

Company number: 13253475

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
COOKE CURTIS & CO PROPERTY LIMITED

(Adopted by special resolution passed on 25th June 2021)

THURSDAY



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TABLE OF CONTENTS

1.	Interpretation.....	3
2.	Adoption of the Model Articles	8
3.	Proceedings of directors	9
4.	Alternate Directors	9
5.	Interests of Directors.....	10
6.	Dividends	10
7.	Liquidation preference	10
8.	Exit provisions.....	11
9.	Pre-emption rights on the issue of further shares	11
10.	Transfers of shares: general.....	12
11.	Pre-emption rights on the transfer of shares.....	13
12.	Permitted transfers of shares.....	15
13.	Mandatory transfer provisions.....	15
14.	Completion of a share purchase	16
15.	Valuation.....	17
16.	Drag along and tag along	18
17.	special consent matters	20
18.	General meetings	20
19.	Voting.....	20
20.	Purchase of own shares	21
21.	Company's Lien over Shares.....	21
22.	Enforcement of the Company's Lien	22
23.	Means of communication to be used	23
24.	Indemnity and insurance.....	24

AGREED TERMS

1. INTERPRETATION

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

Accepting Shareholders;	has the meaning given to it in <i>Article 16.12</i> .
Advance Clearance;	advance clearance in writing from HMRC confirming that (1) the provisions of section 1033 of the Corporation Tax Act 2010 apply to the proposed purchase by the Company of the Seller's Shares from the Seller and (2) that the proposed purchase by the Company of the Seller's Shares from the Seller will not result in a counter notice being issued in respect of the proposed transfer under section 684 of Income Tax Act 2007.
Allocation Notice;	has the meaning given to it in <i>Article 11.10</i> .
Applicant;	has the meaning given to it in <i>Article 11.10</i> .
Act;	the Companies Act 2006.
Adoption Date;	the date of adoption of these Articles.
Articles;	the Company's articles of association for the time being in force.
Available Profits;	profits available for distribution within the meaning of part 23 of the Act.
Bad Leaver;	a Leaver, who becomes a Leaver in circumstances where they are not a Good Leaver.
Bankruptcy Event;	a bankruptcy order being made against a Shareholder, or an arrangement or composition being made with their creditors, or where their otherwise taking the benefit of any statutory provision for the time being in force for the relief of insolvent debtors.
Board;	the board of Directors.
Business Day;	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
Called Shareholders;	has the meaning given to it in <i>Article 16.1</i> .
Called Shares;	has the meaning given to it in <i>Article 16.2(a)</i> .
Capacity;	the capacity (under section 2 of the Mental Capacity Act 2005) of a Shareholder to make decisions in relation to

	the Company or their shareholding in the Company.
Chairman;	has the meaning given to it in <i>Article 3.1</i> .
Company;	Cooke Curtis & Co Property Limited, a company registered in England and Wales with a company number 13253475.
Company's Lien;	has the meaning given to it in <i>Article 21.1</i> .
connected;	has the meaning given in section 252 of the Act.
Continuing Shareholders;	has the meaning given to it in <i>Article 11.8</i> .
Controlling Interest;	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
Deemed Transfer Notice;	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.
Directors;	the directors of the Company from time to time and each is a Director .
Disposal;	the disposal by the Company of all, or a substantial part of, its business and assets.
Drag Along Option;	has the meaning given to it in <i>Article 16.1</i> .
Drag Along Notice;	has the meaning given to it in <i>Article 16.1</i> .
Election Notice;	has the meaning given in <i>Article 11.7</i> .
Employee;	a Shareholder who is a director or an employee of, and/or a consultant (either directly or through an intermediate party) to, the Company.
Excess Securities;	has the meaning given in <i>Article 9.4(c)</i> .
Fair Value;	has the meaning given in <i>Article 15.1</i> .
Family Trust;	in relation to an Original Shareholder, a trust set up wholly for the benefit of that Original Shareholder and/or that Original Shareholder's Privileged Relations.
Financial Year;	an accounting reference period (as defined in section 391 of the Act) of the Company.
Good Leaver;	a Leaver, who becomes a Leaver as a result of: <ul style="list-style-type: none"> (a) their death; (b) their Incapacity;

- (c) their redundancy;
- (d) their consultancy being terminated without cause;
- (e) a transfer of their employment pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- (f) their retirement at or after the age of 65; or
- (g) a requirement to cease work in order to care of a spouse or child who because of ill health or disability requires constant care and attention,

or a Leaver who is a Bad Leaver but the Board resolves (the Shareholder (if they are a Director) not voting) that they should be deemed to be a Good Leaver.

HMRC;

HM Revenue & Customs.

Incapacity;

any sickness, injury or other medical disorder or condition (other than a lack of Capacity) which prevents a Shareholder who is an Employee from carrying out their duties as an Employee (including but not limited to those duties set out in any employment contract or consultancy agreement) for an aggregate period of 26 weeks in any 52-week period.

Independent Expert;

the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Seller and the Continuing Shareholders and/or the Company (as the case may be) or, in the absence of agreement between Continuing Shareholders and/or the Company and the Seller on the identity of the expert within 10 Business Days of the expiry of the 10 Business Day period following the service of a Transfer Notice, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

Insolvency Event;

- (a) when a company takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up, dissolution or re-organisation (other than for the purposes of a bona fide, solvent scheme of reconstruction or amalgamation) or for the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of any or all of its assets;
- (b) any encumbrance on or over the assets of a company becomes enforceable and any step

	(including the taking of possession or the appointment of a receiver, manager or similar person) is taken to enforce that encumbrance; or
	(c) a company ceases to carry on the business that it carries on at the Completion Date or a substantial part thereof.
Leaver;	an Employee who ceases to be a director or an employee of, or consultant (either directly or through an intermediate party) to, the Company.
Lien Enforcement Notice;	a notice in writing which complies with the requirements of <i>Article 22.2</i> .
Model Articles;	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date.
Offer;	has the meaning given to it in <i>Article 11.8</i> .
Offeree;	has the meaning given to it in <i>Article 9.3</i> .
Offer Notice;	has the meaning given to it in <i>Article 16.10</i> .
Offer Period;	has the meaning given to it in <i>Article 11.8</i> .
Offer Shares;	has the meaning given to it in <i>Article 16.10(d)</i> .
Original Shareholder;	each Shareholder, excluding any Shareholder who, for the time being, only holds Shares as a result of a Permitted Transfer.
Permitted Transferees;	in relation to an Original Shareholder, any of their Privileged Relations or the trustees of an Original Shareholder's Family Trust(s) and each is a Permitted Transferee .
Privileged Relations;	the spouse or a civil partner (as defined in the Civil Partnership Act 2004) of an Original Shareholder and the Original Shareholder's children and grandchildren (including step and adopted children and grandchildren).
Proposed Buyer;	has the meaning given in <i>Article 16.1</i> .
Proposed Date;	has the meaning given in <i>Article 16.5</i> .
Proposed Sale Price;	has the meaning given in <i>Article 11.1(c)</i> .
Proposed Transfer;	has the meaning given in <i>Article 16.9</i> .
Relevant Securities;	any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the

Company after the Adoption Date, other than:

- (a) the grant of any options under a Share Option Scheme (and the issue of Shares on the exercise of any such options); and
- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles.

Sale Date;	has the meaning given in <i>Article 16.10</i> .
Sale Offer Period;	has the meaning given in <i>Article 16.10</i> .
Sale Proceeds;	has the meaning given in <i>Article 8.1</i> .
Sale Shares;	has the meaning given in <i>Article 11.1</i> .
Seller;	has the meaning given in <i>Article 11.1</i> .
Sellers' Shares;	has the meaning given in <i>Article 16.1</i> .
Selling Shareholders;	has the meaning given in <i>Article 16.1</i> .
Shareholder;	a holder for the time being of any Share or Shares.
Shareholders' Agreement	any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company.
Share Option Scheme;	any share option scheme of the Company.
Share Sale;	the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the Shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.
Shares;	shares (of any class) in the capital of the Company and Share shall be construed accordingly.
Specified Price;	has the meaning given in <i>Article 16.9</i> .
Subscription Price;	the subscription price paid for a Share, including any premium.
Tag Along Offer;	has the meaning given in <i>Article 16.9</i> .

Transfer Notice; has the meaning given in *Article 11.1*.

Transfer Price; has the meaning given in *Article 11.3*.

Unanimous Shareholder Consent; the prior written consent of all of the Shareholders.

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 A reference to **writing** or **written** includes e-mail but not fax (unless otherwise expressly provided in these Articles).
- 1.6 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.7 A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.
- 1.8 A reference in these Articles to:
 - (a) an **Article** is a reference to the relevant numbered article of these Articles; and
 - (b) a **Model Article** is a reference to the relevant Article,
 unless expressly provided otherwise.
- 1.9 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.10 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.11 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other

articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

- 2.2 Model Articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 18(e), 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.4 Model Article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

DIRECTORS

3. PROCEEDINGS OF DIRECTORS

- 3.1 The Directors may appoint any person as chairman of the Board (**Chairman**) and may remove and replace any such Chairman.
- 3.2 Any Director may call a Board meeting by giving at least 10 Business Days' advance notice in writing of each such meeting to each Director setting out adequately the nature of the business which it is intended shall be transacted at such meeting.
- 3.3 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *Article 3.4* (subject to *Article 3.5*). All decisions made at any meeting of the Directors shall be made only by resolution and resolutions at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall not have a second or casting vote.
- 3.4 A unanimous decision of the Directors is taken when all Directors indicate to each other by any means that they share a common view on a matter.
- 3.5 A decision taken in accordance with *Article 3.4* may take the form of a resolution in writing, where each Director has signed one or more copies of it, or to which each Director has otherwise indicated agreement in writing.
- 3.6 The quorum at any meeting of the Board (including adjourned meetings) shall be not less than 50% of the total number of Directors, except where there is only one Director in which case the quorum shall be one.
- 3.7 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

4. ALTERNATE DIRECTORS

- 4.1 A Director shall:

- (a) subject to *Article 4.1(b)*, be entitled to appoint an alternative director in order to attend and vote at any meeting of the Directors at which the appointing Director is unable to attend. Such alternative director may represent more than one Director but in determining a quorum present at any meeting of the Directors shall only be counted as a single Director but nevertheless shall be entitled to cast one vote for each of the Directors for whom he is appointed as an alternative director; and
- (b) where the alternate director is not an Original Shareholder, be approved by the Directors, who shall ensure that any such person is: (1) suitably qualified and experienced to perform the role of Director; and (2) has no conflict of interest (including but not limited to an interest in, or employment by any business which is or may be in competition with the Company in any way) prior to an alternative director's appointment being effective and to him taking up any such duties and he shall not be entitled to any remuneration other than the reimbursement of his reasonable expenses.

5. INTERESTS OF DIRECTORS

A Director may, notwithstanding his interest, vote in respect of any contract or arrangement with the Company in which he is interested, directly or indirectly, and be taken into account for the purposes of quorum at a meeting at which such contract or arrangement is considered, and retain for his own absolute use and benefit all profits and advantages accruing to him from that contract or arrangement.

SHARES AND DISTRIBUTIONS

6. DIVIDENDS

- 6.1 In respect of any Financial Year, the Available Profits of the Company may be used to pay dividends as set out in this *Article 6*.
- 6.2 Any Available Profits which the Company may determine to distribute in respect of any Financial Year shall be distributed among the holders of the Shares pro rata to their respective holdings of Shares.
- 6.3 Subject to the Act, the Directors may pay interim dividends on the same basis as set out in *Article 6.2* provided that the Directors (instead of the Company) may determine the aggregate amount of the dividends to be distributed and provided always that the Available Profits of the Company justify the payment.
- 6.4 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively of the class or classes on which dividends have been declared and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.

7. LIQUIDATION PREFERENCE

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be distributed (to the extent that the Company is lawfully able to do so) among the holders of the Shares pro rata to their respective holdings of Shares.

8. EXIT PROVISIONS

- 8.1 The proceeds of the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (**Sale Proceeds**) shall be distributed among the holders of the Shares pro rata to their respective holdings of Shares. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:
- (a) the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed among the holders of the Shares pro rata to their respective holdings of Shares; and
 - (b) each Shareholder shall take any reasonable action (to the extent lawful and within their control) to ensure that the balance of the Sale Proceeds are distributed among the holders of the Shares pro rata to their respective holdings of Shares.
- 8.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) among the holders of the Shares pro rata to their respective holdings of Shares.

9. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 9.1 Subject to the remaining provisions of this *Article 9*, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:
- (a) offer or allot;
 - (b) grant rights to subscribe for or to convert any security into; and
 - (c) otherwise deal in, or dispose of,
- any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.
- 9.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 9.3 Unless otherwise agreed by Unanimous Shareholder Consent, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Shares (each an **Offeree**) on a pari passu basis and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.
- 9.4 An offer made under *Article 9.3* shall:

- (a) be in writing and give details of the number, class and Subscription Price of the Relevant Securities being offered;
 - (b) remain open for a period of at least 20 Business Days from the date of service of the offer; and
 - (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under *Article 9.3* shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.
- 9.5 If, on the expiry of an offer made in accordance with *Article 9.3*, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 9.6 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *Article 9.3* shall be used to satisfy any requests for Excess Securities made pursuant to *Article 9.4(c)*. If there are insufficient to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, subject to *Article 9.7*, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 9.7 No Shares shall be allotted to any current or prospective employee or director of Company unless such person shall first have entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

10. TRANSFERS OF SHARES: GENERAL

- 10.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 10.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to *Article 10.3* and *Article 8.1*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 10.3 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the Continuing Shareholders agreeing to be bound by the terms of any Shareholders' Agreement, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this *Article 10.3*, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.

11. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 11.1 Except where the provisions of *Article 12* (Permitted Transfers of Shares) or *Article 13* (Mandatory Transfer Provisions) apply, a Shareholder (**Seller**), wishing to transfer any Shares must give a notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer, including:
- (a) the number of Shares he wishes to transfer (**Sale Shares**);
 - (b) the name of the proposed transferee; and
 - (c) the price per Sale Share (in cash) at which he proposes to sell the Sale Shares (**Proposed Sale Price**).
- 11.2 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company (acting by the Board) the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 11.3 Once given, a Transfer Notice may only be withdrawn by the Seller where the transfer price of the Sale Shares (**Transfer Price**) is Fair Value (because the Seller and the Board were unable to agree the Transfer Price in accordance with *Article 11.5*) and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 15 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice.
- 11.4 If the Seller revokes the Transfer Notice in accordance with *Article 11.3*, the Seller shall be liable to pay the Independent Expert's costs in carrying out the valuation (and the Seller shall not be entitled to transfer the Sale Shares except in accordance with these Articles) but in all other cases the Company shall be liable to pay the Independent Expert's costs in carrying out the valuation.
- 11.5 The Transfer Price for each Sale Share that is the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the Board (the Seller (if they are a Director) and any Director with whom the Seller is connected, not voting), or, in default of agreement within 15 Business Days of the date of service of the Transfer Notice, the Fair Value of the Sale Shares determined in accordance with *Article 15*.
- 11.6 Following the giving of a Transfer Notice, the Board (the Seller (if they are a Director), any Director appointed by a Seller and any Director with whom the Seller is connected, not voting) and the Seller may agree the sale of the Seller's Shares to the Company on whatever terms they think fit, subject to and conditional upon (i) compliance with all applicable laws and regulations, and (ii) Advance Clearance being obtained in respect of the proposed sale (unless the Seller waives such requirement in writing).
- 11.7 In the absence of the Board and the Seller agreeing the terms of sale of the Sale Shares in accordance with *Article 11.6* within 15 Business Days of the date of service of the Transfer Notice, either the Board or the Seller may instruct the Independent Expert to determine the Fair Value of the Sale Shares. Subject to and conditional upon (i) the Transfer Notice not having been withdrawn in accordance with *Article 11.3*, (ii) compliance with all applicable laws and regulations (including Part 18 of the Act), and (iii) Advance Clearance being obtained in respect of the proposed sale (unless the Seller waives such requirement in writing), the Company may, at any time within 15 Business Days of determination of the Fair Value of the Sale Shares, by written notice

(Election Notice) to the Seller and the other Original Shareholder(s), elect to purchase some or all the Sale Shares at the Transfer Price and such notice shall specify the place and time for completion of the transfer of the Sale Shares (which shall be within 60 Business Days of the date of the Election Notice).

11.8 To the extent that the Company notifies the Seller that it does not wish to purchase any Sale Shares at the Transfer Price, or fails to elect to purchase any Sale Shares within 15 Business Days of the determination of the Transfer Price (or, if later, 15 Business Days after service or deemed service of the Transfer Notice) then, the Board shall as soon as practicable (unless the Transfer Notice is withdrawn in accordance with *Article 11.3*) offer the Sale Shares in writing giving details of the number and Transfer Price of the Sale Shares (**Offer**), for sale to the other Original Shareholder(s) (unless another Original Shareholder's Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (**Continuing Shareholders**) inviting them to apply to the Company in writing within 15 Business Days of the date of the offer (**Offer Period**) for the maximum number of Sale Shares they wish to buy.

11.9 If, as may be applicable:

(a) at the end of the Offer Period, the total 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 of the Continuing Shareholders who have applied for Sale Shares in the proportion which their existing holding of Shares bears to the total number of Sale Shares contained within the Offer (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which they have stated they are willing to buy;

(b) not all Sale Shares are allocated following allocations in accordance with *Article 11.9(a)*, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in *Article 11.9(a)*. The procedure set out in this *Article 11.9(b)* shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

(c) at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance of the Sale Shares may be transferred to the buyer identified in the Transfer Notice (if any) in accordance with *Article 11.11*.

11.10 The Board shall, when no further offers or allocations are required to be made under *Article 11.9*, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and to each of the Continuing Shareholders to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).

- 11.11 Where not all the Sale Shares are purchased by the Company and/or the Continuing Shareholders, then the Seller may, subject to *Article 11.13* and provided they obtain the prior written consent of the Continuing Shareholders at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer the balance of the Sale Shares to the buyer identified in the Transfer Notice (if any) at a price per Sale Share that is not less than the Transfer Price. The Seller shall not be permitted to transfer any Sale Shares to a third party buyer not identified in the Transfer Notice.
- 11.12 If, following a sale of Shares in accordance with these Articles, a Shareholder holds no further Shares, on completion of the sale of the Shares the Shareholder shall, subject to *Article 11.13*, automatically cease to be bound by these Articles, but such cessation shall not affect any rights, remedies, obligations or liabilities of that Shareholder which existed at or before the date of cessation.
- 11.13 Each Shareholder shall use their reasonable endeavours to procure the registration a transfer of Sale Shares made to Continuing Shareholders in accordance with this *Article 11* (subject to the transfer being duly stamped by the relevant Continuing Shareholders) and each of them consents to such transfers and registrations.

12. PERMITTED TRANSFERS OF SHARES

- 12.1 A Shareholder may transfer Shares where they have the prior written consent of Shareholders holding in aggregate not less than 75% of the Shares in issue from time to time in relation to a proposed transfer.
- 12.2 If a Shareholder holding Shares transferred to them in accordance with *Article 12.1* is a Permitted Transferee and that Shareholder then ceases for any reason to be a Permitted Transferee, they shall promptly notify the Company that this is the case and shall forthwith transfer their Shares back to the Original Shareholder who previously held such Shares for the nominal value of such Shares.
- 12.3 Shares may be transferred in circumstances in which *Article 16* (Drag along and tag along) apply, provided that the provisions of that *Article* are complied with.

13. MANDATORY TRANSFER PROVISIONS

- 13.1 An Original Shareholder shall be deemed to have served a Deemed Transfer Notice under *Article 11.1* immediately before:
- (a) they lack Capacity;
 - (b) they become a Leaver; or
 - (c) they suffer a Bankruptcy Event.
- 13.2 A Deemed Transfer Notice shall immediately deem a Transfer Notice to have been given under *Article 11.1* by any Permitted Transferee(s) of the Shareholder in respect of whom the Deemed Transfer Notice is given in respect of all Shares held by such Permitted Transferee(s) (excluding any Shares that were not acquired pursuant to a Permitted Transfer by that Shareholder or by another Permitted Transferee of that Shareholder).

- 13.3 A Deemed Transfer Notice shall immediately and automatically revoke a Transfer Notice served by the relevant Shareholder or any of that Shareholder's Permitted Transferees before the occurrence of the relevant event giving rise to the Deemed Transfer Notice (excluding a Transfer Notice served by any Permitted Transferee(s) that relate exclusively to Shares not acquired (whether directly or indirectly) pursuant to a Permitted Transfer).
- 13.4 A Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- (a) it shall always comprise all of the Seller's Shares;
 - (b) it does not identify a proposed buyer or state a price for the Sale Shares and the Transfer Price shall:
 - (i) under a Deemed Transfer Notice given pursuant to *Article 13.1(a)* or *Article 13.1(c)* be Fair Value; and
 - (ii) under a Deemed Transfer Notice given pursuant to *Article 13.1(b)*, be:
 - (A) Fair Value where the Shareholder is a Good Leaver; and
 - (B) 50% of Fair Value where the Shareholder is a Bad Leaver; and
 - (c) the Seller does not have a right to withdraw a Deemed Transfer Notice following the determination of Fair Value.
- 13.5 If the Election Notice and/or Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party other than in accordance with these Articles.

14. COMPLETION OF A SHARE PURCHASE

- 14.1 The completion of the sale and purchase of Shares shall:
- (a) in the case of Sale Shares sold to the Company pursuant to an election by the Company made under *Article 11.7*, take place at the place and on the date specified for completion in the Election Notice; and
 - (b) in the case of Sale Shares sold pursuant to allocations to Continuing Shareholders made pursuant to *Article 11.10*, take place at the place and on the date specified for completion in the Allocation Notice.
- 14.2 At the completion of the sale and purchase of Shares:
- (a) the Seller shall deliver, or procure that there is delivered to such of the Company and/or each Continuing Shareholder as have agreed to purchase Sale Shares, the duly completed stock transfer form(s) transferring the legal and beneficial ownership of the relevant Sale Shares to them, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Company and/or the Continuing Shareholders (as appropriate) may reasonably require to show good title to the Sale Shares, or to enable them to be registered as the holder(s) of the Sale Shares;

- (b) such of the Company and each Continuing Shareholder as have agreed to purchase Sale Shares shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to the Seller's order (or such other method of payment agreed between the Company and/or a Continuing Shareholder (as appropriate) and the Seller) for the Transfer Price of the Sale Shares being transferred to them; and
- (c) if, following a sale of Shares made in accordance with these Articles, the Seller does not own any Shares:
 - (i) where relevant, the Seller shall deliver to the Company, their resignation as a Director, such resignation to take effect at completion of the sale of the Sale Shares; and
 - (ii) the Seller shall automatically cease to be a party to any Shareholders' Agreement, but without prejudice to any rights or obligations of the Seller which accrued before such cessation, including in respect of any prior breach of any Shareholders' Agreement.

14.3 If the Seller fails to comply with Article 14.2(a):

- (a) the Chairman (or, failing them, any other Director or any other person nominated by a resolution of the Board) may, as attorney on behalf of the Seller:
 - (i) complete, execute and deliver in their name all documents necessary to give effect to the requisite transfer(s) of the relevant Sale Shares;
 - (ii) receive the Transfer Price and give a good discharge for it (and no buyer shall be obliged to see to the distribution of the Transfer Price);
 - (iii) enter any Continuing Shareholders that have purchased Sale Shares in the statutory books of the Company as the holders of the Sale Shares purchased by them (subject to the transfers being duly stamped); and
 - (iv) if the Company has purchased Sale Shares, cancel the Sale Shares purchased by it; and
- (b) the Board shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until they have delivered to the Board (a) their certificate(s) for the relevant Sale Shares or indemnities (in respect of any lost certificates) and (b) such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares.

14.4 Any transfer of Shares by way of a sale under these Articles shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee.

15. VALUATION

- 15.1 Fair value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions (**Fair Value**):

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
- (b) as if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- (e) the sale is taking place on the date the Independent Expert was requested to determine Fair Value.

16. DRAG ALONG AND TAG ALONG

- 16.1 If Shareholders holding in aggregate not less than 75% of the Shares in issue from time to time (**Selling Shareholders**) wish to transfer all of their interest in their Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**) then the Selling Shareholders may require all of the other Shareholders (**Called Shareholders**) to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this *Article 16* (**Drag Along Option**).
- 16.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
 - (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this *Article 16*;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of the transfer.
- 16.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 60 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.
- 16.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *Article 16*.
- 16.5 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Sellers' Shares (**Proposed Date**) unless all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the

Proposed Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders.

- 16.6 Within 20 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 Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Proposed Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares pursuant to *Article 16.1* in the order of priority specified in *Article 8* to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *Article 16.1* in trust for the Called Shareholders without any obligation to pay interest.
- 16.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to *Article 16.1*, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the Called Shares and the Called Shareholders shall have no further rights or obligations under this *Article 16* in respect of their Shares.
- 16.8 If any Called 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 them, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on their 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 Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed 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 16*.
- 16.9 Before the Selling Shareholders transfer all of their interest in the Seller's Shares (**Proposed Transfer**), the Selling Shareholders shall procure that the Proposed Buyer makes an offer (**Tag Along Offer**) to the other Shareholder(s) to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Seller's Share offered by the Proposed Buyer (**Specified Price**).
- 16.10 The Tag Along Offer shall be given by written notice (**Offer Notice**), at least 20 Business Days (**Offer Period**) before the proposed sale date (**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 purchase 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 (**Offer Shares**).
- 16.11 If the Buyer fails to make the Tag Along Offer to the other Shareholder(s) in accordance with *Article 16.8* and *Article 16.9*, the Selling Shareholders shall not be

entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

- 16.12 If the Tag Along Offer is accepted by the Shareholder(s) (**Accepting Shareholders**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Accepting Shareholders' Offer Shares.
- 16.13 For the avoidance of doubt, neither a Proposed Transfer nor the purchase of Offer Shares from Accepting Shareholders are subject to the pre-emption provisions contained in *Article 11*.

DECISION-MAKING BY SHAREHOLDERS

17. SPECIAL CONSENT MATTERS

- 17.1 Unless agreed by special resolution, the Company shall not enter into any contract, transaction or arrangement of a value exceeding £50,000.
- 17.2 Unless agreed by Unanimous Shareholder Consent, the Company shall not:
- (a) increase the remuneration package (comprised of any combination of salary, consultancy fees, car allowance, pension contributions, phone allowance, health assurance and life cover) of any of the Directors by an amount greater than 10% in any year; or
 - (b) alter these Articles in any way that alters the rights in this Article 17

18. GENERAL MEETINGS

- 18.1 No business other than, subject to *Article 18.2*, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 18.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present must appoint another Director present at the meeting, or, if no Directors are present, the Shareholders present, shall appoint a Shareholder, to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

19. VOTING

- 19.1 Each Share shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company and on a show of hands or on a poll, every Shareholder holding one or more Share who is present in person or by proxy shall have one vote for each Share of which he is the holder.
- 19.2 Model Article 45(1) shall be amended by:
- (a) the deletion of Model Article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any

instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and

- (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Model Article.

20. PURCHASE OF OWN SHARES

20.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

- (a) £15,000; and
- (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.

20.2 Subject to the remaining provisions of this *Article 20*, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:

- (a) hold the Shares (or any of them) in treasury;
- (b) deal with any of the Shares, at any time, in accordance with section 727; or
- (c) cancel any of the Shares, at any time, in accordance with section 729 of the Act.

20.3 The provisions of Articles 9.4 to 9.7 (inclusive) shall apply to a sale or transfer of Shares held in treasury pursuant to *Article 20.2(b)* save that, for the purposes of this *Article 20.3*:

- (a) reference in *Article 9* to an allotment shall include the sale or transfer of Shares; and
- (b) reference in the definition of "Relevant Securities" to Shares "issued after the Adoption Date" shall include Shares to be sold or transferred by the Company,

that immediately before the sale or transfer were, in each case, held by the Company as treasury shares.

21. COMPANY'S LIEN OVER SHARES

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

21.2 The Company's Lien over a share:

- (a) takes priority over any third party's interest in that Share; and

- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

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

22. ENFORCEMENT OF THE COMPANY'S LIEN

22.1 Subject to the provisions of this *Article 22*, if:

- (a) a Lien Enforcement Notice has been given in respect of a Share; and
 - (b) the person to whom the notice was given has failed to comply with it,
- the Company may sell that Share in such manner as the Directors decide.

22.2 A Lien Enforcement Notice:

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

22.3 Where Shares are sold under this *Article 22*:

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

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

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien

equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

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

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

ADMINISTRATIVE ARRANGEMENTS

23. MEANS OF COMMUNICATION TO BE USED

23.1 Subject to *Article 23.3*, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (b) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- (c) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (d) if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
- (e) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
- (f) if deemed receipt under the previous paragraphs of this *Article 23.1* would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this *Article 23.1*, all references to time are to local time in the place of deemed receipt.

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

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

- (c) if sent by email, the notice was properly addressed and sent to the email address of the recipient.
- 23.3 A Transfer Notice (or Deemed Transfer Notice) may be served or delivered in electronic form (other than by fax).
- 23.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

24. INDEMNITY AND INSURANCE

- 24.1 Subject to *Article 24.2*, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
 - (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
 - (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in *Article 24.1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.
- 24.2 This *Article 24* does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 24.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.
- 24.4 In this *Article 24*:
 - (a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company; and
 - (b) **Relevant Officer** means any director or other officer of the Company.