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2023

122 Ideas Limited

Articles of association

adopted by a special resolution passed on 2 March 2023

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Company number: 12979583

Private company limited by shares

Articles of association

122 Ideas Limited

1 Table A and Model Articles not to apply

No regulations for the management of a company set out in any schedule to any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company. References to **the Articles** shall be to the following articles of association as amended from time to time and references to **Article** shall be construed accordingly.

2 Defined terms

In the Articles, unless the context requires otherwise:

Agreement means the agreement entered into on or around the date of the adoption of these Articles between the Company and the shareholders;

Auditors means the Company's auditors or accountants;

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;

Board means the Company's board of directors as constituted from time to time;

Business means the profession, trade or business of Regulatory Technology Services to be carried on by the Company or any other business decided in line with this Agreement;

chairman has the meaning given in Article 14.2;

chairman of the meeting has the meaning given in Article 51.3;

Companies Acts means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

Company means 122 Ideas Limited (CRN: 12979583);

Controlling Interest means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010;

CTA 2010 means the Corporation Tax Act 2010;

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

distribution recipient has the meaning given in Article 43;

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

electronic form has the meaning given in section 1168 of the Companies Act 2006;

fair value is as determined in accordance with Article 66;

Family Trusts means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

Founder Director has the meaning given in Article 24;

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 ;

Group: in relation to a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Group is a member of the Group;

hard copy form has the meaning given in section 1168 of the Companies Act 2006;

holder in relation to shares means the person whose name is entered in the register of members as the holder of the shares (but, to the extent that these Articles would otherwise conflict with the Companies Act 2006, not including the Company in respect of shares held as treasury shares);

instrument means a document in hard copy form;

a Member of the same Group means, as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

ordinary resolution has the meaning given in section 282 of the Companies Act 2006;

Ordinary Shares means the ordinary shares of £0.00015625 each in the capital of the Company;

paid means paid or credited as paid;

participate, in relation to a directors' meeting, has the meaning given in Article 10;

Permitted Transferee: in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Companies Act 2006) means any Member of the same Group; and, in relation to a Shareholder who is an individual, any of his or her Privileged Relations, Trustees or Qualifying Companies ;

Privileged Relation in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);

proxy notice has the meaning given in Article 57;

Qualifying Company means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);

shareholder means a person who is the holder of a share;

shares means the Ordinary Shares or any other shares in the Company;

Shareholders' Agreement means the agreement between the Company and its shareholders dated on or around the date of adoption of these Articles (as may be amended or replaced from time to time);

Share Option Plans means the EMI share option scheme to be adopted by the Board on or around the date of adoption of these Articles (as may be amended by the Board from time to time) and any other option plans approved by the Board for the benefit of current or former employees, directors, consultants, sub-contractors and advisers;

Special Majority means the holders of at least 60% of the issued shares in the Company from time to time;

special resolution has the meaning given in section 283 of the Companies Act 2006;

subsidiary, Subsidiary Undertaking and Parent Undertaking have the meanings given in sections 1159 and 1162 of the Companies Act 2006;

Tekcorp means Tekcorp Holdings LLC;

Transfer Notice shall have the meaning given in Article 64;

transmittee means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

Trustees means in relation to a Shareholder means the trustee or the trustees of a Family Trust;

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.

Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company.

3 Liability of members

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

4 Objects clause

The Company's objects are unrestricted.

5 Directors' general authority

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.

6 Shareholders' reserve power

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

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

7 Directors may delegate

7.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:

7.1.1 to such person or committee;

7.1.2 by such means (including by power of attorney);

7.1.3 to such an extent;

7.1.4 in relation to such matters or territories; and

7.1.5 on such terms and conditions;

as they think fit.

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

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

8 Committees

8.1 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.

8.2 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.

9 **Directors to take decisions collectively**

9.1 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 10.

9.2 If:

9.2.1 the Company only has one director; and

9.2.2 no provision of the Articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

10 **Unanimous decisions**

10.1 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.

10.2 Such a decision may take the form of a resolution in writing, which may consist of several copies each signed by one or more eligible directors or to which the eligible directors have otherwise indicated agreement in writing.

10.3 References in this Article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

10.4 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

11 **Calling a directors' meeting**

11.1 Any director 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.

11.2 Notice of any directors' meeting must indicate:

11.2.1 its proposed date and time;

11.2.2 where it is to take place; and

11.2.3 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.

11.3 Notice of a directors' meeting must be given to each director, but need not be in writing.

11.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting. A director may waive the requirement that notice of a meeting of the directors or

of a committee of the directors be given to him at any time before or after the date on which the meeting is held by notifying the Company to that effect. Where a director gives such notice after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

12 Participation in directors' meetings

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

12.1.1 the meeting has been called and takes place in accordance with the Articles, and

12.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

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

12.3 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 such group, where the chairman of the meeting is.

13 Quorum for directors' meetings

13.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting. (Unless there is a sole director, in which event, the sole director shall constitute a quorum), the quorum for the transaction of business of the directors shall be three (which must include the Founder Director, for so long as one is appointed, and the chairman) save that the Founder Director and/or chairman, respectively, shall not be required to form a quorum at a second adjourned meeting if the original meeting and the first adjourned meeting were, and the second adjourned meeting would otherwise be, inquorate due to the non-attendance of the Founder Director and/or chairman as applicable. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

13.2 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:

13.2.1 to appoint such number of further directors as are required to make up the quorum required; or

13.2.2 to call a general meeting so as to enable the shareholders to appoint further directors.

13.2.3 to appoint further directors; or

13.2.4 to call a general meeting so as to enable the shareholders to appoint further directors.

14 Chairing of directors' meetings

14.1 The directors may appoint a director to chair their meetings.

14.2 The person so appointed for the time being is known as the chairman.

- 14.3 The directors may terminate the chairman's appointment at any time.
- 14.4 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.
- 15 **Casting vote**
- If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting shall not have a casting vote.
- 16 **Conflicts of interest**
- 16.1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, then provided that the director has disclosed his interest in such actual or proposed transaction or arrangement with the Company in accordance with the Companies Acts or the provisions of these Articles, he may nevertheless be counted as participating in the decision-making process for quorum and voting purposes in respect of any such matter in which the director is in any way interested, and shall not, save as otherwise agreed, be accountable to the Company for any benefit which he derives under or in consequence of any such transaction or arrangement.
- 16.2 For the purposes of this Article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 16.3 Subject to Article 16.4 if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 16.4 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.
- 17 **Authorisation of directors' conflicts of interest**
- 17.1 For the purposes of section 175 of the Companies Act 2006, as amended, consolidated or re-enacted from time to time, the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the Companies Act 2006. Any reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 17.2 Authorisation of a matter under this Article 17 shall be effective only if:
- 17.2.1 the matter in question shall have been proposed in writing for consideration by the directors, or in such other manner as the directors may determine;

- 17.2.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together, the **interested directors**); and
- 17.2.3 the matter was agreed to without the interested directors voting or would have been agreed to if the votes of the interested directors had not been counted.
- 17.3 Unless otherwise determined by the directors (excluding the interested directors), any authorisation of a matter under this Article 17 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 17.4 Any authorisation of a matter under this Article 17 shall be on such terms and/or conditions as the directors (excluding the interested directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the directors (excluding the interested directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the interested directors from all information and discussion of the matter in question. A director shall comply with any obligations imposed on him by the directors (excluding the interested directors) pursuant to any such authorisation.
- 17.5 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 17.5.1 disclose any such information to the Company, the directors or any other director or employee of the Company; or
- 17.5.2 use or apply any such information in connection with the performance of his duties as a director;
- provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the Companies Act 2006, this paragraph 17.5 shall apply only if such situation or relationship has been authorised by the directors under this Article 17.
- 17.6 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under this Article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

18 **Records of decisions to be kept**

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

19 **Directors' discretion to make further rules**

Subject to the Articles, 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.

20 **Appointment directors**

20.1 Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is one.

20.2 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed as a director:

20.2.1 by ordinary resolution; or

20.2.2 by a decision of the directors; or

20.2.3 in any other way permitted by these Articles.

20.3 For as long it remains the holder of more than 5% of the issued share capital from time to time, Tekkorp shall be entitled to appoint one person as a director by written notice to the Board at the Company's registered office. Tekkorp shall be entitled at any time and for any reason to remove and replace any director appointed by it pursuant to this Article with a suitably qualified alternative director by written notice to the Board at the Company's registered office.

20.4 For so long as he (and/or his Permitted Transferees) is (a) an employee of, or consultant to, the Company and holds any shares; or (b) the holder of more than 5% of the issued share capital from time to time, Charles Cohen shall be entitled to appoint one person as a director (which may be himself) by written notice to the Board at the Company's registered office (**Founder Director**). Charles Cohen shall be entitled at any time and for any reason to remove and replace any director appointed by him pursuant to this Article with a suitably qualified alternative Director by written notice to the Board at the Company's registered office.

20.5 In any case where, as a result of death, the Company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director. Where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

20.6 In any case where, as a result of bankruptcy, the Company has no shareholders and no directors, the trustee in bankruptcy or other transmittee(s) of the last shareholder to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person (including himself) who is willing to act and is permitted to do so to be a director.

21 **Termination of director's appointment**

A person ceases to be a director as soon as:

21.1 save where the director is appointed pursuant to Articles 20.3 and 20.4, that person is resolved to be removed from office by a decision of the directors or by ordinary resolution;

21.2 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

- 21.3 that person has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors resolve that person's office be vacated;
- 21.4 a bankruptcy order is made against that person;
- 21.5 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 21.6 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;
- 21.7 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

22 **Appointment and removal of alternate directors**

Any director (the **appointor**) may appoint as an alternate any other director, or any other natural person:

- 22.1 to exercise that director's powers;
- 22.2 to carry out that director's responsibilities; and
- 22.3 generally to perform all the functions of his appointor as a director;

in the absence of the alternate's appointor. 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. The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

23 **Rights and responsibilities of alternate directors**

- 23.1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor. Alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their appointors, and are not deemed to be agents of or for their appointors. A person who is an alternate director but not a director may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and may sign a written resolution (but only if it is not signed or to be signed by that person's appointor). No alternate may be counted as more than one director for such purposes.
- 23.2 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company .

24 **Termination of alternate directorship**

An alternate director's appointment as an alternate terminates:

- 24.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 24.2 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;
- 24.3 on the death of the alternate's appointor; or
- 24.4 when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate shall not terminate if the appointor retires by rotation at a general meeting and is then re-appointed as a director at the same general meeting.

25 **Directors' remuneration**

- 25.1 Directors may undertake any services for the Company that the directors decide.
- 25.2 Directors are entitled to such remuneration as the directors determine:
 - 25.2.1 for their services to the Company as directors; and
 - 25.2.2 for any other service which they undertake for the Company .
- 25.3 Subject to the Articles, a director's remuneration may:
 - 25.3.1 take any form, and
 - 25.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 25.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 25.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

26 **Directors' expenses**

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

- 26.1 meetings of directors or committees of directors;
- 26.2 general meetings; or
- 26.3 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 .

27 **Company secretary**

The directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit. Any company secretary may be removed or replaced by the directors.

28 Ordinary Shares

The Ordinary Shares are voting shares, with rights to dividends and to a capital return on a winding up of the company, which shall rank pari passu in all respects.

29 Nil- or partly-paid shares permitted

If the Company at any time has nil or partly-paid shares in issue, Articles 52 to 62 (inclusive) of the Model Articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these Articles, shall apply to the Company and form part of these Articles as if the text of such provisions was set out in full in these Articles.

30 Purchase of own shares

Subject to the provisions of the Companies Act 2006 but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Companies Act 2006, including (without limitation) with cash up to any amount in a financial year.

31 Allotment of shares: exclusion of pre-emption rights

31.1 Sections 561 and 562 of the Companies Act 2006 shall not apply to any allotment of equity securities (as defined in section 560 of the Companies Act 2006) by the Company .

31.2 Subject to Article 31.5, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all shareholders on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those shareholders (as nearly as may be without involving fractions). The offer shall be in writing, be open for acceptance from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (**Subscription Period**) and give details of the number and subscription price of the New Securities.

31.3 At the end of the Subscription Period, the New Securities shall be allotted to those shareholders who have applied for New Securities in accordance with their applications and any remaining New Securities shall be offered to any other person as the directors may determine at the same price and on the same terms as the offer to the shareholders.

31.4 If shares are to be issued to any person not already a shareholder, the proposed shareholder shall first be required to sign a deed of adherence in a form approved by the Board agreeing to be bound by the terms of the Shareholders' Agreement from the date they become a Shareholder save in respect of the grant of an option pursuant to the Share Option Plans.

31.5 The provisions of Articles 31.2 – 31.3 (inclusive) shall not apply to:

- 31.5.1 Any issue of shares which has been approved with the prior consent of a Special Majority (either obtained at a general meeting or in writing);
 - 31.5.2 Options to subscribe for ordinary shares under the Share Option Plans and Ordinary Shares issued pursuant to the exercise of such options; or
 - 31.5.3 Shares issued in consideration of the acquisition by the Company of any company or business
- 31.6 Subject to the requirements of Articles 31.2 to 31.5 (inclusive) and to the provisions of section 551 of the Companies Act 2006, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 32 **Powers to issue different classes of share**
- 32.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 32.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.
- 33 **Payment of commissions on subscription for shares**
- 33.1 The Company may pay any person a commission in consideration for that person:
- 33.1.1 subscribing, or agreeing to subscribe, for shares; or
 - 33.1.2 procuring, or agreeing to procure, subscriptions for shares.
- 33.2 Any such commission may be paid:
- 33.2.1 in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other; and
 - 33.2.2 in respect of a conditional or an absolute subscription.
- 34 **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.
- 35 **Share certificates**
- 35.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

- 35.2 Every certificate must specify:
- 35.2.1 in respect of how many shares, of what class, it is issued;
 - 35.2.2 the nominal value of those shares;
 - 35.2.3 the amount paid up on the shares to which it relates; and
 - 35.2.4 any distinguishing numbers assigned to them.
- 35.3 No certificate may be issued in respect of shares of more than one class.
- 35.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 35.5 Certificates must:
- 35.5.1 have affixed to them the Company's common seal, or
 - 35.5.2 be otherwise executed in accordance with the Companies Acts.
- 36 **Replacement share certificates**
- 36.1 If a certificate issued in respect of a shareholder's shares is:
- 36.1.1 damaged or defaced; or
 - 36.1.2 said to be lost, stolen or destroyed,
- that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 36.2 A shareholder exercising the right to be issued with such a replacement certificate:
- 36.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 36.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - 36.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.
- 37 **Instruments of transfer**
- 37.1 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 the transferor.
- 37.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 37.3 The Company may retain any instrument of transfer which is registered.

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

38 **Transmission of shares**

38.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.

38.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:

38.2.1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and

38.2.2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

38.3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

39 **Exercise of transmittees' rights**

39.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

39.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

39.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

40 **Transmittees bound by prior notices**

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

41 **Procedure for declaring dividends**

41.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

41.2 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.

41.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

- 41.4 Unless the shareholders' 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 shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 41.5 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.
- 41.6 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.
- 41.7 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.

42 Calculation of dividends

Except as otherwise provided by these Articles or the rights attached to shares, all dividends must be:

- 42.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
- 42.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

43 Payment of dividends and other distributions

- 43.1 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:
- 43.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- 43.1.2 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;
- 43.1.3 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
- 43.1.4 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.

43.2 In these Articles, the **distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable:

43.2.1 the holder of the share; or

43.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or

43.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

44 **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:

44.1 the terms on which the share was issued, or

44.2 the provisions of another agreement between the holder of that share and the Company.

45 **Unclaimed distributions**

45.1 All dividends or other sums which are:

45.1.1 payable in respect of shares; and

45.1.2 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.

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

45.3 If:

45.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and

45.3.2 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 .

46 **Non-cash distributions**

46.1 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).

46.2 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:

46.2.1 fixing the value of any assets;

46.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

46.2.3 vesting any assets in trustees.

47 **Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:

47.1 the share has more than one holder; or

47.2 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 signed, by all the holders or persons otherwise entitled to the share.

48 **Authority to capitalise and appropriation of capitalised sums**

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

48.1.1 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; and

48.1.2 appropriate any sum which they so decide to capitalise (a **capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **persons entitled**) and in the same proportions (and the Company shall be deemed to be a person entitled in relation to any shares held as treasury shares which, if not so held, would have ranked for any such distribution by way of dividend, but only insofar as the appropriated sum is to be applied in paying up in full new shares of the Company).

48.2 Capitalised sums must be applied:

48.2.1 on behalf of the persons entitled; and

48.2.2 in the same proportions as a dividend would have been distributed to them.

48.3 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.

48.4 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards:

48.4.1 paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct;

48.4.2 paying up any amounts unpaid on existing shares held by the persons entitled.

48.5 Subject to the Articles the directors may:

48.5.1 apply capitalised sums in accordance with paragraphs 48.3 and 48.4 partly in one way and partly in another;

48.5.2 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

48.5.3 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.

49 **Attendance and speaking at general meetings**

49.1 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.

49.2 A person is able to exercise the right to vote at a general meeting when:

49.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

49.2.2 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.

49.3 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.

49.4 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.

49.5 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.

50 **Quorum for general meetings**

50.1 The quorum for the transaction of business of the shareholders shall be three shareholders save where there are less than three shareholders in which case the quorum shall be all shareholders.

50.2 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.

51 **Chairing general meetings**

51.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

51.2 If the directors have not appointed a chairman, or if 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:

51.2.1 the directors present; or

51.2.2 (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

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

52 **Attendance and speaking by directors and non-shareholders**

52.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

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

52.2.1 shareholders of the Company ; or

52.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,
to attend and speak at a general meeting.

53 **Adjournment**

53.1 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.

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

53.2.1 the meeting consents to an adjournment; or

53.2.2 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.

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

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

53.4.1 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

- 53.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 53.5 If a general meeting is adjourned, then notice of the time and place to which it is adjourned shall be given:
- 53.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and
- 53.5.2 containing the same information which such notice is required to contain.
- 53.6 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.
- 54 **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.
- 55 **Errors and disputes**
- 55.1 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.
- 55.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.
- 56 **Poll votes**
- 56.1 A poll on a resolution may be demanded:
- 56.1.1 in advance of the general meeting where it is to be put to the vote, or
- 56.1.2 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.
- 56.2 A poll may be demanded by:
- 56.2.1 the chairman of the meeting;
- 56.2.2 the directors;
- 56.2.3 any member (present in person or by proxy) having the right to attend and vote at the meeting or by a duly authorised representative of a corporation.
- 56.2.4 A demand for a poll may, before the poll is taken, be withdrawn. A demand so withdrawn shall not invalidate the result of a vote on a show of hands declared before the demand was made.
- 56.3 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

57 Content of proxy notices

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

- 57.1.1 states the name and address of the shareholder appointing the proxy;
- 57.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- 57.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- 57.1.4 is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

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

57.3 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.

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

- 57.4.1 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
- 57.4.2 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.

58 Delivery of proxy notices

58.1 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.

58.2 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.

58.3 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.

58.4 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.

59 Proxies and corporate representatives

The failure of any proxy or corporate representative to vote in accordance with any instructions given by the member by whom such proxy or corporate representative is appointed shall not invalidate the result of any vote in which the proxy or corporate representative has participated and

the Company and the directors shall be under no duty to enquire as to the instructions given to any such proxy or corporate representative.

60 Amendments to resolutions

60.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

60.1.1 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

60.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

60.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

60.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

60.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

60.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

61 Written resolutions

A proposed written resolution of the members of the Company (or of a class of members) shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the Companies Act 2006).

62 Means of communication to be used

62.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company .

62.2 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

62.3 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

62.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- 62.4.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five working days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 62.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 62.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 62.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

62.5 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Companies Act 2006.

63 **Transfer of Shares**

63.1 No shareholder may sell or transfer any share (or any interest in any share) except in accordance with this Article 63 and, where applicable, Article 64.

63.2 Subject to complying with Articles 66 and 68 where applicable, a transfer of any Shares approved by the Board may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the directors.

63.3 A shareholder (who is not a Permitted Transferee) (**Original Shareholder**) may transfer all or any of his or her or its shares to a Permitted Transferee without restriction as to price or otherwise.

63.4 Shares previously transferred as permitted by Article 63.3 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

63.5 Where under the provision of a deceased shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased shareholder may transfer any share to those Permitted Transferees, in each case without restriction as to price or otherwise.

- 63.6 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 63.7 Trustees may (i) transfer shares to a Qualifying Company or (ii) transfer shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 63.8 No transfer of shares may be made to Trustees unless the Board is satisfied:
- 63.8.1 with the terms of the trust instrument and in particular with the powers of the trustees;
 - 63.8.2 with the identity of the proposed trustees;
 - 63.8.3 the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- 63.9 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 63.10 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board (to include Investor Director Consent) to have given a Transfer Notice in respect of such Shares.
- 63.11 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he or she must, within 15 Business Days of so ceasing either:
- 63.11.1 execute and deliver to the Company a transfer of the shares held by him or her to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
 - 63.11.2 give a Transfer Notice to the Company in accordance with Article 64.1,
 - 63.11.3 failing which he or she shall be deemed to have given a Transfer Notice.
- 63.12 On the death (subject to Article 63.5), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his or her personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt

or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

- 63.13 Any Shares held by a nominee for their beneficial owner (the "Beneficial Owner") may be transferred by the nominee to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Board to be a nominee for the Beneficial Owner only. Where any person to whom any shares have been transferred as a nominee ceases to hold such Shares as nominee for the Beneficial Owner only, they shall forthwith transfer such shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Board to be a nominee for the Beneficial Owner only and in default of doing so he or she shall be deemed to have given a Transfer Notice in respect of all such Shares.

64 **Pre-emption on transfer**

- 64.1 Unless they have the consent of the Board or the other provisions of Article 63 apply (and subject always to Article 66), a shareholder who wishes to transfer any of their shares (**Seller**) to another person must give written notice (a **Transfer Notice**) to the Company. Each Transfer Notice must state the number of shares the Seller wishes to transfer (**Sale Shares**), details of the person to whom they intend to transfer the Sale Shares, the proposed price per Sale Share (**Transfer Price**) and any other specific terms. If no Transfer Price is specified by the Seller, the price at which the Sale Shares are to be transferred must be agreed by the Board (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Companies Act 2006) not voting). In addition, if the Transfer Price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board. In both cases, the Transfer Price will be deemed to be the fair value of the Sale Shares if no price is agreed within 5 Business Days of the Company receiving the Transfer Notice.

- 64.2 Except with the consent of the Board or as otherwise specified in these Articles, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

- 64.3 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

- 64.4 As soon as practicable following the later of

64.4.1 Receipt of a Transfer Notice

64.4.2 in the case where the Transfer Price need to be agreed, such agreement or the determination of the Transfer Price under Article 64.1,

64.4.3 the Board shall offer the Sale Shares for sale to the shareholders other than the Seller (**Continuing Shareholders**) in writing giving details of the number and Transfer Price of the Sale Shares offered and inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy.

- 64.4.4 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his or her existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a shareholder of more than the maximum number of Sale Shares which he or she has stated he or she is willing to buy.
- 64.4.5 If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 64.4.8.
- 64.4.6 The Board shall, once the requirements of Articles 68 have been fulfilled to the extent required, give written notice of allocation (**Allocation Notice**) to the Seller and each shareholder to whom Sale Shares have been allocated (**Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- 64.4.7 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it. If the Seller fails to comply with this Article, the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
- (a) complete, execute and deliver in his or her name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (b) receive the Transfer Price and give a good discharge for it; and
 - (c) (subject to the transfer being duly stamped) enter the Applicants in the register of shareholders as the holders of the shares purchased by them; and
 - (d) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he or she has delivered to the Company his or her certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).
- 64.4.8 If an Allocation Notice does not relate to all the Sale Shares then the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.
- 64.4.9 If shares are to be transferred to any person not already a shareholder, the proposed shareholder shall first be required to sign a deed of adherence in a form approved by

the Board agreeing to be bound by the terms of the Shareholders' Agreement from the date they become a Shareholder.

- 64.4.10 The Board will approve for registration any transfer of shares which complies with this Article 64 and Article 63 and all other applicable laws, rules and regulations, and decline to approve for registration any other transfer of shares.

65 Compulsory transfer

- 65.1 A shareholder will be deemed to have served a Transfer Notice relating to all of their shares:

- 65.1.1 if that shareholder

- (a) dies;
- (b) becomes a patient under the Mental Health Act 1983 or 2007;
- (c) is declared bankrupt;
- (d) is the subject of the passing of a resolution for the liquidation of the shareholder or any other company in the shareholder's Group other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Group in which a new company assumes (and is capable of assuming) all the obligations of the shareholder or other company in the shareholder's Group;
- (e) is the subject of the presentation at court by any competent person of a petition for the winding up of the shareholder or any other company in the shareholder's Group and which has not been withdrawn or dismissed within seven days of such presentation;
- (f) is the subject of the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder or any other company in the shareholder's Group, a notice of appointment of an administrator to the shareholder or any other company in the shareholder's Group or an application for an administration order in respect of the shareholder or any other company in the shareholder's Group;
- (g) is the subject of any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder or any other company in the shareholder's Group;
- (h) or any other company in the shareholder's Group is unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986;
- (i) or any other company in the shareholder's Group enters into a composition or arrangement with any of its creditors;

- (j) or any other company in the shareholder's Group applies to court for, or obtains, a moratorium under Part A1 of the Insolvency Act 1986;
- (k) has created a charge over any shares held by the it in the Company and the chargeholder takes any step towards enforcing that charge;
- (l) is the subject of a process that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors
- (m) ceases to carry on its business or substantially all of its business; or
- (n) in the case of the events set out in Articles 65.5.1 (c) to (l) inclusive above, any competent person takes any analogous step in any jurisdiction in which the shareholder carries on business.

65.1.2 if that shareholder:

- (a) commits a material breach of the Articles or the Shareholders' Agreement which is either incapable of remedy or is not remedied within 30 Business Days of the Company or any other shareholder requesting the remedy;
- (b) commits persistent breaches of the Shareholders' Agreement and/or the Articles;
- (c) is a director or employee of, or consultant to, the Company (or any Member of the Group) and has their directorship, or employment or consultancy appointment terminated due to their dishonesty, gross misconduct or neglect, fraud or illegal activities or any other ground for summary dismissal (other than in circumstances of proven unfair dismissal) or immediate termination; or
- (d) has failed to satisfy a lawful inquiry by a Regulator in respect of themselves or other interested parties in their shareholding, or has refused and continues to refuse to comply with a lawful request from a Regulator for such information.

65.2 The Transfer Notice will be deemed to have been given to (and received by) the Company on the day the event occurred. The Sale Price will be taken to be:

65.2.1 the fair value of the shares where the event triggering the Transfer Notice is mentioned in Article 65.5.1 above; and

65.2.2 the fair value or nominal value of the Shares (whichever is less) where the event triggering the Transfer Notice is mentioned in Article 65.5.2 above.

Where a Transfer Notice is deemed to have been served pursuant to this Article 64, the procedure set out in Article 63 applies and all voting rights attaching to Sale Shares shall be suspended unless the Board notify the Seller otherwise and shall be automatically restored immediately upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members).

66.1 The fair value of any Sale Shares (whether as a result of a deemed Transfer Notice or otherwise) will be the amount agreed between the Seller and the Board or, if no agreement is reached within 15 Business Days of service by the Seller of the Transfer Notice, will be an amount the Auditors (or an independent accounting firm engaged for this purpose if auditors or accountants have not otherwise been appointed) determine is, in their opinion, the fair value of those Sales Shares on the date of service by the Seller of the Transfer Notice :

66.1.1 between a willing buyer and a willing seller contracting on arm's length terms;

66.1.2 assuming the Company will continue carrying out the Business; and

66.1.3 ignoring that the Sale Shares represent a minority or a majority interest in the Company.

67 **Drag Along**

67.1 If the holders of at least 60% by nominal value of the shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of shares on the date of the request, including the Company in respect of shares held in treasury, if any (**Called Shareholders**) to sell and transfer all their interest in shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 66.1.

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

67.2.1 that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to this Article 67;

67.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

67.2.3 the consideration payable for the Called Shares calculated in accordance with Article 66.4;

67.2.4 the proposed date of completion of transfer of the Called Shares.

67.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 15 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

67.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in the respective proportions which the number of shares held by them bears to the total number of shares.

- 67.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Clause 67.
- 67.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- 67.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or
- 67.6.2 that date is less than 15 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 15 Business Days after the date of service of the Drag Along Notice.
- 67.7 Within 10 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 15 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 67.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 67.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 67.4 in trust for the Called Shareholders without any obligation to pay interest.
- 67.8 To the extent that the Proposed Buyer has not, on the expiration of the 15 Business Day period, put the Company in funds to pay the amounts due pursuant to Article 66.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant shares and the Called Shareholders shall have no further rights or obligations under this Article 67 in respect of their shares.
- 67.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by them (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute and deliver all necessary transfers on their behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this Article 67.
- 67.10 Upon any person, following the issue of a Drag Along Notice, becoming a shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, shares, whether or not pursuant to a share option scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such shares acquired by them to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 67 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New

Shareholder and the date of completion of the sale of the Called Shares. References in this Article 67.10 to a person becoming a shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own shares.

67.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 63.

67.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice

68 **Mandatory offer on change of control**

68.1 In the event that a proposed transfer of shares, whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person (**Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this Article 68 shall apply.

68.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (**Offer**) to each shareholder and, in respect of all shares held in treasury, the Company (each an **Offeree**), to buy all of the shares held by such Offerees on the date of the Offer for a consideration in cash per share (the **Offer Price**) which is equal to the highest price per share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any shares in connection with the Proposed Transfer.

68.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 10 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). The Offer Notice shall specify:

68.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);

68.3.2 the Offer Price and any other terms and conditions of the Offer;

68.3.3 the Sale Date; and

68.3.4 the number of shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

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

68.4.1 the making of an Offer in accordance with this Article 68; and

68.4.2 the completion of the transfer of any shares by any Offeree (each an **Accepting Offeree**) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this Article 67.

68.5 The Proposed Transfer is, but the purchase of shares from Accepting Offerees pursuant to an Offer made under this Article 68 shall not be, subject to the pre-emption provisions of Article 63.

69 **Company seals**

69.1 Any common seal may only be used by the authority of the directors.

69.2 The directors may decide by what means and in what form any common seal is to be used.

69.3 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.

69.4 For the purposes of this Article, an authorised person is:

69.4.1 any director of the Company ;

69.4.2 the company secretary (if any); or

69.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

70 **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 shareholder.

71 **Provision for employees on cessation of business**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

72 **Indemnity**

72.1 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred in connection with the activities of the Company or an associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006)) **provided that** this Article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the Companies Act 2006. This Article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the Companies Act 2006 and any such indemnity is limited accordingly. This Article is also without prejudice to any indemnity to which any person may otherwise be entitled.

72.2 To the extent permitted by, and subject to the restrictions in, the Companies Act 2006 and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the Companies Act 2006, or to enable him to avoid incurring such expenditure.

72.3 Without prejudice to the provisions of Article 73, the directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated Company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company .

72.4 In these Articles:

72.4.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;

72.4.2 **relevant officer** means any current or former director, alternate director, secretary or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006)), other than any person (whether an officer or not) engaged by the Company (or associated company) as an auditor, to the extent he acts as an auditor.

73 Insurance

73.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

73.2 In this Article:

73.2.1 a **relevant director** means any director or former director of the Company or an associated company;

73.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company , any associated company or any pension fund or employees' share scheme of the Company or associated company; and

73.2.3 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate.