

**Company number 12507981**  
**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**ASSET MANAGEMENT (2020) LIMITED**  
**(Adopted by special resolution passed on 6 May 2022)**

**INTRODUCTION**

**1. Interpretation**

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

**Act:** the Companies Act 2006.

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

**Adoption Date:** the date of adoption of these Articles.

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

**Available Profits:** profits available for distribution within the meaning of part 23 of the Act.

**B Preference Shares:** the B 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.

**B Preference Shareholder:** means any holder of B Preference Shares from time to time.

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

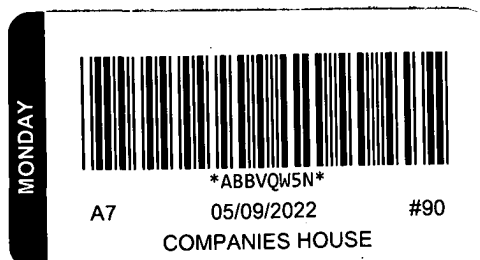
**Chair:** has the meaning given to it in article 4.2;

**Company:** means Asset Management (2020) Limited (Company number 12507981).

**Company's Lien:** has the meaning given to it in article 23.1.

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

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



**Deadlock Decider:** Peter Davis, or such other person who is appointed as Deadlock Decider by the Board.

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

**Departing Employee:** an Employee who ceases to be a director or employee of, or consultant to, any Group Company and who does not continue as, or become, a director or employee of, or consultant to, any Group Company, but excluding the Initial Directors.

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

**Disposal:** the disposal by the Company of all, or a substantial part of, its business and assets.

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

**Employee:** an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, any Group Company.

**Equity Proceeds:** the balance of the Proceeds after all amounts under article 9.1(a) to (c) inclusive have been paid in full.

**Exit:** a Share Sale or a Disposal.

**Fair Value:** has the meaning given in article 16.4.

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

**First Offer Shareholders:** the Shareholders set out in article 15.6(a).

**Group:** the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and **Group Company:** shall be construed accordingly.

**holding company:** has the meaning given in article 1.10.

**Independent Expert:** the auditors or accountants (as the case may be) for the time being of the Company or, if they decline the instruction, an independent firm of chartered accountants of repute appointed by the Company and the Seller in accordance with article 16.

**Initial Directors:** Gordon Craig and Andrew Wood.

**Issue Price:** in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium, or where a share has been acquired by way of transfer, the price paid by a Shareholder for the Share.

**Lien Enforcement Notice:** means a notice in writing which complies with the requirements of article 24.2.

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

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

**Ordinary Shareholder:** means any holder of Ordinary Shares from time to time.

**Ordinary Shares:** 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.

**Ordinary B Shareholder:** means any holder of Ordinary B Shares from time to time.

**Ordinary B Shares:** the ordinary B 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.

**Ordinary C Shareholder:** means any holder of Ordinary C Shares from time to time.

**Ordinary C Shares:** the ordinary C 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.

**Original Shareholder:** has the meaning given in article 14.1.

**Permitted Transfer:** a transfer of Shares made in accordance with article 14.

**Permitted Transferee:** a spouse, civil partner (as defined in the Civil Partnerships Act 2004) or child.

**Preference Shareholder:** the holder of Preference Shares from time to time.

**Preference Shares:** the 3.3% 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.

**Proceeds:** on a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities.

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

- a) the grant of any options under a Share Option Plan (and the issue of Shares on the exercise of any such options);
- b) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by the Initial Investors.

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

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

**Restricted Shares:** has the meaning given in article 17.7.

**Sale Proceeds:** means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale.

**Sale Shares:** has the meaning given in article 15.2(a).

**Second Offer Shareholders:** the Shareholders set out in article 15.6(b).

**Seller:** has the meaning given in article 15.2.

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

**Shareholders' Agreement:** the shareholders' agreement entered into on the Adoption Date between the Company and its Shareholders.

**Share Option Scheme:** any share option scheme of the Company which the Initial Directors identify in writing as being a Share Option Scheme for the purposes of these Articles.

**Shares:** shares (of any class) in the capital of the Company and **Share:** shall be construed accordingly.

**Share Sale:** the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with the buyer of those Shares together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.

**subsidiary:** has the meaning given in article 1.10.

**Transfer Notice:** has the meaning given in article 15.2.

**Transfer Price:** has the meaning given in article 16.

**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.

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject

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

1.6 A reference in these Articles to:

- (a) an **Article** is a reference to the relevant numbered article of these Articles; and
- (b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise.

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

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

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

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

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

## **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.

## **DIRECTORS**

### **3. Proceedings of Directors**

- 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 3.2 (subject to article 3.3 and article 3.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 3.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 3.3 A decision taken in accordance with article 3.2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 3.4 A decision may not be taken in accordance with article 3.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 3.6 and article 3.7.
- 3.5 Meetings of the Directors shall take place at least four times in each year, with a period of not more than fifteen weeks between any two meetings. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least ten Business Days' advance notice of each such meeting shall be given to each Director (except with the prior consent all Directors, when meetings of the Directors may take place less frequently or on shorter notice).
- 3.6 Subject to article 3.8, the quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must include each Initial Director in office for the time being, unless:
- (a) there is no Initial Director in office for the time being; or
  - (b) an Initial Director has, in respect of any particular meeting (or part of a meeting), otherwise agreed ahead of such meeting; or
  - (c) an Initial Director is not, in respect of any particular meeting (or part of a meeting), an Eligible Director.

in which case, subject to article 3.7, the quorum for such meeting (or part of the meeting, as the case may be) shall be any two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. Where two consecutive meetings are not quorate due to the same Initial Director failing to attend, the Initial Director who was in attendance may call a meeting of the Shareholders to vote on the resolution as an ordinary resolution.

- 3.7 For the purposes of any meeting (or part of a meeting) held pursuant to article 6 to authorise a Conflict (as defined in article 6.1), 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.
- 3.8 If the number of Directors in office for the time being is less than two, the Director in office shall have day to day control of the management of the Company and the articles which require a higher article shall be deemed amended accordingly.
- 3.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Deadlock Decider shall assume apposition of 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 the unanimous consent of the Initial Investors.
- 3.10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

#### **4. Initial Directors and Chair**

- 4.1 Each Initial Director shall have the right, for so long as he holds shares to be appointed as a Director.
- 4.2 The Directors may appoint any person as chair of the board of Directors (**Chair**) and may remove and replace any such Chair. If there is no Chair in office for the time being, or the Chair is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the chair of the meeting must be the first business of the meeting. The Chair shall not have a second or casting vote.

#### **5. Transactions or other arrangements with the Company**

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

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

- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which they are interested;
- (d) may act by themselves, or their firm in a professional capacity for the Company (otherwise than as auditor) and they, or their firm shall be entitled to remuneration for professional services as if they were not a Director;
- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them) 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 their duty under section 176 of the Act.

## 6. Directors' conflicts

- 6.1 The Directors may, in accordance with the requirements set out in this article 6, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching their duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 6.2 Any authorisation under this article 6 will be effective only if:
  - (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 6.3 Any authorisation of a Conflict under this article 6 may (whether at the time of giving the authorisation or subsequently):
  - (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;



- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through the Interested Director's position as a Director of the Company) information that is confidential to a third party, they will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent themselves 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.

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

6.5 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.

6.6 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 they derive from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **7. Secretary**

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

## SHARES AND DISTRIBUTIONS

### 8. Dividends

- 8.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this article 8.
- 8.2 The:
- (a) the Preference Shareholders 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 Preference Share Dividend**); and
  - (b) the B Preference Shares shall be entitled, in priority to the payment of dividends to the Ordinary Shareholders, Ordinary B Shareholders and Ordinary C Shareholders 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 the sterling overnight index average interest rate plus 3% of their nominal value (**the B Preference Share Dividend**).
- 8.3 If, as a result of not having sufficient available profits, the Company is not lawfully permitted to pay the Preference Share Dividend in full on the due date, it shall pay the Preference Share Dividend to the extent it is lawfully able to do so, and any arrears shall accrue until the following financial year. If, as a result of not having sufficient available profits, the Company is not lawfully permitted to pay the B Preference Share Dividend in full on the due date, it shall pay the B Preference Share Dividend to the extent it is lawfully able to do so, and any arrears shall accrue until the following financial year.
- 8.4 Subject to the payment of the Preference Share Dividend and B Preference Share Dividend and any arrears payable pursuant to article 8.3, the Ordinary Shares, Ordinary B Shares and Ordinary C 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.
- 8.5 Subject to the Act, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.
- 8.6 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively. All dividends are expressed net and shall be paid in cash.

## 9. Liquidation preference

9.1 On a sale, liquidation, winding up or other return of capital, the Proceeds available for distribution among the Shareholders shall be distributed in the following proportions, pro-rata to the number of Shares held by each Shareholder:

- (a) first, in paying to the Preference Shareholders and B Preference Shareholders a sum equal to £4,596,451, pro-rata to their holdings of Preference Shares and B Preference Shares. 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 or B Preference Shares held by each of them;
- (b) second, in paying to the Preference Shareholders, a sum equal to the aggregate of any arrears of the Preference 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 paying to the holders of the B Preference Shares a sum equal to the aggregate of any arrears of the B Preference 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 B Preference Shares held by each of them;
- (d) fourth, to the Ordinary Shareholders, the amount per Ordinary Share equal to the value of the Equity Proceeds divided by the number of Ordinary Shares, Ordinary B Shares and Ordinary C Shares in issue from time to time; and
- (e) fifth, to the Ordinary B Shareholders and Ordinary C Shareholders:
  - (i) in respect of the first £413,159 of the BC Proceeds:
    - (a) to the Ordinary B Shareholders, 20%; and
    - (b) to the Ordinary C Shareholders, 80%
  - (ii) in respect of the balance of the BC Proceeds, the Ordinary B Shareholders and Ordinary C Shareholders shall participate *pari passu* as if they constituted a single class, pro rata to the number of Ordinary B Shares or Ordinary C Shares held.

9.2 For the purpose of article 9.1, the BC Proceeds shall mean:

EP x BC

OSC

Where:

EP is the Equity Proceeds

OSC is the aggregate number of Ordinary Shares, Ordinary B Shares and Ordinary C Shares

BC is the aggregate number of Ordinary B Shares and Ordinary C Shares.

**10. Exit provisions**

10.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in article 9. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

- (a) the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in article 9; and
- (b) each Shareholder shall take any reasonable action (to the extent lawful and within its control) to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 9.

10.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in article 9.

**11. Variation of class rights**

11.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class.

11.2 Without prejudice to the generality of article 11.1, the special rights attaching to the Shares shall be deemed to be varied by the occurrence of any of the following events:

- (a) the 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; and
- (b) the alteration of the Articles.

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

**12. Pre-emption rights on the issue of further shares**

12.1 Subject to article 12.2; unless the Ordinary Shareholders, Ordinary B Shareholders and Ordinary C Shareholders by special resolution direct otherwise, all Shares which the Directors propose to issue must first be offered to the members in accordance with the following provisions of this Article.

- 12.2 Unless the Preference Shareholders unanimously resolve in writing otherwise, there shall be no allotments of Preference Shares. Unless the B Preference Shareholders unanimously resolve in writing otherwise, there shall be no allotments of B Preference Shares.
- 12.3 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.
- 12.4 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.
- 12.5 After the expiration of the period referred to in 12.4, 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.
- 12.6 Any shares not accepted pursuant to the offer referred to in 12.3 and the further offer referred to in 12.5 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.
- 12.7 After the expiration of the period referred to in 12.6, 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.
- 12.8 Those Shares not accepted pursuant to the offer referred to in 12.6 and the further offer in 12.7, 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.
- 12.9 In accordance with section 567 of the Act, sections 561 and 562 of the said Act are excluded.

**13. Transfers of shares: general**

- 13.1 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.
- 13.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to article 13.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

- 13.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, they shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by them.
- 13.4 Any transfer of a Share by way of sale which is required to be made under article 17 or article 19 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 13.5 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of the Shareholders' Agreement (or similar document) in force between any of the Shareholders and the Company, 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). If any condition is imposed in accordance with this article 13.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 13.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- (a) any holder (or the legal representatives of a deceased holder); or
  - (b) any person named as a transferee in a transfer lodged for registration; or
  - (c) such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 13.7 If any such information or evidence referred to in article 13.6 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors then, unless otherwise directed in writing by the Directors:
- (a) the relevant Shares shall cease to confer on the holder of them any rights:
    - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
    - (ii) to receive dividends or other distributions otherwise attaching to those Shares; or
    - (iii) to participate in any future issue of Shares; and

- (b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in article 13.7(a) at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to article 13.7(b).

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

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

- 13.9 Any Transfer Notice (but not an Offer Notice (as defined in article 18) or a Drag Along Notice (as defined in article 19)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

#### **14. Permitted transfers of shares**

- 14.1 Gordon Craig and Andrew Wood (each an **Original Shareholder**) may transfer Shares to a Permitted Transferee without having to follow the pre-emption provisions in article 15, provided that following such transfer, the Permitted Transferee does not hold Shares which carry more than 25% of the voting rights of the Company.

- 14.2 A Permitted Transferee (or the transmittee(s) of any such person), shall, unless the Original Shareholder within ten Business Days of ceasing to be a Permitted Transferee of the Original Shareholder (whether by reason of death, divorce or otherwise) execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee back to the Original Shareholder.

#### **15. Pre-emption rights on the transfer of shares**

- 15.1 Except where the provisions of article 14, article 18 or article 19 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 15.

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

- (a) subject to article 13.8(b), the number of Shares they wish to transfer (**Sale Shares**);

- (b) the name of the proposed transferee, if any;
- (c) subject to article 17.5, the price per Sale Share (in cash), if any, at which they wish to transfer the Sale Shares (the **Proposed Sale Price**); and
- (d) subject to article 13.8(a), whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).

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

15.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price, which shall be calculated in accordance with article 16.

15.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- (b) the determination of the Transfer Price in accordance with article 16,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 15.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 15 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.

15.6 Subject to article 15.7, the Sale Shares shall be offered in the following order of priority:

- (a) first, to the holders of Shares as the same class at the Sale Shares, or where the Sale Shares are Ordinary C Shares and the Seller is Matthew Wood, to Andrew Wood; and
- (b) second, to the holders of all other classes of Shares,

in each case on the basis set out in article 15.9 to article 15.17 (inclusive).

15.7 Notwithstanding article 15.6, the Initial Directors may elect that the Company purchase some or all of the Sale Shares at the Transfer Price, in which case only any Sale Shares not acquired by the Company shall be dealt with in accordance with this article 15.

15.8 An offer of Sale Shares made in accordance with **Error! Bookmark not defined.** shall remain open for acceptance for a period from the date of the offer to the date ten Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with article 15.9 and article 15.10.



15.9 Subject to article 15.8, the Directors shall offer the Sale Shares in the order of priority referred to in article 15.6 to the First Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date ten Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

15.10 If:

- (a) at the end of the First Offer 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 First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all First Offer Shareholders (other than the Seller). 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 Shareholder of more than the maximum number of Sale Shares which that Shareholder has stated they are willing to buy;
- (b) not all Sale Shares are allocated following allocations in accordance with article 15.10(a), but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 15.10(a). The procedure set out in this article 15.10(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 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 First Offer Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 15.11.

15.11 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date ten Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

15.12 If:

- (a) 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 Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Second Offer Shareholders bears to the total number of Shares of the class held by all Second Offer Shareholders (other than the Seller). 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 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 that Shareholder has stated they are willing to buy;

- (b) not all Initial Surplus Shares are allocated following allocations in accordance with article 15.12(a), 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 15.12(a). The procedure set out in this article 15.12(b) 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
- (c) 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 Second Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall, subject to article 15.13, be offered to any other person in accordance with article 15.17.

15.13 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation made under article 15.8 to article 15.12 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- (b) if the total number of Sale Shares applied for under article 15.8 to article 15.12 (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

15.14 Where either:

- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
- (b) allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under article 15.8 to article 15.12 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant 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).

- 15.15 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.
- 15.16 If the Seller fails to comply with article 15.15:
- (a) the Chair (or, failing the Chair, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:
    - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (ii) 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
    - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
  - (b) 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 the Seller has delivered the 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.
- 15.17 Where a Transfer Notice lapses pursuant to article 15.13(b) or an Allocation Notice does not relate to all the Sale Shares, then, subject to article 15.18, 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, transfer the Sale Shares (in the case of a lapsed offer) or the Second Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 15.17 shall continue to be subject to any Minimum Transfer Condition.
- 15.18 The Seller's right to transfer Shares under article 15.17 does not apply if the Directors reasonably consider that:
- (a) the transferee is a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
  - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
  - (c) the Seller has failed or refused to promptly provide information available to them and reasonably requested to enable it to form the opinion referred to in article 15.18(b).

## **16. Valuation**

- 16.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within ten Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.
- 16.2 If the auditors for the time being of the Company decline an instruction to make a certification or a determination in accordance with these Articles, the Company and the Seller shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Independent Expert and to agree terms of appointment with the Independent Expert. Neither party shall unreasonably withhold its agreement to the terms of appointment proposed by the Independent Expert or the other party.
- 16.3 If the parties fail to agree on an Independent Expert and the terms of their appointment within ten Business Days of either party serving details of a proposed Independent Expert on the other then either party shall be entitled to request the President of the ICAEW to appoint the Independent Expert.
- 16.4 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction;
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent;
  - (e) the order of priority of the distribution of capital in articles 9 and 10; and
  - (f) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 16.5 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.

- 16.6 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 16.7 The parties are entitled to make submissions to the Independent Expert including oral submissions and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 16.8 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 16.9 The Independent Expert shall be requested to determine the Fair Value within twenty Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 16.10 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
- (a) the Seller withdraws the relevant Transfer Notice in accordance with article 15.3; or
  - (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

## **17. Compulsory transfers**

- 17.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors (acting with Investor Consent) may determine.
- 17.2 A person entitled to a Share in consequence of the death of a Shareholder who is not an Employee (or equivalent procedure in any jurisdiction outside England and Wales) shall, subject to clause 14, be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.
- 17.3 If a Shareholder suffers permanent incapacity through accident or illness, he shall be deemed to have given a Transfer notice in respect of all of his Shares at such time as the Directors may determine.
- 17.4 If an Employee:

- (a) becomes a Departing Employee (including as a result of death); or
- (b) is in material breach of the Articles or Shareholders' Agreement and fails to remedy such breach within twenty Business Days of notice to remedy the breach being served; or
- (c) is guilty of any conduct likely to have a serious adverse effect upon the business of the Company or any member of its Group; or
- (d) is found guilty of a criminal offence resulting in a term of imprisonment,

then in each case, a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within ten Business Days after the relevant event, be deemed to have been served on the relevant event in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.

- 17.5 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares.
- 17.6 Notwithstanding the provisions of article 17.5, the Initial Directors may, by notice in writing served on the Company and the relevant Seller(s), direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to article 17.5.
- 17.7 Forthwith upon a Transfer Notice being deemed to be served under article 17 the Relevant Shares (**Restricted Shares**) shall cease to confer on the holder of them any rights:
  - (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
  - (b) to receive dividends or other distributions otherwise attaching to those Shares; or
  - (c) to participate in any future issue of Shares issued in respect of those Shares.

The Directors may reinstate the rights referred to in article 17.7 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to article 17.3.

## 18. **Mandatory offer on change of control**

- 18.1 In the event that a proposed transfer of Shares by both Initial Directors together (a **Proposed Transfer**) which would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 18 shall apply.

18.2 The Company shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder (each an **Offeree**) on the date of the Offer, to buy all of the Shares held by such Offerees on the date of the Offer.

18.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least ten Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall specify:

- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer);
- (b) the Offer Price and any other terms and conditions of the Offer;
- (c) the Sale Date; and
- (d) the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

18.4 The completion of the Proposed Transfer shall be conditional in all respects on:

- (a) the making of an Offer in accordance with this article 18; and
- (b) the completion of the transfer of any Shares by any Offeree (each an **Accepting Offeree**) who accepts the Offer within the Offer Period,  
and the Directors shall refuse to register any Proposed Transfer made in breach of this article 18.4.

18.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 18 shall not be, subject to the pre-emption provisions of article 15.

## 19. Drag along

19.1 If the Initial Directors (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 19.

19.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:

- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 19;
- (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

- (c) the consideration payable for the Called Shares which shall be distributed in accordance with article 10;
- (d) the proposed date of completion of transfer of the Called Shares.

- 19.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within sixty Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of article 9.
- 19.5 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
  - (b) that date is less than five Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place five Business Days after the date of service of the Drag Along Notice.
- 19.6 Within five Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 19.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 19.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 19.4 in trust for the Called Shareholders without any obligation to pay interest.
- 19.7 To the extent that the Proposed Buyer has not, on the expiration of the five Business Day period, put the Company in funds to pay the amounts due pursuant to article 19.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 19 in respect of their Shares.
- 19.8 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by them (together with the share certificate(s) in



respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute and deliver all necessary transfers on their behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 19.

- 19.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to a Share Option Scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by them to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 19 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 19.10 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.
- 19.10 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 15.
- 19.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

## **DECISION-MAKING BY SHAREHOLDERS**

### **20. General meetings**

- 20.1 No business other than, subject to article 20.2, the appointment of the chair of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on. Quorum for Shareholder meetings is two, which must include the Initial Directors, unless the meeting is called in accordance with article 3.6, in which case the quorum shall be two, which must include any one Initial Director.

- 20.2 The Chair shall chair general meetings. If there is no Chair in office for the time being, or the Chair is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chair of the meeting must be the first business of the meeting.

## **21. Voting**

- 21.1 Subject to any other provisions in these Articles concerning voting rights, each Ordinary Share, Ordinary B Shares and Ordinary C Shares in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company. Each Preference Shares and B Preference Shares shall not carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company
- 21.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

## **22. Purchase of own shares**

- 22.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
- (a) £15,000; and
  - (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.
- 22.2 On a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:
- (a) hold the Shares (or any of them) in treasury;
  - (b) deal with any of the Shares, at any time, in accordance with section 727; or
  - (c) cancel any of the Shares, at any time, in accordance with section 729 of the Act.

## **23. Company's Lien over Shares**

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

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

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

#### **24. Enforcement of the Company's Lien**

24.1 Subject to the provisions of this article 24, if:

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

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

24.2 A Lien Enforcement Notice:

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

24.3 Where Shares are sold under this article 24:

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

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

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and

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

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

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

#### **ADMINISTRATIVE ARRANGEMENTS**

#### **25. Means of communication to be used**

25.1 Subject to article 25.3, any notice, document or other information shall be deemed received by the intended recipient:

- (a) if delivered by hand, at the time the notice, document or other information is left at the address;
- (b) if sent by pre-paid first class post or other next working day delivery service providing proof of postage;
- (c) if sent by pre-paid airmail providing proof of postage;
- (d) if sent by email or fax, at the time of transmission; or
- (e) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

25.2 If deemed receipt under article 25.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 25.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.

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

- (a) if delivered by hand, the notice was delivered to the correct address; or
- (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted;

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

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

## **26. Indemnity and insurance**

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

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a Relevant Officer:
  - (i) in the actual or purported execution and/or discharge of their duties, or in relation thereto ; and
  - (ii) in relation to the Company's (or other Group Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act), including (in each case) any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part, or in connection with any application in which the court grants them, in their capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs; and
- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred to in article 26.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

26.2 This article 26 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

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

26.4 In this article 26:

- (a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and
- (b) **Relevant Officer** means any director or other officer or former director or other officer of any Group 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 a Group Company as auditor (whether or not they are also a director or other officer), to the extent they act in their capacity as auditor.