

16.10 No member may vote on a written resolution unless all moneys currently due and payable in respect of any Shares held by him have been paid.

## **17 NOTICE OF GENERAL MEETINGS**

17.7 Every notice convening a general meeting of the Company must comply with the provisions of:

17.7.1 section 311 of the Act as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting; and

17.7.2 section 325(1) of the Act as to the giving of information to members regarding their right to appoint proxies.

17.8 Every notice of, or other communication relating to, any general meeting which any member is entitled to receive must be sent to each of the directors and to the auditors (if any) for the time being of the Company.

17.9 The Preference Shares shall not confer on their holders the right to be given notice of or the right to attend any general meeting of the Company.

## **18 QUORUM AT GENERAL MEETINGS**

18.7 If and for so long as the Company has one member only, one member entitled to vote on the business to be transacted, who is present at a general meeting in person or by one or more proxies or, in the event that the member is a corporation, by one or more corporate representatives, is a quorum.

18.8 If and for so long as the Company has two or more members, two members, each of whom is entitled to vote on the business to be transacted and is present at a general meeting in person or by one or more proxies or, in the event that any member present is a corporation, by one or more corporate representatives, are a quorum.

18.9 Model Article 41(1) is modified by the addition of a second sentence as follows:

"If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved."

## **19 VOTING AT GENERAL MEETINGS**

19.7 Subject to Article 19.3 below, on a vote on a resolution at a general meeting on a show of hands only members who hold Ordinary Shares may vote:

19.7.1 each member who, being an individual, is present in person has one vote;



19.7.2 if a member (whether such member is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies so appointed and in attendance at the meeting have, collectively, one vote; and

19.7.3 if a corporate member appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the Act, one vote.

19.8 Subject to Article 19.3 below, on a resolution at a general meeting on a poll, every voting member (whether present in person, by proxy or authorised representative) has one vote in respect of each Ordinary Share, held by him.

19.9 No member may vote at any general meeting or any separate meeting of the holders of any class of shares in the Company, either in person, by proxy or, in the event that the member is a corporation, by corporate representative in respect of Shares held by that member unless all moneys currently due and payable by that member in respect of any Shares held by that member have been paid.

19.10 A demand for a poll made by a person as proxy for a member is the same as a demand made by the member.

19.11 Polls must be taken at the general meeting at which they are demanded and in such manner as the chairman directs.

## **20 DELIVERY OF PROXY NOTICES**

Model Article 45(1) is modified, such that a "proxy notice" (as defined in Model Article 45(1)) and any authentication of it demanded by the directors must be received at an address specified by the Company in the proxy notice not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote; and any proxy notice received at such address less than 48 hours before the time for holding the meeting or adjourned meeting shall be invalid.

## **21 COMMUNICATIONS**

21.7 Subject to the provisions of the Act, a document or information may be sent or supplied by the Company to a person by being made available on a website.

21.8 A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by electronic means is entitled to have notices sent to him at that address, but otherwise no such member is entitled to receive any notices from the Company.

21.9 If any share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders.

21.10 Notices:

21.10.1 If the Company sends or supplies notices or other documents by first class post and the Company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48

hours after posting.

21.10.2 If the Company sends or supplies notices or other documents by electronic means and the Company proves that such notices or other documents were properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied.

21.10.3 If the Company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website.

21.10.4 For the purposes of this Article 21.4, no account shall be taken of any part of a day that is not a Working Day.

## **22 COMPANY SEALS**

22.7 Model Article 49(1) is modified, such that any common seal of the Company may be used by the authority of the directors or any committee of directors.

22.8 Model Article 49(3) is modified by the deletion of all words which follow the", " after the word "document" and their replacement with "the document must also be signed by:

22.8.1 one authorised person in the presence of a witness who attests the signature; or

22.8.2 two authorised persons".

## **23 INDEMNITY**

23.7 Subject to Article 23.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

23.7.1 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:

23.7.2 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

23.7.3 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

23.7.4 including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

23.7.5 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 23.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

23.8 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

23.9 In this article:

23.9.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same

body corporate; and

23.9.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) and may, if the members so decide, include any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).