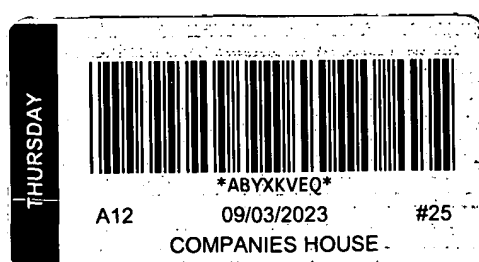


Company number 12656902

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of
ALCOR UK HOLDINGS LIMITED



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(adopted by special resolution passed on 25 February 2023)

PART 1 Interpretation and limitation of liability

1 Preliminary

- 1.1 The articles of association of the Company comprise the provisions set out in this document, as amended from time to time. No regulations or model articles contained in any statute or subordinate legislation, including those contained in the Model Articles, apply to the Company.
- 1.2 Words and expressions used in the Articles are defined in Article 2. Unless defined in Article 2 (and unless the context requires otherwise), other words or expressions contained in the Articles bear the same meaning as in the Act.
- 1.3 A reference in the Articles to any statute or statutory provision includes a reference to any subordinate legislation made under it from time to time and shall, unless the context requires otherwise, include any statutory modification or re-enactment of any statute or statutory provision for the time being in force.
- 1.4 Any phrase in the Articles introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.5 Where for any purpose in the Articles an ordinary resolution of the Company is required, a special resolution shall also be effective.

2 Defined terms

In the Articles, unless the context requires otherwise:

Act means 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);

alternate director has the meaning given in Article 24;

appointor has the meaning given in Article 24;

Articles means the Company's articles of association as described in Article 1.1 (and a reference to an **Article** is a reference to a provision of the Articles);

Associated Company means, in relation to a member, any subsidiary or holding company of that member and any subsidiary of any such holding company from time to time (excluding the Company and any subsidiary of the Company) and **Associated Companies** means any one of them and for the purposes of this

definition of Associated Company the expressions **holding company** and **subsidiary** shall have the meanings given in section 1159 of the Act;

associated person means the officers, employees and agents of a member or of an Associated Company;

Auditors means the auditors from time to time appointed by the Company or such other professional adviser(s) as the Board may from time to time select for the relevant purpose required under these Articles;

bankruptcy includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

BCPL means Beat Capital Partners Limited (a company incorporated under the laws of England and Wales with registered number 10198821) whose registered office is at 5th Floor, Camomile Court, 23 Camomile Street, London EC3A 7LL;

Board means the board of directors of the Company;

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

Buyer means a person or persons together Acting in Concert who make a Qualifying Offer;

Called Shareholders has the meaning given in Article 64.1;

chairman has the meaning given in Article 13;

chairman of the meeting has the meaning given in Article 46;

Claim means where, at any time, the Company wishes to (a) enforce or exercise any right under, or has any claim against or is the subject of a claim by any member or any of its Associated Companies or associated persons in respect of any shareholders' agreement or any agreement or arrangement entered into pursuant to such an agreement; or (b) enforce any obligation owed to the Company by any member or any of its Associated Companies;

Companies Acts means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company;

Completion has the meaning given in Article 64.3(b);

Conflict Matter means a matter authorised as provided in Article 16 or permitted under Article 17;

Control has the meaning given in section 1124 Corporation Tax Act 2010;

Corporate Member means a member that is a company;

Coverholder Agreement means an agreement to provide insurance services entered into between the Company and a Lloyd's syndicate and / or insurance company and / or reinsurance company;

director means a director of the Company, and includes any person occupying the position of director, by whatever name called;

distribution recipient means, as regards a share in respect of which a dividend or other sum is payable:

- (a) the holder of the share;
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree;

document includes, unless otherwise specified, any document sent or supplied in electronic form;

electronic form has the meaning given in section 1168 of the Act;

electronic means has the meaning given in section 1168 of the Act;

Eligible Director means a director who is or would be entitled to vote on the matter at a directors' meeting (but excluding any director whose vote is not to be counted in respect of the particular matter);

Fair Value means the value of shares calculated as between a willing buyer and a willing seller but taking no account of the relationship of the number of shares to be sold to the whole issued share capital of the Company;

fully paid in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

GWP means gross written premium underwritten by or otherwise attributable to the Company as a coverholder or similar. For the avoidance of doubt, GWP should be consistent with UK GAAP and is stated gross of reinsurance costs and gross of brokerage deductions (less any return premiums (net of any taxes));

hard copy form has the meaning given in section 1168 of the Act;

holder in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

Hurdle A means an amount of £8,000,000;

instrument means a document in hard copy form;

member has the meaning given in section 112 of the Act;

Majority Shareholder has the meaning of the Underwriter holding the largest number of Shares

Majority Shareholder Call Option has the meaning given in Article 64.1;

Minority Shareholders means collectively, any members of the Company other than BCPL;

Model Articles means the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008 as in force on the date of adoption of the Articles (and a reference to a **Model Article** is a reference to a provision of the Model Articles);

Option Exercise Notice has the meaning given in Article 64.2;

Option Share Price means the price per Option Share as calculated in accordance with Article 1.1.1;

Option Shares has the meaning given in Article 1.1.1;

Option Price Valuation Parties has the meaning given in Article 64.5;

ordinary resolution has the meaning given in section 282 of the Act;

Ordinary A Shares means ordinary A shares of £1.00 each in the capital of the Company with the rights set out in Article 28.2;

Ordinary Shares means ordinary shares of £1.00 each in the capital of the Company with the rights set out in Article 28.1;

paid means paid or credited as paid;

participate, in relation to a directors' meeting, has the meaning given in Article 11;

Primary Proceeds means the lower of (1) the Proceeds; and (2) Hurdle A;

Proceeds means the proceeds of a sale, listing, liquidation, winding up or other return of capital available for distribution among the members (after any outstanding loans have been repaid);

proxy notice has the meaning given in Article 52;

Qualifying Offer means a proposed transaction or the proposed last transaction in a series of related transactions that is a bona-fide arm's length transaction which would, if carried out, result in the Buyer and any person or persons Acting in Concert with the Buyer acquiring Control of the Company;

Relevant Agreement has the meaning given in Article 62;

relevant officer means any director or other officer or former director or other officer of the Company but excluding any person engaged by the Company as auditor;

Relevant Year has the meaning given in Article 1.1.1;

Sale Shares means the shares stated in a Transfer Notice;

Secondary Proceeds means the higher of (1) Zero; and (2) Proceeds minus Hurdle B;

Sellers means holders of Ordinary Shares who propose to transfer shares to a Buyer pursuant to a Qualifying Offer;

shares means shares in the Company of any class;

Shareholder mean persons holding shares in the Company from time to time;

special resolution has the meaning given in section 283 of the Act;

subsidiary has the meaning given in section 1159 of the Act;

Transfer Notice means a notice in writing stating the number of shares that a member of the Company wishes to sell;

Transmittee means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law;

Underwriter means an underwriter or underwriters or any other natural person other than the Company and BCPL who acquires Shares in the Company;

working day has the meaning given in section 1173 of the Act; and

writing means 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.

3 Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2 Directors

Directors' powers and responsibilities

4 Directors' general authority

4.1 Subject to the Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

4.2 The directors shall not take any decision or make any proposal in relation to any matters which have been reserved for member approval by the terms of any written agreement between all of the members and the Company on or around the date of adoption of these Articles, as may be amended from time to time, save in accordance with such agreement or with the unanimous approval of all of the members.

5 Members' reserve power

5.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

5.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

6 Directors may delegate

6.1 Subject to the Articles, and the terms of any written agreement between all of the members and the Company, the directors may delegate any of the powers which are conferred on them under the Articles:

- (a) to such person or to a committee of such persons;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions,

as they think fit.

6.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

6.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

7 Committees

- 7.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.
- 7.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

Decision-making by directors

8 Directors to take decisions collectively

- 8.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 9.
- 8.2 If and for so long as the Company only has one director, the general rule does not apply and the director may take decisions (provided he is an Eligible Director in relation to the matter in question) and may exercise all of the other powers and discretions given to the directors by the Articles and the Companies Acts which are capable in law of being exercised by a sole director.

9 Unanimous decisions

- 9.1 A decision of the directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 9.2 Such a decision may take the form of a resolution in writing, signed by each Eligible Director (whether on the same or one of several copies) or to which each Eligible Director has otherwise indicated agreement in writing.
- 9.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a directors' meeting.

10 Calling a directors' meeting

- 10.1 Any two directors, or any of the Chief Operating Officer or Chief Executive Officer, or the chairman may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 10.2 Notice of any directors' meeting must indicate:
- (a) its proposed date and time;
 - (b) where it is proposed to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 10.3 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 10.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company before or after the date on which the meeting is held. Where such notice is given

after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

11 Participation in directors' meetings

11.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

- (a) the meeting has been called and takes place in accordance with the Articles; and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

11.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

11.3 If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, at the place where the chairman (or other director chairing the meeting) is.

12 Quorum for directors' meetings

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

12.2 Save where expressly stated in these Articles and subject to any Relevant Agreement, the quorum for directors' meetings shall be one Eligible Director if the Company has only one director and two Eligible Directors if the Company has more than one director.

12.3 Where a quorum is not present at a directors' meeting, any director present (or their duly appointed alternates) at the meeting may require the meeting to be reconvened to a specified date and time not less than five business days after the original date. Notice of the adjourned meeting shall be given to all of the directors. At the reconvened meeting, a quorum shall exist with respect to those matters on the agenda which were not disposed of at the original meeting if at least one director is present or represented by an alternate.

13 Chairing directors' meetings

13.1 The members shall appoint a director to chair directors meetings.

13.2 The person so appointed for the time being is known as the **chairman** and shall serve for such period as the members determine.

13.3 The member whose director appointee is acting as chairman may terminate the chairman's appointment at any time and if so shall be entitled to nominate another director to act as chairman for the remainder of the term of appointment.

14 Voting at directors' meetings: general rules

14.1 Subject to the Articles and any Relevant Agreement, a decision is taken at a directors' meeting by a majority of the votes of the Eligible Directors who are participating and each Eligible Director participating in a directors' meeting has one vote.

- 14.2 Subject to Article 14.3, if a question arises at a meeting of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes or otherwise in accordance with the Articles, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any person other than himself is to be final and conclusive.
- 14.3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 14.4 The directors appointed by a member who has been notified by the other members pursuant to these Articles or any other arrangements or agreement made between all of the members that it is required to transfer the shares held by it in the Company shall not, from the time that member is deemed to have received such notification until the time its shares are transferred, be entitled to vote at any meeting of the directors or any committee of the directors and any requirement contained in these Articles for a certain number of directors to be present at a meeting of the directors or any committee of the directors to constitute a quorum shall be met without the attendance or presence of a director(s) appointed by a member who has received such notification notwithstanding that a particular number or certain type of director is normally required in order to constitute a quorum.
- 14.5 The directors appointed by a member who is interested in a Claim (other than interested solely by virtue of being a member of the Company) shall be entitled to attend and speak at any meeting of the directors or any committee of the directors in relation to such Claim but shall not be entitled to vote at such meeting. Any requirement contained in these Articles for a certain number of directors to be present at a meeting of the directors or any committee of the directors to constitute a quorum shall be met without the attendance or presence of a director(s) appointed by a member which is interested in the Claim (other than interested solely by virtue of being a member of the Company) where a resolution in relation to a Claim is proposed notwithstanding that a particular number or certain type of director is normally required in order to constitute a quorum.
- 15 **Chairman's casting vote at directors' meetings**
- 15.1 If the numbers of votes for and against a proposal are equal, the chairman has a casting vote.
- 16 **Directors' conflicts: situational conflicts**
- 16.1 The directors may, in accordance with this Article and the Act, authorise any matter which would or might, if not authorised, involve a director breaching the duty to avoid conflicts of interest in section 175 of the Act.
- 16.2 Any such matter shall be proposed in writing for consideration by the directors in accordance with any procedures for the time being established for the purpose by the directors or in such other manner as the directors may approve.
- 16.3 An authorisation pursuant to Article 16.1:
- (a) will be subject to any restrictions or conditions expressly imposed by the directors at the time of authorisation or subsequently; and
 - (b) may be varied or terminated by the directors at any time.

Nothing in this Article will affect anything done by a director in accordance with the terms of an authorisation prior to any such variation or termination.

16.4 No authority under this Article is required in respect of a conflict of interest arising in relation to a transaction or arrangement with the Company, but this is without prejudice to a director's obligation to declare any interest pursuant to the Act and the Articles.

16.5 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the member who appointed him as a director of the Company, or any other subsidiary or holding company of any such member, and no authorisation under Article 16 shall be necessary in respect of such interest.

16.6 Nothing in this Article affects any power of the Company to authorise any matter which would or might, if not authorised, involve a director breaching the duty to avoid conflicts of interest in section 175 of the Act.

17 Directors' conflicts: transactions or arrangements with the Company

Provided that he has disclosed to the directors the nature and extent of any direct or indirect interest, to the extent required by section 177 or section 182 of the Act (as appropriate), a director:

- (a) may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may hold any other office or employment with the Company (except that of auditor) in conjunction with the office of director, and may act by himself or through his firm in a professional capacity for the Company, in any such case on such terms as to remuneration and otherwise as the directors may decide, either in addition to or instead of any remuneration provided for by any other Article; and
- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

18 Directors' conflicts: general provisions

18.1 Subject to the Articles (and to the terms of any authorisation given as provided in Article 16), a director shall not by reason of his office be liable to account to the Company for any remuneration, profit or other benefit derived as a result of a Conflict Matter. No transaction or arrangement shall be liable to be avoided on the grounds of a director having an interest or benefit authorised or permitted as provided in the Articles.

18.2 In relation to any Conflict Matter, the general duties that a director owes to the Company under the Act will not be infringed by anything done (or omitted to be done) by the director concerned in accordance with the Articles.

18.3 The director may, for as long as he reasonably believes a Conflict Matter subsists:

- (a) absent himself from meetings of the directors or from the discussion of any matter at a meeting or in respect of any other proposed decision of the directors; and

- (b) make such arrangements as he sees fit for relevant board papers and other information not to be sent to him.
- 18.4 Where the director obtains (otherwise than as a director or employee of the Company) in relation to a Conflict Matter information in respect of which he owes a duty of confidentiality to another person he shall not be obliged to disclose such information or use it for the benefit of the Company (in circumstances in which he would otherwise be so obliged).
- 18.5 A director appointed by a member (or his alternate) shall be entitled from time to time to disclose to the member which appointed him such information concerning the business and affairs of the Company as he shall at his discretion see fit.
- 18.6 Subject to the Articles, a director may vote at any meeting of the directors (or committee established by the directors) and take part in any other decision of the directors despite the fact that the decision concerns or relates to a matter in which he has, directly or indirectly, an interest or duty which conflicts, or possibly may conflict, with the interests of the Company provided that the director has, as appropriate and to the extent required:
 - (a) received an authorisation as provided in Article 16 (and the terms of the authorisation do not provide otherwise); or
 - (b) made a disclosure in accordance with Article 17.
- 19 **Records of decisions to be kept**

The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded:

 - (a) of every unanimous or majority decision in whatever form taken by the directors; and
 - (b) in the case of a sole director, of every decision in whatever form that would have been taken by unanimous or majority decision if the Company had more than one director.
- 20 **Directors' discretion to make further rules**

Subject to the Articles and any written agreement between all of the Members and the Company, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

Appointment and removal of directors

21 Methods of appointing and removing directors

- 21.1 Any person who is willing to act as a director and (i) is permitted by law or regulation to do so and (ii) obtains and maintains the requisite approvals from the Prudential Regulation Authority and / or the Financial Conduct Authority and any other relevant regulatory authority, may be appointed to be a director by:
 - (a) a decision of the directors; or
 - (b) by notice from a member if such member is entitled to appoint a director pursuant to the terms of a Relevant Agreement.

- 21.2 Any appointment or removal of a director by a member shall be in writing served on the Company and signed by the persons appointing or removing the director. In the case of a corporation, such document may be signed on its behalf by a director or the secretary or by its duly appointed attorney or duly authorised representative. The appointment or removal shall take effect when the notice is deemed delivered or on such later date (if any) specified in the notice. Upon a director being removed from his/her position as a director of the Company the member that removed such director shall be entitled to appoint another director in his/her place in accordance with this Article 21.
- 21.3 No member shall have the right to object to the appointment or removal or replacement of a director by any other member made in accordance with this Article 21.
- 21.4 The appointment of any nominee director by a member (**appointing person**) shall automatically be terminated immediately upon the appointing person ceasing to hold any shares in the Company.
- 21.5 If a member is notified by the other members pursuant to these Articles or any other arrangements or agreement made between all of the members and the Company that it is required to transfer the shares held by it in the Company, it shall cease to have the right to appoint any directors and any directors appointed by it shall promptly resign or be removed by it, failing which any such director(s) may be removed from office by notice to the Company by a majority of the other members.
- 21.6 Any requirement contained in these Articles for a certain number of directors to be present at a meeting of the directors or any committee of the directors to constitute a quorum shall be met without the attendance or presence of a director:
- (a) if his appointment has automatically terminated; or
 - (b) if he has been removed in accordance with Article 21.5;
- notwithstanding that a particular number or certain type of director is normally required in order to constitute a quorum.
- 21.7 No director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

22 **Termination of director's appointment**

A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms; or

- (f) that person ceases to be a director in accordance with any Relevant Agreement.

23 **Directors' expenses**

The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- (a) meetings of directors or committees established by the directors;
- (b) general meetings; or
- (c) separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

Alternate directors

24 **Appointment and removal of alternate directors**

- 24.1 Any director (**appointor**) (other than an alternate director) may, subject to the relevant person obtaining and maintaining the requisite approvals from the Prudential Regulation Authority and / or the Financial Conduct Authority and any other relevant regulatory authority, appoint as an alternative any person to:

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

in relation to the taking of decisions by the directors in the absence of the alternate director's appointor (**alternate director**).

- 24.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors and has immediate effect (subject to any necessary approval and unless otherwise specified).

- 24.3 The notice must:

- (a) identify the proposed alternate director; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate director that he is willing to act as the alternate director of the director giving the notice.

25 **Rights and responsibilities of alternate directors**

- 25.1 Except as the Articles specify otherwise, alternate directors:

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

- 25.2 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration (if any) of

the alternate director's appointor as such appointor may direct by notice in writing made to the Company. An alternate director is however entitled to the payment by the Company of such expenses as might properly be paid to him if he were a director.

26 Alternate directors and decisions of the directors

26.1 Subject to the Articles, an alternate director may act as alternate director for more than one director and has the same rights in relation to any decision of the directors as the alternate director's appointor.

26.2 Subject to the Articles, an alternate director is entitled to take part for all purposes (including quorum and voting purposes) in a decision of the directors in respect of which his appointor:

- (a) is not taking part; and
- (b) is an Eligible Director.

26.3 If an alternate director's appointor is not an Eligible Director in relation to a decision of the directors, this does not preclude the alternate director from taking part on behalf of another appointor who is (and on his own behalf if he is) an Eligible Director in relation to that decision.

26.4 An alternate director is not entitled to take part in a decision of the directors if he would not qualify as an Eligible Director in relation to that decision.

26.5 No person taking part in a decision of the directors may (whether in his capacity as director or alternate director) be counted as more than one director for the purposes of determining whether the quorum requirement is satisfied in relation to that decision.

26.6 Subject to the Articles, an alternate director who acts as alternate director for more than one director has one vote for each appointor, in addition to his own vote if he is also a director.

27 Termination of alternate directorship

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

- (a) when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director;
- (c) on the death of the alternate director's appointor; or
- (d) when the appointment as a director of the alternate director's appointor terminates.

PART 3 Shares and distributions

Shares

28 Classes of shares

The respective rights of the several classes of shares in the capital of the Company as to income, capital and voting are as follows:

28.1 Ordinary Shares

- (a) the right to vote and attend a general meeting;
- (b) the right to receive a dividend; and
- (c) the right to receive on winding up or a return of capital, a (1) pro-rata share of the Primary Proceeds; and (2) pro-rata share of the Secondary Proceeds.

28.2 Ordinary A Shares

- (a) the right to vote and attend a general meeting;
- (b) the right to receive a dividend; and
- (c) the right to receive on winding up or a return of capital, a pro-rata share of the Secondary Proceeds

29 **All shares to be fully paid up**

No share is to be issued for less than its nominal value.

30 **Issue of shares**

No unissued share, and no right to subscribe for or convert any security into a share, shall be allotted or issued without prior unanimous member approval or unless in accordance with the terms of any Relevant Agreement.

31 **Exclusion of pre-emption rights**

The pre-emption provisions in sections 561 and 562 of the Act shall not apply to any allotment of equity securities made by the Company.

Interests in shares

32 **Company not bound by less than absolute interests**

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

Share certificates

33 **Certificates to be issued except in certain cases**

33.1 The Company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds.

33.2 Every certificate must specify:

- (a) in respect of how many shares, and of what class, it is issued;
- (b) the nominal value of those shares;
- (c) the amount paid up on them; and
- (d) any distinguishing numbers assigned to them.

33.3 No certificate may be issued in respect of shares of more than one class.

33.4 If more than one person holds a share, only one certificate may be issued in respect of it.

33.5 Certificates must:

- (a) have affixed to them the Company's common seal; or
- (b) be otherwise executed in accordance with the Companies Acts.

34 Replacement share certificates

34.1 If a certificate issued in respect of a member's shares is:

- (a) damaged or defaced; or
- (b) said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares.

34.2 A member exercising the right to be issued with such a replacement certificate:

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Transfer of shares

35 Share transfers

35.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

- (a) the transferor; and
- (b) (unless the share is fully paid) the transferee.

35.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

35.3 The Company may retain any instrument of transfer which is registered.

35.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

35.5 The directors may refuse to register the transfer of a share which is not made in accordance with these Articles, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

35.6 Shares or any interest in shares may not at any time be transferred to any person if this is not permitted by the terms of any Relevant Agreement.

Distributions

36 Procedure for declaring dividends

- 36.1 Subject to the terms of any Relevant Agreement, the Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 36.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 36.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 36.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- 36.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 36.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 36.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

37 Payment of dividends and other distributions

Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

38 No interest on distributions

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- (a) the terms on which the share was issued; or
- (b) the provisions of another agreement between the holder of that share and the Company.

39 **Unclaimed distributions**

39.1 All dividends or other sums which are:

- (a) payable in respect of shares; and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

39.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

39.3 If:

- (a) 6 years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

40 **Non-cash distributions**

40.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

40.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

- (a) fixing the value of any assets; and
- (b) vesting any assets in trustees.

41 **Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share in whole or in part by giving the Company notice in writing to that effect (executed as a deed, unless the waiver is made for valuable consideration), but if:

- (a) the share has more than one holder; or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and executed, by all the holders or persons otherwise entitled to the share.

Capitalisation of profits

42 Authority to capitalise and appropriation of capitalised sums

42.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve or any other reserve; and
- (b) appropriate any sum which they so decide to capitalise (**capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (**persons entitled**) and in the same proportions.

42.2 Capitalised sums must be applied:

- (a) on behalf of the persons entitled; and
- (b) in the same proportions as a dividend would have been distributed to them.

42.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

42.4 A capitalised sum which was appropriated from profits available for distribution may be applied:

- (a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled; or
- (b) in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

42.5 Subject to the Articles, the directors may:

- (a) apply capitalised sums in accordance with Articles 42.3 and 42.4 partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article.

PART 4 Decision-making by members

Organisation of general meetings

43 Members can call general meeting if no directors

If the Company has no directors then any member may call a general meeting (or instruct the company secretary (if any) to do so) solely for the purpose of appointing one or more directors and any reasonable expenses incurred by a member in calling any such meeting shall be reimbursed by the Company.

44 Attendance and speaking at general meetings

- 44.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 44.2 A person is able to exercise the right to vote at a general meeting when:
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 44.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 44.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 44.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

45 Quorum for general meetings

- 45.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 45.2 Except where the Company has only one member, a quorum at any general meeting shall exist if one or more persons are present in person or in proxy and between them they hold over 50% of the issued Ordinary Shares of the Company.
- 45.3 If, and for so long as, the Company has only one member, that member present in person or by proxy shall be a quorum at any general meeting of the Company.
- 45.4 If a quorum is not present within half an hour (or such longer time as the persons present may all agree to wait) from the time appointed for any general meeting, or if during a general meeting a quorum ceases to be present, the meeting shall be dissolved.

46 Chairing general meetings

- 46.1 The chairman of the Board, or a director nominated by such chairman, shall chair general meetings if present and willing to do so.
- 46.2 If the chairman or director nominated by the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- (a) the directors present; or
 - (b) (if no directors are present), the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

46.3 The person chairing a meeting in accordance with this Article is referred to as the **chairman of the meeting**.

47 Attendance and speaking by directors and non-members

47.1 Directors may attend and speak at general meetings, whether or not they are members.

47.2 The chairman of the meeting may permit other persons who are not:

- (a) members of the Company; or
- (b) otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

48 Adjournment and postponement

48.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

48.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

48.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

48.4 When adjourning a general meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

48.5 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at general meetings

49 Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

50 Errors and disputes

50.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

50.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

51 **Demanding a poll**

51.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote; or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

51.2 A poll may be demanded by:

- (a) the chairman of the meeting;
- (b) a director;
- (c) any person having the right to vote on the resolution.

51.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the chairman of the meeting consents to the withdrawal.

A demand which is withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

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

51.5 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

52 **Content and delivery of proxy notices**

52.1 Proxies may only validly be appointed by a notice in writing (**proxy notice**) which:

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine,

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their absolute discretion, accept the proxy notice at any time before the meeting.

52.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

52.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

52.4 Unless a proxy notice indicates otherwise, it must be treated as:

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

53 Effect of proxy notice

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

54 Amendments to resolutions

- 54.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 54.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 54.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that resolution.

PART 5 Miscellaneous provisions

Company communications

55 Means of communication

- 55.1 Subject to the Articles, any document or information sent or supplied by the Company:
 - (a) under the Articles or pursuant to the Companies Acts; or

- (b) pursuant to any other rule or regulation to which the Company may be subject (and if permitted by such rule or regulation),

may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by the Company (including, without limitation, by making documents or information available on a website).

55.2 Subject to the Articles, any document or information sent or supplied to the Company under the Articles or pursuant to the Companies Acts may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied to the Company.

55.3 References in the Articles to documents or information being sent or supplied by or to the Company include references to documents or information being sent or supplied by or to the directors acting on behalf of the Company.

56 Deemed receipt

56.1 Any document or information sent or supplied by the Company shall be deemed to have been received by the intended recipient:

- (a) if delivered by hand to an address in the United Kingdom, on the day of delivery to such address (or, if not a working day, on the next working day);
- (b) if sent by first-class post to an address in the United Kingdom and the Company is able to show that it was properly addressed, prepaid and posted, 24 hours after it was posted;
- (c) if sent by airmail to an address outside the United Kingdom and the Company is able to show it was properly addressed, pre-paid and despatched, 72 hours after it was despatched;
- (d) if sent or supplied by electronic means and the Company is able to show that it was properly addressed, 12 hours after it was sent; and
- (e) if sent or supplied by means of a website:
 - (i) when the material was first made available on the website; or
 - (ii) if later, when the recipient received (or is deemed pursuant to this Article 56.1 to have received) notice of the fact that the material was available on the website.

56.2 For the purposes of Article 56.1:

- (a) in calculating a period of hours, no account shall be taken of any part of a day that is not a working day;
- (b) a document or information is properly addressed if it is sent or supplied to an address to which the Company may send or supply documents or information in accordance with the Act; and
- (c) the Company shall not be required to investigate or prove actual receipt by an intended recipient of any document or information (including any document or information sent or supplied by electronic means).

- 56.3 A member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and of the purposes for which it was called.

Company secretary

57 Secretary

The directors may appoint a person to act as the secretary of the Company 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 (with or without replacement).

Administrative arrangements

58 Company seals

- 58.1 Any common seal may only be used by the authority of the directors.
- 58.2 The directors may decide by what means and in what form any common seal is to be used.
- 58.3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 58.4 For the purposes of this Article, an authorised person is:
- (a) any director of the Company;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.
- 58.5 The Company may execute deeds and other documents otherwise than under the common seal provided that execution is in accordance with the Companies Acts.

59 No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member.

Directors' indemnity, funding and insurance

60 Indemnity and funding

- 60.1 Subject to Article 60.2, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the directors may exercise the power of the Company to:
- (a) indemnify any relevant officer out of the assets of the Company against:
 - (i) any liability incurred by that relevant officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;
 - (ii) any liability incurred by that relevant officer in connection with the activities of the Company or an as in its capacity as a trustee of an

occupational pension scheme (as defined in section 235(6) of the Act);
and

- (iii) any other liability incurred by that relevant officer as an officer of the Company;
- (b) provide any relevant officer with funds to meet expenditure incurred or to be incurred by such relevant officer:
 - (i) in defending any criminal or civil proceedings or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company; or
 - (ii) in connection with any application for relief (within the meaning of section 205(5) of the Act),or to do anything to enable a relevant officer to avoid incurring such expenditure.

60.2 This Article does not authorise any indemnity, provision of funds or other matter which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

61 Insurance

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

Other provisions

62 Relevant Agreement

62.1 Notwithstanding any other provision(s) of these Articles, the provisions of these Articles are subject to the terms and conditions of any written agreement relating to the Company that is signed by the Company and all the persons who are its members at the date of the said agreement (a **Relevant Agreement**).

62.2 A Relevant Agreement may be:

- (a) entered into either before or after the date on which these Articles are adopted; and
- (b) signed by third parties as well as the Company and its members.

62.3 A Relevant Agreement may prescribe *inter alia*:

- (a) voting rights for directors and members;
- (b) priorities for distribution to its members and third parties of the Company's funds or profits (whether of an income or capital nature) after discharge or provision in respect of its liabilities and after establishing commercially reasonable reserves;
- (c) provisions regarding the issue of new shares or other securities; or

(d) provisions regarding the transfer of shares,
that in any such case differ from, and shall override, those set out in these Articles.

62.4 To give effect to the preceding sub-paragraphs of this Article, to the fullest extent permitted by applicable law:

- (a) the Company shall at all times perform its obligations under the Relevant Agreement;
- (b) the directors shall exercise, or refrain from exercising, their voting and other authorities, powers and rights as directors of the Company so as to procure the compliance by the Company with any Relevant Agreement;
- (c) the members shall perform their obligations under the Relevant Agreement and shall exercise, or refrain from exercising, their voting and other authorities, powers and rights as members of the Company so as to procure the compliance by the Company with any Relevant Agreement; and
- (d) this Article shall continue to have effect in the event of a winding up of the Company.

63 **Share Transfers**

63.1 The provisions of this Article 63 are subject to the provisions on transfers of shares as set out in a Relevant Agreement.

63.2 Subject to Articles 64 and 67, any holder of shares who wishes to sell or transfer any or all of their shares in the capital of the Company ("**the Vendor**") shall serve a Transfer Notice on the board of directors of the Company. The sale price for the Sale Shares will, if possible, be agreed between the Vendor and the Company as the Fair Value. If the Fair Value cannot be agreed between the Vendor and the Company within 30 working days of the date of the Transfer Notice, it shall be determined by the Auditors acting as expert and not as arbitrator and whose determination shall, in the absence of manifest error, be final and binding on the parties. The cost of such determination shall be borne by the Company. The Auditors shall be instructed to provide their determination of Fair Value within 20 Business Days of being instructed (or such other date as agreed between the Auditors and the Company).

63.3 The transfer notice shall constitute the Company the agent of the Vendor for the sale of all or any of the Sale Shares to the purchaser (determined in accordance with article 63.4) at the Fair Value.

63.4 The Sale Shares shall be offered first to the other members or to the Company (as determined by the holders of a majority of the shares) by notice in writing (the "**Offer Notice**") within 7 days after the sale price has been agreed or otherwise determined. The Offer Notice shall state the sale price and shall limit the time in which the offer may be accepted, not being less than 10 working days nor more than 30 working days after the date of the Offer Notice. For the purposes of this article 63.4 an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company.

63.5 To the extent that the Company and the other members do not elect to purchase the Sale Shares they may not be transferred to any other person unless the directors in their discretion permit such a transfer.

64 **Majority Shareholder Call Option**

64.1 On or after December 31 2024 the Majority Shareholder shall have a call option (the **Majority Shareholder Call Option**) to acquire all (but not part only) of the ownership interests of any of the other Shareholders (**Called Shareholders**).

64.2 The Majority Shareholder Call Option will be exercised by the Majority Shareholder giving 30 days' written notice at any time (the **Option Exercise Notice**) to the relevant Called Shareholders.

64.3 The Option Exercise Notice shall specify that:

- (a) the Majority Shareholder is exercising the Majority Shareholder Call Option; and
- (b) a date, which is no less than 5 and no more than 90 Business Days after the Option Share Price is known, on which completion of the transfer is to take place (**Completion**).

1.1.1 The consideration payable for the shares held by a Called Shareholder (**Option Shares**) shall be their pro-rata share taking account of the class of Shares held by the Called Shareholder, of the Option Share Price. The pro rata calculation shall be performed based on the basis that individual shares have the same proportionate share of the Option Share Price, as would have been the case for the division at a winding up or return of capital of a total amount of the Option Share Price pursuant to Article 28.

64.4 The Option Share Price shall be calculated on the basis of the following formula:

$$\text{Option Share Price} = \left(\frac{A}{3} \times \frac{B}{C} \right) \times 7.5$$

Where:

A = the aggregate net profit before tax as shown in the three most recent sets of audited accounts of the Company that have been filed at Companies House as at the date of service of the Option Exercise Notice

B = the aggregate of GWP under a Coverholder Agreement in the most recent calendar year (the **Relevant Year**)

C = the aggregate of GWP under a Coverholder Agreement in the calendar year immediately prior to the Relevant Year

Therefore:

- (i) If A is £3,000,000 and GWP is shown to have increased by 100%, producing a factor of 2 the Option Share Price would be £15,000,000.
- (ii) If A is £3,000,000 and GWP is shown to have decreased by 50% producing a factor of 0.5 the Option Share Price would be £3,750,000;
- (iii) If A is £3,000,000 and there is no change to GWP producing a factor of 1, the Option Share Price would be £7,500,000.

64.5 The Option Share Price shall be agreed between the Underwriter holding the greatest number of Shares held by all of the Underwriters, or if there are no Underwriters, the shareholder with the greatest number of Shares other than the Majority Shareholder, and the Majority Shareholder (together being the **Option Price Valuation Parties**). If those parties fail to reach agreement on the Option Share

Price, then the Option Share Price shall within 14 Business Days be determined in accordance with Article 65. The consideration for the Option Shares shall be satisfied in cash at Completion. For the avoidance of doubt the Majority Shareholder shall only be required to acquire Shares at the Option Share Price where it elects to acquire Option Shares pursuant to this Article 64.

64.6 If the Majority Shareholder sells the Company to a third party within 24 months of acquiring the Company pursuant to this Article, the parties agree that, to the extent the Company is sold for more than the Option Share Price, the Called Shareholders shall be entitled to receive such proportion of the excess as is equal to their pro-rata ownership interest in the Company immediately prior to their Shares being acquired.

64.7 The Shareholders agree to waive any rights they might otherwise have to acquire Shares which are to be transferred pursuant to this Article 64, and to do any such acts and things as may be required to effect and perfect such transfer if requested by a Shareholder.

65 Determination of Share price

65.1 The Auditors shall determine the price payable for the Shares being transferred pursuant to Article 64 (*Option Share Price*), within 25 Business Days of its/their appointment and shall notify the Shareholders of its/their determination within one Business Day of the same. The fees of the Auditors shall be borne by Company.

65.2 The Auditors shall act as experts and not as arbitrators and (except in the case of clerical error, manifest error or fraud) their determination shall be final and binding on the parties.

66 Tag Along Rights

66.1 Subject to any Relevant Agreement, the provisions of Article 66.2 to Article 66.7 shall apply if a Buyer proposes to make a Qualifying Offer to one or more Sellers ("**the Proposed Transfer**").

66.2 In the event that a Buyer makes a Qualifying Offer, a Seller or Sellers shall, if he or they propose to accept such offer, procure that the Buyer makes an offer ("**the Minority Offer**") to the Minority Shareholders to purchase the same proportion of their shares as the Buyer is purchasing from the Seller or Sellers.

66.3 The price per share that shall be offered to the Minority Shareholders shall be calculated by reference to the capital rights set out in Article 28 and the value of the Company implied by the weighted average price per Ordinary Share at which transactions have been undertaken in the period of 12 months ending on the date of the Proposed Transfer ("**the Specified Price**").

66.4 The Minority Offer shall be given by written notice ("**the Offer Notice**"), at least 10 working days ("**the Offer Period**") before the proposed sale date ("**the Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the Specified Price and other terms and conditions of payment;
- (c) the Sale Date; and
- (d) the number of shares proposed to be purchased by the Buyer ("**the Minority Offer Shares**").

- 66.5 If the Buyer fails to make the Minority Offer to all holders of the Shares in the Company in accordance with Articles 66.2 to 66.4, the Seller or Sellers shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares affected in accordance with the Proposed Transfer.
- 66.6 If the Minority Offer is accepted by any Minority Shareholders ("**Accepting Minority Shareholder**") within the Offer Period (such acceptance shall be irrevocable), the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Minority Offer Shares held by Accepting Minority Shareholders.
- 66.7 If any Accepting Minority Shareholder does not, on the Sale Date, execute transfer(s) in respect of all of the Minority Offer Shares held by it, the defaulting Minority Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Sellers to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Minority Offer Shares, to deliver such transfer(s) to the Buyer (or as they may direct) as the holder thereof. After the Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 64.
- 67 **Drag Along Rights**
- 67.1 The provisions of this Article 67 are subject to the provisions on transfers of shares as set out in a Relevant Agreement.
- 67.2 Where a Qualifying Offer has been made, if the Sellers wish to accept the Qualifying Offer they may require all Minority Shareholders to sell and transfer all their shares to the Buyer (or to the Buyer's nominee) in accordance with the provisions of this Article ("**the Drag Along Option**").
- 67.3 The Sellers may exercise the Drag Along Option by giving written notice to that effect ("**the Drag Along Notice**") at any time before completion of the transfer of the Transfer Shares to the Buyer. The Drag Along Notice shall specify:
- (a) that the Minority Shareholders are required to transfer all of their shares ("**the Called Shares**") pursuant to this Article 67;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares, which shall be calculated in accordance with Article 67.4; and
 - (d) the proposed date of the transfer.
- 67.4 The price per Called Share that shall be offered to the Minority Shareholders shall be calculated by reference to the capital rights set out in Article 28 and the value of the Company implied by the weighted average price per Ordinary Share at which transactions have been undertaken in the period of 12 months ending on the date of the proposed transfer.
- 67.5 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Sellers have not sold the Transfer Shares to the Buyer within 20 working days after the later to occur of:
- (a) the date upon which any required regulatory authority or consent has been obtained; and

(b) the service of the Drag Along Notice.

The Sellers may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 67.6 No Drag Along Notice shall require a Minority Shareholder to agree to any terms except those specifically set out in this Article 67.
- 67.7 Completion of the sale of the Called Shares shall take place on the Completion Date (as defined below). "**Completion Date**" means the date proposed for completion of the sale of the Transfer Shares unless:
- (a) all of the Minority Shareholders and the Sellers agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Minority Shareholders and the Sellers; or
 - (b) that date is less than 20 working days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be 20 working days after service of the Drag Along Notice.
- 67.8 Within 20 working days of the Sellers serving a Drag Along Notice on the Minority Shareholders, the Minority Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Minority Shareholders, on behalf of the Buyer, the amounts they are due for their shares pursuant to Article 67.3(c) to the extent that the Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Buyer. The Company shall hold the amounts due to the Minority Shareholders pursuant to Article 67.3(c) in trust for the Minority Shareholders without any obligation to pay interest.
- 67.9 To the extent that the Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to Article 67.3(c), the Minority Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Minority Shareholders shall have no further rights or obligations under this Article 67 in respect of their shares.
- 67.10 If any Minority Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Minority Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Sellers to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Buyer (or as they may direct) as the holder thereof. After the Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 67.