

## **THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

## **LIGHTWEIGHT STRUCTURAL COMPOSITE PANELS TECHNOLOGIES LTD**

**Company No: 12529369**

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## **1 Model Articles**

- 1.1 The Model Articles shall apply to the Company, except insofar 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 legislation or in any statutory instrument or other subordinate legislation.
- 1.2 The whole of Model Articles 6(2), 7, 8, 11(2), 11(3), 13, 14(1), 14(2), 14(3), 14(4), 14(5), 16, 22, 26(5), 39, 44(2), 50, 51, 52 and 53 shall not apply to the Company.
- 1.3 Any reference to the 'chairman' in the Model Articles, shall for the purposes of these Articles be deemed as a reference to the 'chair'.

## **2 Definitions and Interpretation**

- 2.1 In these Articles, unless the context otherwise requires, the following expressions shall have the following meanings:

<b>Accountants</b>	means Newtons Accountants Limited or such other accountants as may be retained by the Company from time to time;
<b>AC</b>	means Anthony Martin Cox;
<b>Articles</b>	means these articles of association of the Company as constituted under Article 1.1 (as amended from time to time);
<b>Bad Leaver</b>	means a person who is not deemed to be a Good Leaver;
<b>BB</b>	means Benjamin Bird;
<b>Board</b>	means the board of directors of the Company from time to time;
<b>Business Day</b>	means a day, other than a Saturday, Sunday or public holiday;
<b>Buyer</b>	shall be as defined in Article 16.3;
<b>Companies Act</b>	means the Companies Act 2006;
<b>Company</b>	means Lightweight Structural Composite Panels Technologies Ltd, registered number 12529369;
<b>Compulsory Transfer Event</b>	shall be as defined in article 16.1;
<b>Compulsory Transfer Notice</b>	shall be as defined in article 16.3;
<b>Confidential Information</b>	means all information (whether oral or recorded in any medium) relating to any Group Company's business, financial or other affairs

	(including future plans of any Group Company) which is treated by a Group Company as confidential (or is marked or is by its nature confidential);
<b>Continuing Shareholder</b>	shall be as defined in Article 15.2;
<b>Defaulting Shareholder</b>	shall be as defined in Article 16.3;
<b>Director</b>	means a director of the Company from time to time;
<b>Drag Along Notice</b>	shall be as defined in Article 18.1;
<b>Eligible Director</b>	means a Director who would be entitled to vote on the matter if proposed as a resolution at a meeting of Directors;
<b>Fair Value</b>	shall be as defined in article 17;
<b>Founder</b>	means Benjamin Bird;
<b>Founder Consent</b>	means the written consent of the Founder;
<b>FSMA</b>	means the Financial Services and Markets Act 2000;
<b>Garden Leave</b>	means any period during which the Company or other Group Company, in respect of an employee and pursuant to the service contract between the Company or relevant Group Company and that employee, ceases or has ceased to provide that employee with work;
<b>Good Leaver</b>	<p>means a Non-Founder who, notwithstanding the compulsory transfer provisions contained in Article 16:</p> <p>(a) ceases to be employed by any Group Company as a result of the relevant Group Company ceasing to be a subsidiary of the Company;</p> <p>(b) resigns from their employment or directorship no earlier than the second anniversary of them having subscribed for or received Shares;</p> <p>(c) dies no earlier than the second anniversary of them having subscribed for or received Shares;</p> <p>(d) no earlier than the second anniversary of them having subscribed for or received Shares,</p>

suffers a physical or mental deterioration which, in the opinion of the Founders, is sufficiently serious to prevent the relevant person from following their normal employment or which seriously prejudices their earning capacity;

(e) no earlier than the second anniversary of them having subscribed for or received Shares, is unfairly or wrongfully dismissed, as adjudged by a competent court or tribunal; or

(f) retires at age 60 or later.

**Group**

means the Company and each of its subsidiaries and parent companies (if any) and **Group Company** means any of them;

**Group Company Interest**

shall be as defined in Article 7.4;

**Leaver**

means (save in the case of a Founder):

- (a) any Shareholder who ceases, or has ceased, to be a Relevant Employee, provided that, for these purposes, a Shareholder shall be deemed to cease, or have ceased, to be a Relevant Employee upon the commencement of any period during which the relevant individual is placed on Garden Leave pursuant to their service contract with the Company or other Group Company, notwithstanding that the relevant individual remains an employee of the Company or any other Group Company provided that such Shareholder ceases, or has ceased to be a Director;
- (b) any Shareholder who is (or is the nominee of) the trustee of a Family Trust of any person who ceases to be a Relevant Employee in respect of the Shares held on behalf of such person;
- (c) any Shareholder holding Shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such Shareholder was a permitted transferee under the provisions of Article 15 who ceases to be a permitted transferee in relation to such person, including, without limitation, any Shareholder who ceases to be the spouse of a Relevant

Employee;

- (d) any person who holds or becomes entitled to any Shares:
  - (i) following the death of a Shareholder;
  - (ii) following the bankruptcy of a Shareholder (if an individual) or the receivership, administrative receivership, administration, liquidation or other arrangement for the winding-up (whether solvent or insolvent) of a Shareholder (if a company); or
  - (iii) following the exercise of an option after ceasing to be a Relevant Employee; or
- (e) any Shareholder holding Shares as a nominee for any person who ceases, or who has ceased, to be a Relevant Employee in respect of the Shares held on behalf of such person;

**Leaver's Shares**

means all of the Shares held by a Leaver, or to which they are entitled, on the Leaving Date and any Shares acquired by a Leaver after the Leaving Date under an employee share scheme;

**Leaving Date**

means the date on which the relevant person becomes a Leaver;

**Model Articles**

means the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229), as at the date of adoption of these Articles;

**Non-Founder**

means any Shareholder who is not the Founder;

**Ordinary Shares**

means the shares known as ordinary shares of £1 each in the capital of the Company;

**Percentage Entitlement**

means the percentage that the number of Shares which the Seller or Defaulting Shareholder (as the case may be) owns represents as a proportion of the entire issued

	Shares of the Company at the time of Fair Value being agreed or declared;
<b>Relevant Employee</b>	means: <ul style="list-style-type: none"> <li>(a) an employee of the Company or any Group Company; or</li> <li>(b) a Director or a director of any Group Company.</li> </ul>
<b>Relevant Shareholder</b>	shall be as defined in Article 7.3.1;
<b>Seller</b>	shall be as defined in Article 15.1;
<b>Share</b>	means a share in the capital of the Company;
<b>Shareholder</b>	means any holder of any Share from time to time;
<b>Shareholder Communication</b>	means any notice, resolution, document or information which the Company wishes or is required to communicate with Shareholders or other persons;
<b>Shareholder Interest</b>	shall be as defined in Article 7.3;
<b>Third Party</b>	shall be as defined in Article 18.1; and
<b>Transfer Notice</b>	shall be as defined in Article 15.2.

2.2 Unless the context otherwise requires:

- 2.2.1 each gender includes the other genders;
- 2.2.2 the singular includes the plural and vice versa;
- 2.2.3 references to persons include individuals, unincorporated bodies and partnerships (whether or not having a separate legal personality), governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees;
- 2.2.4 the words 'include', 'includes' and 'including' are deemed to be followed by the words 'without limitation';
- 2.2.5 the words and phrases 'other', 'including' and 'in particular' or similar words shall not restrict the generality of any preceding words or be construed as being limited to the same class, acts, things or matters as the preceding words where a wider construction is possible;
- 2.2.6 the contents table and the descriptive headings to provisions in these Articles are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of these Articles;

- 2.2.7 references to legislation or legislative provisions include any modification or re-enactment thereof before the date of these Articles;
- 2.2.8 except where the contrary is stated or the context otherwise requires, any reference in the articles to legislation includes any order, regulation, instrument or other subordinate legislation made and for the time being in force under that legislation or which amends such legislation, and any reference to legislation, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force;
- 2.2.9 references to 'writing' or 'written' include faxes and any other method of reproducing words in a legible and non-transitory form, including email;
- 2.2.10 a person shall be deemed to be 'connected' with another if that person is connected with such other within the meaning of section 1122 of the Corporation Tax Act 2010; and
- 2.2.11 the term 'acting in concert' shall have the meaning attributed to it at the date of adoption of these Articles by the City Code on Takeovers and Mergers.

### **3 Number of Directors**

- 3.1 The number of Directors (excluding alternate directors) shall not be less than one in number.

### **4 Alternate Directors**

- 4.1 Any Director (other than an alternate director) (the **appointor**) may appoint any other Director or any other person whomsoever to be an alternate director and may remove from office an alternate director so appointed. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors.
- 4.2 An alternate director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the alternate's appointor.
- 4.3 Except as these Articles specify otherwise, alternate directors are:
- 4.3.1 deemed for all purposes to be Directors;
  - 4.3.2 liable for their own acts and omissions;
  - 4.3.3 subject to the same restrictions as their appointors; and
  - 4.3.4 not deemed to be agents of or for their appointors.
- 4.4 An alternate director may be paid expenses as if they were a Director but shall not be entitled to receive from the Company any fee in their capacity as an alternate director except only such part (if any) of the remuneration otherwise payable to the Director appointing them as such Director may by notice in writing to the Company from time to time direct.
- 4.5 An alternate director's appointment as an alternate terminates:
- 4.5.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

- 4.5.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
- 4.5.3 on the death of the alternate's appointor; or
- 4.5.4 when the alternate's appointor's appointment as a Director terminates.

## **5 Proceedings of Directors**

- 5.1 Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 5.2 All business arising at any meeting of the Directors or of any committee of the Directors shall be determined only by resolution and no resolution shall be effective unless carried by a majority. No resolution may be proposed or passed at any such meeting unless the nature of the business to which the resolution relates is included in the agenda for the meeting or unless all the Directors agree in writing.
- 5.3 A decision of the Directors may also take the form of a resolution in writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in writing, provided that such Eligible Directors would have formed a quorum if the matter had been proposed as a resolution at a meeting of Directors.
- 5.4 The quorum for a meeting of the Directors shall throughout the meeting be at least one Director appointed by each of the Shareholders holding more than 50% of the issued Shares of the Company. If a quorum is not present within 30 minutes of the time fixed for the relevant meeting, the meeting shall be adjourned for 7 Business Days at the same time and place.
- 5.5 Where, pursuant to the Companies Act or these Articles or otherwise, in relation to a matter being considered at a meeting of Directors or of a committee of Directors, a Director cannot count towards the quorum and, if they vote, their vote will not be counted, the other Director or Directors present, whatever their number and their designations, shall constitute a quorum for the purposes of considering that matter only.
- 5.6 Any Director or alternate director may validly participate in a meeting of the Board through telephone conference or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Companies Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that a quorum of Directors is not physically present in the same place. If the Directors cannot or do not decide upon where such a meeting shall be deemed to take place, then it shall be where the chair of the meeting then is located.
- 5.7 A Director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of Directors and meetings of committees of Directors.

## **6 Chairing of Director's meetings**

- 6.1 So long as BB is a director of the Company, he shall be the chairman of the board unless he nominates another Director to act as chairman.



- 6.2 Upon ceasing to be a Director, BB shall, at his sole discretion, have the right to nominate a Director to be the new chairman. Such nomination in accordance with Article 6.2 shall be made in a Directors meeting and shall bind the Directors.
- 6.3 Where BB ceases to be a Director without first nominating a Director to be chairman, or the nominee Director refuses to accept the position of chairman of the Company, AC shall (so long as he is a Director), in his sole discretion, have the right to nominate a Director to be the new chairman and such nomination in accordance with Article 6.3 shall be made in a Directors meeting and shall bind the Directors.
- 6.4 Where AC ceases to be a Director without first nominating a Director to take up the position of chairman, or the nominee Director refuses to accept the position of chairman of the Company, then the Shareholders shall appoint a new chairman by ordinary resolution.
- 6.5 The Shareholders have the right to remove any chairman that they have appointed in accordance with Article 6.4 by ordinary resolution except BB.
- 6.6 The person so appointed for the time being is known as the chairman.
- 6.7 If the chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.
- 6.8 Article 6.7 shall not apply if, in accordance with the Articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

## **7 Conflicts of Interest**

- 7.1 If a situation arises or exists in which a Director has or could have a direct or indirect interest that conflicts, or may potentially conflict, with the interests of the Company (other than an interest arising in relation to a transaction or arrangement with the Company or in circumstances which cannot reasonably be regarded as likely to give rise to a conflict of interest), without prejudice to the provisions of Articles 7.3 to 7.7, the Director concerned, or any other Director, may propose to the Board that such situation be authorised, such proposal to be made in writing and delivered to the other Directors or made orally at a meeting of the Board, in each case setting out particulars of the relevant situation. Subject to the Companies Act, the Directors may authorise such situation and the continuing performance by the relevant Director of their duties as a Director on such terms as they may think fit.
- 7.2 The relevant Director shall not be counted in the quorum at the relevant meeting of the Directors to authorise such situation nor be entitled to vote on the resolution authorising such situation.
- 7.3 Subject to compliance by them with their duties as a Director under Part 10 of the Companies Act (other than the duty in section 175(1) of the Companies Act to the extent that it is the subject of this Article 7.3), a Director may, at any time, be a director or other officer of, employed by, hold shares or other securities in, or otherwise be interested, whether directly or indirectly, in:
- 7.3.1 the Shareholder who appointed them as a Director (**Relevant Shareholder**); or
- 7.3.2 any other company in which a Relevant Shareholder also holds shares or other securities or is otherwise interested, whether directly or indirectly,

(in either case a **Shareholder Interest**), and notwithstanding their office or the existence of an actual or potential conflict between any Shareholder Interest and the interests of the Company which would fall within the ambit of section 175(1) of the Companies Act the relevant Director:

- 7.3.3 shall be entitled to attend any meeting or part of a meeting of the Directors or a committee of the Directors at which any matter which may be relevant to the Shareholder Interest may be discussed, and to vote on a resolution of the Directors or a committee thereof relating to such matter, and any board papers relating to such matter shall be provided to the relevant Director at the same time as other Directors;
  - 7.3.4 shall not be obliged to account to the Company for any remuneration or other benefits received by them in consequence of any Shareholder Interest;
  - 7.3.5 shall be entitled to consult freely about the Group and its affairs with, and to disclose, for investment appraisal purposes, Confidential Information to, the Relevant Shareholder and any other Shareholder holding the same class of Shares and to the Group's auditors, lenders and proposed lenders (or with and to any of its or their professional advisers); and
  - 7.3.6 will not be obliged to disclose to the Company or use for the benefit of the Company any other confidential information received by them by virtue of their Shareholder Interest and otherwise than by virtue of their position as a Director, if to do so would breach any duty of confidentiality to a third party.
- 7.4 Subject to compliance by them with their duties as a Director under Part 10 of the Companies Act (other than the duty in section 175(1) of the Companies Act which is the subject of this Article 7.4), a Director may, at any time, notwithstanding their office or the existence of an actual or potential conflict between the interests of the Company and those of a Group Company which would fall within the ambit of that section 175(1), be a director or other officer of, employed by or otherwise interested, whether directly or indirectly, in any other Group Company (**Group Company Interest**) and the relevant Director:
- 7.4.1 shall be entitled to attend any meeting or part of a meeting of the Directors or a committee of the Directors at which any matter which may be relevant to the Group Company Interest may be discussed, and to vote on any resolution of the Directors or a committee thereof relating to such matter, and any board papers relating to such matter shall be provided to the relevant Director at the same time as the other Directors;
  - 7.4.2 shall not be obliged to account to the Company for any remuneration or other benefits received by them in consequence of any Group Company Interest; and
  - 7.4.3 will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by them by virtue of their Group Company Interest and otherwise than by virtue of their position as a Director, if to do so would breach any duty of confidentiality to any other Group Company or third party.
- 7.5 Any Director who has a Shareholder Interest or a Group Company Interest shall, as soon as reasonably practicable following the relevant interest arising, disclose to the Board the existence of such interest and the nature and extent of such interest so far as the relevant Director is able at the time the disclosure is made provided that no such disclosure is required to be made of any matter in respect of which the relevant Director owes any duty of

confidentiality to any third party. A disclosure made to the Board under this Article 7.5 may be made either at a meeting of the Board or by notice in writing to the Company marked for the attention of the Directors.

- 7.6 No contract entered into shall be liable to be avoided by virtue of:
- 7.6.1 any Director having an interest of the type referred to in Article 7.1 where the relevant situation has been approved as provided by that Article;
  - 7.6.2 any Director having a Shareholder Interest which falls within Article 7.3 or which is authorised pursuant to Article 7.1; or
  - 7.6.3 any Director having a Group Company Interest which falls within Article 7.4 or which is authorised pursuant to Article 7.1.
- 7.7 The provisions of Articles 7.1 to 7.6 shall not apply to a conflict of interest which arises in relation to an existing or proposed transaction or arrangement with the Company but the following provisions of this Article 7.7 and Article 7.8 shall so apply. Any Director may be interested in an existing or proposed transaction or arrangement with the Company provided that they comply with the Companies Act.
- 7.8 Without prejudice to the obligation of each Director to declare an interest in accordance with the Companies Act, a Director may vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which they have an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company, or in relation to which they have a duty. Having so declared any such interest or duty they may have, the Director shall be counted in the quorum present when any such resolution is under consideration and if they vote on such resolution their vote shall be counted.

## **8 Appointment and Removal of Directors**

- 8.1 Model Article 17(1)(b) is modified by adding the words 'with prior Founder Consent' before the words 'by a decision of the directors'.
- 8.2 The Directors shall not be required to retire by rotation.

## **9 Company Secretary**

- 9.1 The Directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.
- 9.2 Model Article 20 shall apply to the company secretary by insertion of the words 'company secretary' in place of 'directors' in the first instance it appears.

## **10 Share Capital**

- 10.1 The Company may, without prejudice to the rights attached to any existing Share and subject to Article 12, issue Shares with such rights or restrictions as may be determined by a special resolution of a general meeting of the Company.
- 10.2 The rights conferred on the holders of any class of Shares shall be deemed to be varied by:

- 10.2.1 the creation or issue of any further Shares (whether ranking equally, in priority to them or subsequent to them);
- 10.2.2 any reduction, subdivision, consolidation, redenomination, purchase, redemption or other alteration by the Company of the Company's share capital; or
- 10.2.3 any amendment to these Articles.

## **11 Variation of Rights**

- 11.1 The rights attached to any class of Shares may from time to time, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than 75% in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of that class of Shares, but not otherwise.
- 11.2 The provisions of these Articles relating to general meetings of the Company or to their proceedings (and adjournments) shall, with the necessary changes being made, apply to every separate meeting of the holders of any class of Share, except that the necessary quorum shall be one person holding or representing by proxy at least one third in nominal amount of the issued Shares of that class, that every holder of Shares of the class present in person or by proxy shall be entitled on a poll to one vote for every such Share held by it and that any holder of Shares of the class present in person or by proxy may demand a poll.

## **12 Issue of Shares**

- 12.1 No Shares shall be allotted nor shall any right to subscribe for or to convert any security into Shares be granted without Founder Consent.
- 12.2 Subject to Article 12.1, the Directors shall be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot (or grant rights to subscribe for or to convert any security into) shares up to an aggregate nominal amount of £1,000 in the share capital of the Company during the period from the date of adoption of these Articles until the fifth anniversary of that date unless the authority is varied or revoked or renewed by the Company in general meeting provided that this authority shall entitle the Directors to make at any time before the expiry of this authority an offer or agreement which will or may require relevant securities to be allotted after the expiry of the authority.
- 12.3 Sections 561 and 562 of the Companies Act shall not apply to the Company.

## **13 Prohibited Share Transfers**

- 13.1 In these Articles, a reference to the transfer of a Share shall mean either or both:
  - 13.1.1 the transfer of either or both of the legal and beneficial ownership in the Share; and
  - 13.1.2 the grant of an option to acquire either or both of the legal and beneficial ownership in the Share.
- 13.2 The following shall be deemed, without limitation, to be a transfer of a Share:
  - 13.2.1 any sale or other disposition of any legal or equitable interest in a Share (including any voting right attached thereto) and whether or not by the registered holder thereof

and whether or not for consideration or otherwise and whether or not effected by an instrument in writing;

13.2.2 any direction (by way of renunciation or otherwise) by a Shareholder entitled to an allotment or issue of any Share that such Share be allotted or issued to some person other than themselves; and

13.2.3 any grant of a legal or equitable mortgage or charge over any Share.

13.3 Any person who holds, or becomes entitled to, any Shares shall not, except with prior Founder Consent, effect a transfer of any such Shares, except in accordance with Article 14 (Leavers) Article 15 (Permitted Share Transfers), Article 16 (Compulsory Transfers) or Article 18 (Drag Along).

13.4 Subject to Article 13.5, the Directors shall be obliged to register any duly stamped transfer made in accordance with these Articles, but any transfer or purported transfer of any Shares made otherwise than in accordance with these Articles shall be void and of no effect and the Directors shall refuse to register that transfer.

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 agreeing to be bound by the terms of any shareholders' agreement or similar document in force between the Shareholders in such form as the Directors may reasonably require (provided that the transferee's obligations or liabilities thereunder are not greater than those of the proposed transferor). If any such condition is imposed, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

13.6 The Directors may at any time require any Shareholder to provide the Company with such information and evidence relating to the Shares registered in its name as such Directors may reasonably require to determine whether there has been a transfer of any such Shares in breach of these Articles. If such information or evidence is not provided to the Board to the reasonable satisfaction of such Directors within five Business Days of the request being made, such Directors may serve a notice on the Shareholder stating that the Shares which were the subject of the request shall cease to confer any rights to vote (in any general meeting or class meeting or on any written resolution) or to receive dividends until such information or evidence has been provided to the satisfaction of such Directors.

## **14 Leavers**

14.1 The provisions of this Article shall apply to any Leaver and to any Leaver's Shares.

14.2 If a person becomes a Leaver, then at any time within 12 months from the Leaving Date, the Founder may direct the Company immediately to serve a notice on the Leaver notifying them that they are, with immediate effect, deemed to have offered such number and class of their Leaver's Shares to such person(s) (including the Company) as may be specified by the Founder (**Sale Notice**).

14.3 On receipt of a Sale Notice, the Leaver shall be obliged to immediately transfer, at the Sale Price as determined in accordance with Article 14.5, such number of their Leaver's Shares to the person(s) specified in the Sale Notice. Completion of the sale and purchase of the Leaver's Shares in accordance with the Sale Notice shall take place within 20 Business Days of the date of the Sale Notice at which time the Leaver shall transfer the relevant Leaver's

Shares to the person(s) specified in the Sale Notice and deliver the relevant Share certificates against payment of the Sale Price for such Shares.

- 14.4 If the Leaver defaults in transferring any Leaver's Shares pursuant to Article 14.3 in circumstances where the Company:

14.4.1 does not acquire the Leaver's Shares, the Company:

- (a) may receive the relevant purchase money;
- (b) may nominate some person to execute an instrument of transfer of the Leaver's Shares in the name and on behalf of the Leaver;
- (c) shall cause the name of the proposed transferee to be entered in the Company's register of members as the holder of such Leaver's Shares when the instrument of transfer has been duly stamped (if required);
- (d) shall hold the purchase money on trust (without interest) for the Leaver, the receipt by the Company of the purchase money being a good discharge to the proposed transferee (who shall not be bound to see to the application of the purchase money); or

14.4.2 does acquire the Leaver's Shares, the Company:

- (a) may nominate some person to execute an instrument of transfer of the Leaver's Shares in the name and on behalf of the Leaver;
- (b) shall cause such share capital to be cancelled in accordance with the Companies Act when such instrument has been duly stamped (if required); and
- (c) shall hold the purchase money on trust (without interest) for the Leaver.

In each case after the Leaver's Shares have been transferred on the register or cancelled, as the case may be, the validity of the proceedings shall not be questioned by any person.

- 14.5 The **Sale Price** shall be, in the case of a:

14.5.1 Good Leaver, the aggregate Fair Value of the Leaver's Shares; and

14.5.2 Bad Leaver, the lower of the aggregate of the issue price paid by the Leaver for the Leaver's Shares (and, in respect of any Shares that were acquired by the Leaver rather than subscribed for by the Leaver, the acquisition price for those Shares) and the aggregate Fair Value of the Leaver's Shares.

## 15 Permitted Share Transfers

- 15.1 Any Shareholder (the **Seller**) may at any time transfer all or part of its Shares to any person for cash provided that it complies with the provisions of Articles 15.2 to 15.7.

- 15.2 The Seller must give the Company, an irrevocable notice in writing (**Transfer Notice**) setting out details of the proposed transfer of its Shares (**Transfer Shares**), including the identity of the proposed buyer and the price per Transfer Share agreed with such buyer. The Transfer Notice shall constitute an offer by the Seller to sell the Transfer Shares to the Company for the lower of the price per Transfer Share agreed with the buyer and Fair Value.

- 15.3 If the Company gives written notice to the Seller within 20 Business Days of receiving the Transfer Notice that it wishes to buy all the Transfer Shares at the price per Share set out in the Transfer Notice or Fair Value (whichever is lowest), the Company will be bound to buy and the Seller will be bound to sell all of such Transfer Shares on such terms, provided that such buyback of shares can proceed in accordance with Part 18 of the Companies Act.
- 15.4 If the Company does not notify the Seller that it wishes to buy all the relevant Transfer Shares subject to the Transfer Notice within the time period specified in Article 15.3, the Seller must give the other Shareholders (the **Continuing Shareholders**) a Transfer Notice setting out details of the proposed transfer of the Transfer Shares, including the identity of the proposed buyer and the price per Transfer Share agreed with such buyer. The Transfer Notice shall constitute an offer by the Seller to sell the same proportion of its Transfer Shares to each Continuing Shareholder as the proportion of that Continuing Shareholder's Shares bears to the aggregate of all the Continuing Shareholders' Shares (that proportion of the Seller's Transfer Shares being the **Continuing Shareholder's Pro Rata Shares**), to the Continuing Shareholders for the lower of the price per Transfer Share agreed with the buyer and Fair Value. If such shares are to be sold to the Continuing Shareholders (and not the Company) then, if requested by any Continuing Shareholder, the Seller shall sell the Transfer Shares on deferred terms of 3 equal deferred payments over a maximum of 3 years.
- 15.5 Each Continuing Shareholder shall have the option to buy its Continuing Shareholder's Pro Rata Shares by delivering a written notice to the Seller (an **Exercise Notice**) within 20 Business Days after receipt of the Transfer Notice (the **Transfer Period**) specifying whether it wishes to buy all of its Continuing Shareholder's Pro Rata Shares. Each Continuing Shareholder may also specify in its Exercise Notice the maximum number of additional Transfer Shares subject to the Transfer Notice, if any, that it agrees to buy in the event that not all Continuing Shareholders agree to buy their respective Continuing Shareholder's Pro Rata Shares (each an **Additional Offer**).
- 15.6 If any Continuing Shareholder fails, within such Transfer Period, to deliver an Exercise Notice, each Continuing Shareholder that delivered an Exercise Notice and agreed in such Exercise Notice to make an Additional Offer (an **Additional Offeror**) shall be bound to buy a number of additional Transfer Shares not to exceed the maximum number specified in its Exercise Notice, provided that, if the total number of Transfer Shares not covered by an Exercise Notice from Continuing Shareholders entitled to buy such Transfer Shares as their Continuing Shareholder's Pro Rata Shares (**Additional Shares**) is not sufficient to satisfy the demands of all Additional Offerors, then each such Additional Offeror shall be bound to buy, such number of the Additional Shares, not to exceed the maximum number specified in its Additional Offer, that represents its Additional Pro Rata Portion of such Additional Shares. For the purposes of this Article 15, the Additional Pro Rata Portion shall be calculated by reference to the number of Shares in the Company held by an Additional Offeror immediately prior to the delivery of the Transfer Notice expressed as a percentage of the number of all Shares in the Company in issue held by all such Additional Offerors immediately prior to the delivery of the Transfer Notice.
- 15.7 If all the Transfer Shares are not bought by reference to the provisions of Articles 15.3 to 15.6, the Seller may transfer all (but not some only) of the remaining Transfer Shares at any time, within 20 Business Days of the exhaustion of such provisions, to the buyer identified in the Transfer Notice (subject to the provisions of Article 18 where applicable) at a price not less than the price per Transfer Share specified in the Transfer Notice.
- 15.8 The provisions of this Article 15 shall not apply to the Founder, who may at any time transfer all or part of their Shares to any person.

## 16 Compulsory Transfers

16.1 A Compulsory Transfer Event shall be deemed to have occurred in relation to a Non-Founder if that Non-Founder:

16.1.1 commits a material breach of any shareholders' agreement relating to the Company to which it is a party and fails to remedy such breach (if capable of remedy) within 20 Business Days of being given notice by another Shareholder to do so;

16.1.2 enters into any composition or arrangement with its creditors generally;

16.1.3 being a company:

- (a) goes into liquidation whether compulsory or voluntary (except for the purposes of a bona fide reconstruction or amalgamation with the consent of the other Shareholders), has an administrator appointed or if a receiver, administrative receiver or manager is appointed over any of its assets or undertaking;
- (b) ceases to carry on business or is or becomes insolvent or is or is deemed to be unable to pay its debts as they fall due within the meaning of section 123 of the Insolvency Act 1986;
- (c) undergoes a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010);

16.1.4 being an individual, is adjudged bankrupt or dies or is permanently incapacitated;

16.1.5 being a Relevant Employee;

- (a) is unable to carry out their duties for 6 months in any period of 12 months; or
- (b) ceases for any reason to make their substantially full-time services available to the Company and/or any Group Company.

16.2 If a Compulsory Transfer Event occurs in relation to a Non-Founder (the **Defaulting Shareholder**), that Shareholder shall be deemed to have, immediately upon the occurrence of a Compulsory Transfer Event, offered such number and class of their Shares to such person(s) (including the Company) as may be specified by the Company (**Compulsory Transfer Notice**) offering to sell all (but not some only) of its Shares at the following value:

16.2.1 in the case of a Non-Founder having held their Shares for less than 2 years from the date of subscription, allotment or transfer, the lower of the aggregate of:

- (a) the issue price paid by the Non-Founder for the Shares (and, in respect of any Shares that were acquired by the Non-Founder rather than subscribed for by the Non-Founder, the acquisition price for those Shares); and
- (b) the aggregate Fair Value of the Non-Founder's Shares; and

16.2.2 in any other case: Fair Value.

In this Article 16.2 Fair Value shall be determined in accordance with Article 17.

16.3 The Compulsory Transfer Notice shall constitute an offer by the Defaulting Shareholder to sell to such person(s) (including the Company) listed in the Compulsory Transfer Notice. Where a



Compulsory Transfer Event has occurred and a Compulsory Transfer Notice is deemed to have been given and the circumstances are such that a Buyer is unaware of the facts giving rise to the Compulsory Transfer Event, such Compulsory Transfer Notice shall be deemed to have been received by a Buyer on the date on which the relevant Buyer receives actual notice of such facts and the provisions of this Article 16 shall apply accordingly.

16.4 If such shares are to be sold to the continuing shareholders (and not the Company) then, if requested by any continuing shareholder, the Seller shall sell the Transfer Shares on deferred terms of 3 equal deferred payments over a maximum of 3 years.

16.5 If the Defaulting Shareholder is a Director, they must resign from their directorship of the Company as soon as the Compulsory Transfer Event occurs.

## **17 Fair Value**

17.1 For the purposes of Articles 13, 14, 15 and 16, **Fair Value** means such price as the Shareholders shall agree within 10 Business Days of the date of the deemed Transfer Notice, Compulsory Transfer Notice or Sale Notice or, failing such agreement, as determined by the Accountants, in which case:

17.1.1 the Company shall immediately instruct the Accountants to determine the Fair Value on the basis which, in their opinion, represents a fair price for the Shares at the date on which the Transfer Notice or Sale Notice or Compulsory Transfer Notice is deemed to have been given, as between a willing seller and a willing buyer and shall take account of whether the Shares comprise a minority interest in the Company and the fact that their transferability is restricted by these Articles;

17.1.2 the Shareholders shall immediately instruct the Accountants to determine the Fair Value;

17.1.3 the Accountants shall act as experts and not as arbitrators (and the Arbitration Act 1996 shall not apply);

17.1.4 the Accountants shall certify the Fair Value as soon as possible after being instructed to do so and such certificate shall be final and binding (in the absence of manifest error); and

17.1.5 the costs and expenses of the Accountants shall be borne by the Defaulting Shareholder or as the Accountant may otherwise determine.

17.2 Each Buyer shall be entitled, within 20 Business Days of the determination of the Fair Value in accordance with Article 16, to give written notice to the Defaulting Shareholder requiring it to sell all (but not some only) of the Buyer's Pro Rata Shares to the relevant Buyer at the Fair Value and, if the relevant Buyer gives such notice, such Buyer will be bound to buy and the Defaulting Shareholder will be bound to sell all of the Buyer's Pro Rata Shares to such Buyer on such terms.

17.3 If the Defaulting Shareholder defaults in transferring any of its Shares pursuant to this Article 16, the Company:

17.3.1 may receive the relevant purchase money;

17.3.2 may nominate some person to execute an instrument of transfer of the Defaulting Shareholder's Shares in the name and on behalf of the Defaulting Shareholder;

17.3.3 shall cause the name of each Buyer to be entered in the register of members as the holder of such Defaulting Shareholder's Shares, being the Buyer's Pro Rata Shares of each Buyer when the relevant instrument of transfer has been duly stamped (if required); and

17.3.4 shall hold the purchase money on trust (without interest) for the Defaulting Shareholder, the receipt by the Company of the purchase money being a good discharge of the relevant Buyer's obligation to pay such purchase money (who shall not be bound to see to the application of the purchase money).

## **18 Drag Along**

18.1 If, after having given a Transfer Notice to the Continuing Shareholders and having complied with the provisions of Article 15 (if applicable), the holders of 51% of the Shares in issue for the time being (for the purposes of Article 18 the **Sellers**) wish to transfer all (but not some only) of their Shares to a bona fide third party (**Third Party**), the Sellers shall be entitled to give written notice to the Continuing Shareholders (**Drag Along Notice**) requiring the Continuing Shareholders to sell to the Third Party all of the Continuing Shareholders' Shares upon the terms and conditions specified in the Drag Along Notice.

18.2 The terms on which the Sellers require the Continuing Shareholders to sell their Shares must be no less favourable than the terms on which the Sellers are selling their Shares to the Third Party.

18.3 The Drag Along Notice must specify:

18.3.1 the details of the Third Party;

18.3.2 the price payable for each Share and other consideration (if any) to be received (directly or indirectly) by the Seller; and

18.3.3 any other material terms upon which the Continuing Shareholders' Shares shall be purchased pursuant to the Drag Along Notice.

18.4 If each Continuing Shareholder shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the Shares held by them and deliver the certificate in respect of the same (or a suitable indemnity in lieu thereof), then the Sellers shall be entitled to execute, and shall be entitled to authorise and instruct such person as they think fit to execute, the necessary transfers and indemnities on each relevant Continuing Shareholder's behalf and, against receipt by the Company (on trust for each such Continuing Shareholder) of the consideration payable for the relevant Shares, deliver such transfers and certificate or indemnities to the Third Party (or their nominee) and register such Third Party (or their nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.

18.5 The Continuing Shareholders are not obliged to sell their Shares in accordance with this Article 18 if the Sellers do not complete the sale of all their Shares to the Third Party on the same terms and conditions set out in the Drag Along Notice.

## **19 General Meetings**

19.1 No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the commencement of the business and also when such business is voted upon. The quorum at any general meeting shall be one person present in person or by proxy

representing Shareholders holding an aggregate of 51% of the issued Shares of the Company. If a quorum is not present within 30 minutes of the time fixed for the relevant meeting, the meeting shall be adjourned for 7 Business Days at the same time and place. Notice of an adjourned meeting shall be given to all the Shareholders.

- 19.2 The chair of the Board from time to time shall chair general meetings. If the chair is unable to attend any general meeting, the Shareholder who appointed them shall be entitled to appoint another of its nominated Directors present at the meeting to act as chair at the meeting and the appointment of the chair of the meeting must be the first business of the meeting.
- 19.3 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded at any general meeting by the chair, or by any Shareholder present in person or by proxy and entitled to vote or by a duly authorised representative of a corporation which is a Shareholder entitled to vote. In the case of an equality of votes, whether on a show of hands or on a poll, the chair shall not have a casting vote.
- 19.4 An instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board must be delivered to the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting (or any adjournment of that meeting) or to the place of the meeting at any time before the time appointed for the holding of the meeting (or any adjournment of that meeting). A notice revoking the appointment of a proxy must be given in accordance with the Companies Act.

## **20 Voting**

The voting rights attached to Shares shall be:

- 20.1 on a written resolution, every Shareholder holding one or more Shares shall have one vote for each Share held by it; and
- 20.2 on a resolution to be passed at a general meeting of the Company, every Shareholder present in person or by proxy or by a representative shall have:
  - 20.2.1 on a show of hands, one vote each; and
  - 20.2.2 on a poll, one vote for each Share of which it is the holder.

## **21 Notices**

- 21.1 Subject to the specific terms of these Articles, any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Board or a committee thereof) shall be in writing.
- 21.2 Any Shareholder Communication may be served by the Company on, or supplied by the Company to, a Shareholder or other person:
  - 21.2.1 personally;
  - 21.2.2 by sending it by first-class post in a pre-paid envelope addressed to such Shareholder or other person at their postal address (as appearing in the Company's register of members in the case of Shareholders); or

- 21.2.3 except in the case of share certificates or a notice to be given under Article 14, 15 or 16, by sending or supplying it:
- (a) in electronic form (as specified by section 1168(3) of the Companies Act and otherwise complying with the requirements of section 1168); or
  - (b) by website communication in accordance with the provisions of the Companies Act and the Electronic Communications Act 2000.
- 21.3 In the case of a Shareholder Communication validly:
- 21.3.1 sent by post, proof that an envelope containing the communication was properly addressed, pre-paid and posted shall be conclusive evidence that it was sent and it shall be deemed to be given or received at the expiration of 48 hours after the envelope containing it was posted;
  - 21.3.2 sent in electronic form, it shall be deemed to have been given on the same day as it was sent to the address supplied by the Shareholder; and
  - 21.3.3 made by website communication, it shall be deemed to have been received when it was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that it was available on the website.
- 21.4 In the case of joint holders of a Share, all Shareholder Communications shall be sent or supplied to the joint holder who is named first in the register, and a Shareholder Communication so sent or supplied shall be deemed sent or supplied to all joint holders.
- 21.5 A Shareholder who has not supplied to the Company either a postal or an electronic address for the service of notices shall not be entitled to receive notices from the Company.

## **22 Indemnity**

Subject to, and on such terms as may be permitted by the Companies Act, the Company may:

- 22.1 indemnify, out of the assets of the Company, any Director of the Company against all losses and liabilities which they may sustain or incur in the performance of the duties of their office or otherwise in relation thereto;
- 22.2 provide a Director with funds to meet expenditure incurred or to be incurred by them in defending any civil or criminal proceedings brought or threatened against them or in defending themselves in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority, in either case in connection with any alleged negligence, default, breach of duty or breach of trust by them in relation to the Company or another Group Company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under the Companies Act to enable a Director to avoid incurring such expenditure.