

Dated 17TH August 2023

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY
SHARES
NEW ARTICLES OF
ASSOCIATION**

Adopted by Resolution of the Company on
17TH August 2023



BPE Solicitors LLP

Contents

Clause	Page
1. Interpretation	2
2. Adoption of the Model Articles	6
3. Number of directors	6
4. Proceedings of directors	7
5. Appointment and removal of directors	8
6. Right to appoint a director.....	8
7. alternate directors	9
8. Transactions or other arrangements with the Company	10
9. Directors' conflicts.....	11
10. Voting	13
11. Dividends.....	13
12. Liquidation preference	14
13. Pre-emption rights on the issue of further shares.....	14
14. Transfers of shares: general.....	15
15. Permitted transfers of shares.....	17
16. Pre-emption rights on the transfer of shares	18
17. Valuation	22
18. Compulsory transfers.....	23
19. Tag Along	27
20. Drag along.....	28
21. General meetings	30
22. Voting	30
23. Purchase of own shares	31
24. Means of communication to be used	32
25. Indemnity and insurance.....	33

Company number 13298380
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
FOUNDRY ZERO LTD

(Adopted by special resolution passed on 17 August 2023)

INTRODUCTION

1. INTERPRETATION

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

A Ordinary Shares: the A Ordinary Shares of £1.00 each in the capital of the Company.

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.

B Ordinary Shares: the B Ordinary Shares of £1.00 each in the capital of the Company.

Bad Leaver: an Employee who ceases to be an Employee and who is determined to be a 'bad leaver' by a decision of the Voting Shareholders who for the time being hold more than 50% by nominal value of all Voting Shares.

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

C Ordinary Shares: the "C" Ordinary Shares of £1.00 each in the capital of the Company.

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

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles or pursuant to any shareholders agreement in place from time to time between the Voting Shareholders.

Departing Employee: an Employee who ceases to be a director or employee the Company.

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

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

Employee: an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to the Company, but for the

avoidance of doubt who is not a Voting Shareholder.

Excluded Shareholder:

- a. each shareholder whose activity or proposed course of action (or that of any of his Permitted Transferees) is the subject of the matter to be considered by the Shareholders; and
- b. each Shareholder holding Shares as a result of a Permitted Transfer from a Shareholder referred to in paragraph (a), but only to the extent that such Shares were acquired pursuant to a Permitted Transfer from that Shareholder.

Fair Value: has the meaning given in article 17.4.

Family Trust: as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (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 particular Shareholder and/or any of the Privileged Relations of that Shareholder (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 any such person or any voting or other rights attaching thereto are exercisable by or as directed by any 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).

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

Good Leaver: an Employee who ceases to be an Employee and who is not a Bad Leaver.

Gross Misconduct: an act of misconduct so serious as to justify summary dismissal as determined by a decision of unanimous consent of the Voting Shareholders (excluding any Excluded Shareholder), including but not limited to theft, fraud, physical violence, serious negligence or serious breach of health and safety regulations.

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

Independent Expert: the accountants or auditors for the time being of the Company or, if they decline the instruction, an independent firm of chartered accountants of repute appointed by the Company and the in accordance with article 17.

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

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

Non-Voting Shares: the B Ordinary Shares and the C ordinary Shares.

Original Shareholder: has the meaning given in article 15.1.

Permitted Transfer: a transfer of Shares made in accordance with article 15.

Permitted Transferee: in relation to a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust.

Privileged Relation: in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual), a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).

Relevant Securities: any Shares (excluding Voting Shares) or other securities convertible into, or carrying the right to subscribe for Shares (excluding Voting Shares), issued by the Company after the Adoption Date.

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

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

Restricted Shares: has the meaning given in article 18.7.

Sale Shares: has the meaning given in article 16.3.1.

Seller: has the meaning given in article 16.3.

Shareholder: a holder for the time being of any Share, but excluding any member holding Shares in treasury.

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

Termination Date:

- a. where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served;
- b. where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- c. where an Employee dies, the date of his death;
- d. where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the Company is terminated; or
- e. in any other case, the date on which the employment or holding of office is terminated.

Transfer Notice: has the meaning given in article 16.3.

Transfer Price: has the meaning given in article 17.

Voting Shareholder: a holder for the time being of any Voting Share(s).

Voting Shares: the A Ordinary Shares.

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

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

- 1.10. A reference in these Articles to a holder, or the holder(s), of Shares, Voting Shares or any class of Shares as the case may be shall, in each case, be deemed to exclude any member holding Shares in treasury.
- 1.11. A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
- 1.11.1. another person (or its nominee), by way of security or in connection with the taking of security; or
- 1.11.2. its nominee.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2. Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (5) (inclusive), 16, 22, 26(5), 38, 39, 44(2), 49 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. NUMBER OF DIRECTORS

- 3.1. Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than three.
- 3.2. If any Director shall die, the Shareholder who appointed the Director pursuant to article 6 shall appoint in the relevant director's place another person to be a Director, save that in the event of the death of any who is his own appointing Shareholder, the

replacement Director shall be appointed by the personal representatives of the deceased Director.

- 3.3. If any Director shall be removed from or vacate office for any cause other than pursuant to article 3.2 which would result in the number of Directors being less than required pursuant to article 3.1 the identity of a replacement Director shall be determined by the unanimous consent of the Voting Shareholders (excluding any Excluded Shareholders).

4. PROCEEDINGS OF DIRECTORS

- 4.1. Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 4.2 (subject to article 4.3 and article 4.4). 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.
- 4.2. A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3. A decision taken in accordance with article 4.2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4. A decision may not be taken in accordance with article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 4.6 and article 4.7.
- 4.5. Meetings of the Directors shall take place at least 4 times in each year, with a period of not more than 12 weeks between any two meetings. Any Director may call a meeting of the Directors. At least 5 Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent of all the Directors (excluding any Excluded Shareholder), when meetings of the Directors may take place less frequently or on shorter notice).
- 4.6. Subject to article 4.7, the quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be three Eligible Directors.
- 4.7. For the purposes of any meeting (or part of a meeting) held pursuant to article 9 to authorise a Conflict (as defined in article 9.1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

- 4.8. If the number of Directors in office for the time being is less than three, the Directors in office must not take any decision other than a decision to:
- 4.8.1. appoint further Directors; or
 - 4.8.2. call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.9. 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.
- 4.10. 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.

5. APPOINTMENT AND REMOVAL OF DIRECTORS

- 5.1. Model article 18 shall be modified by the addition of:
- 5.1.1. the following words at the end of model article 18 (d) “, provided that the person has not appointed an Alternate to act in their place in accordance with article 7”.
 - 5.1.2. the following events upon the occurrence of which a person shall cease to be a Director:
 - 5.1.2.1. (g) he or she is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he or she cease to be a Director; and
 - 5.1.2.2. (h) he or she shall cease to be employed by the Company and such Employee shall be removed from office as a Director with effect from their Termination Date.
- 5.2. If, following a transfer of Shares in accordance with the Articles, a Shareholder will hold no further Shares (excluding any Shares held by his personal representatives, successors and Permitted Transferees) the Shareholder shall deliver, or procure that there is delivered, to the Company his resignation as a director of the Company and resignations from any directors appointed by him, such resignations to take effect at completion of the sale of the Shares.

6. RIGHT TO APPOINT A DIRECTOR

- 6.1. A Shareholder shall have the right, for so long as they (together with their Permitted Transferees) hold at least 10% by nominal value of the Voting Shares in issue for the time being, to appoint from time to time, by notice in writing addressed to the Company, and to maintain in office, one natural person as a director of the Company (including

himself) and to remove any director so appointed and, upon his removal whether by his appointor or otherwise, to appoint another person to act as a director in his place.

- 6.2. Any appointment or removal of a Director made in accordance with article 6.1 shall be made by giving notice in writing to the Company, and, in the case of removal of a director, to the director being removed. The appointment or removal takes effect on the date on which the notice is received (or deemed received) by the Company or, if a later date is given in the notice, on that date.
- 6.3. A Shareholder removing a director under this article 6 shall indemnify and keep indemnified the Company against any claim connected with the director's removal from office.

7. ALTERNATE DIRECTORS

- 7.1. Any director (other than an alternate director) (**the Appointor**) may appoint any person (whether or not a director), to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor.
- 7.2. Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 7.3. The notice must:
 - 7.3.1. identify the proposed alternate; and
 - 7.3.2. in the case of a notice of appointment, contain a statement signed by the proposed alternate that they are willing to act as the alternate of the director giving the notice.
- 7.4. An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 7.5. Except as the Articles specify otherwise, alternate directors:
 - 7.5.1. are deemed for all purposes to be directors;
 - 7.5.2. are liable for their own acts and omissions;
 - 7.5.3. are subject to the same restrictions as their Appointors; and
 - 7.5.4. are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which the alternate's Appointor is a member.

- 7.6. A person who is an alternate director but not a director may, subject to the person being an Eligible Director:
 - 7.6.1. be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
 - 7.6.2. participate in a unanimous decision of the directors (but only if that person's Appointor is an Eligible Director in relation to that decision and is not participating).
- 7.7. A director who is also an alternate director is entitled, in the absence of their Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to the director's own vote on any decision of the directors.
- 7.8. An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if the alternate were a director but shall not be entitled to receive from the Company any remuneration in the alternate's capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 7.9. An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
 - 7.9.1. when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
 - 7.9.2. 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; or
 - 7.9.3. when the alternate director's Appointor ceases to be a director for whatever reason.

8. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 8.1. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he or she has declared the nature and extent of his or her interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 8.1.1. may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 8.1.2. shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he or she is interested;
- 8.1.3. shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he or she is interested;
- 8.1.4. may act by himself or herself, or his or her firm in a professional capacity for the Company (otherwise than as auditor) and he or she, or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Director;
- 8.1.5. may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 8.1.6. shall not, save as he or she may otherwise agree, be accountable to the Company for any benefit which he or she (or a person connected with him or her) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his or her duty under section 176 of the Act.

9. DIRECTORS' CONFLICTS

- 9.1. The Directors may, in accordance with the requirements set out in this article 9, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (**an Interested Director**) breaching his or her duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 9.2. Any authorisation under this article 9 will be effective only if:
 - 9.2.1. to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 9.2.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 9.2.3. the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

- 9.3. Any authorisation of a Conflict under this article 9 may (whether at the time of giving the authorisation or subsequently):
- 9.3.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 9.3.2. provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - 9.3.3. provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 9.3.4. impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 9.3.5. provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his or her position as a Director of the Company) information that is confidential to a third party, he or she will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 9.3.6. permit the Interested Director to absent himself or herself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 9.4. Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself or herself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 9.5. The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 9.6. A Director, notwithstanding his or her office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his or her appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7. A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he or she derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each

case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

SHARES AND DISTRIBUTIONS

10. VOTING

10.1. The voting rights attached to the Voting Shares shall be:

10.1.1. on a written resolution, every shareholder holding one or more Voting Share shall have one vote for each Voting Share held by them; and

10.1.2. on a resolution to be passed at a general meeting of the Company, every shareholder holding one or more Voting Share present in person, representative or by proxy shall have:

10.1.2.1. on a show of hands, one vote each; and

10.1.2.2. on a poll, one vote for each Voting Share of which they are the holder.

10.2. The holders of Non-Voting Shares shall not be entitled to vote on, or to receive a copy of, any written resolution circulated to eligible members, nor attend or vote at or to receive notice of any general meetings.

11. DIVIDENDS

11.1. In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this article 11 and as in accordance with any shareholders agreement in place from time to time between the Voting Shareholders.

11.2. Subject to article 11.5, any Available Profits which the Company may determine to distribute shall be distributed as follows:

11.2.1. the Board shall determine the amount of Available Profit to be distributed (**Relevant Amount**);

11.2.2. the Board shall, in its entire discretion determine the proportion of the Relevant Amount (if any) which is to be paid;

11.2.2.1. to the A Shareholders and the B Shareholders; and

11.2.2.2. to the C Shareholders;

11.2.3. the proportion of the Relevant Amount to be distributed to the A and B Shareholders shall be distributed pari passu between such Shareholders as if the A and B Shares constituted one class and pro rata to the Shares held by each Shareholder; and

- 11.2.4. the proportion of the Relevant Amount to be distributed to the C Shareholders shall be distributed pro rata to their holdings of C Shares..
- 11.3. Subject to the Act, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.
- 11.4. Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively 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.
- 11.5. Notwithstanding any other provision of this article 11, no dividend may be paid to the Company in respect of any Shares held in treasury.

12. 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 Voting Shares and the Non-Voting Shares pro rata to the number of Voting Shares and the Non-Voting Shares held, as if they all constituted shares of the same class.

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

- 13.1. Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.
- 13.2. 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.
- 13.3. Unless otherwise agreed by special resolution, 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 (as if they constituted Shares of the same class) 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.
- 13.4. An offer made under article 13.3 shall:

- 13.4.1. be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
 - 13.4.2. remain open for a period of at least 20 Business Days from the date of service of the offer; and
 - 13.4.3. stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he or she is entitled under article 13.3 shall, in his or her acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he or she wishes to subscribe.
- 13.5. If, on the expiry of an offer made in accordance with article 13.3, 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.
- 13.6. Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 13.3 shall be used to satisfy any requests for Excess Securities made pursuant to article 13.4.3. If there are insufficient Excess Securities 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 13.8, 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.
- 13.7. If, after completion of the allotments referred to in article 13.5 and article 13.6, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to article 13.8 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.
- 13.8. No Shares shall be allotted to any current or prospective employee or director of the Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 13.9. For the avoidance of doubt, the provisions of articles 13.3 to 13.8 (inclusive) shall not apply to Voting Shares. If the Company proposes to issue Voting Shares to any Shareholder or new shareholder, the Company shall require the consent of all of the Voting Shareholders (excluding any Excluded Shareholder).

14. TRANSFERS OF SHARES: GENERAL

- 14.1. 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.

- 14.2. 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 14.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 14.3. If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles or in accordance with any shareholders agreement in place from time to time between the Voting Shareholders, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 14.4. Any transfer of a Share by way of sale which is required to be made under article 18, article 19 or article 20 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 14.5. The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 14.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 14.6. To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
 - 14.6.1. any holder (or the legal representatives of a deceased holder); or
 - 14.6.2. any person named as a transferee in a transfer lodged for registration; or
 - 14.6.3. such other person as the Directors may reasonably believe to have information relevant to that purpose,to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 14.7. If any such information or evidence referred to in article 14.6 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and:
 - 14.7.1. the relevant Shares shall cease to confer on the holder of them any rights:

- 14.7.1.1. to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - 14.7.1.2. to receive dividends or other distributions otherwise attaching to those Shares; or
 - 14.7.1.3. to participate in any future issue of Shares; and
- 14.7.2. the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).
- 14.8. The Directors may reinstate the rights referred to in article 14.7.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 14.7.2 on completion of such transfer.
- 14.9. Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).
- 14.10. Any Transfer Notice (but not an Offer Notice (as defined in article 19) or a Drag Along Notice (as defined in article 20)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.
- 14.11. The provisions of articles 16 and 18 can be waived by the unanimous consent of all the Voting Shareholders (excluding any Excluded Shareholder).

15. PERMITTED TRANSFERS OF SHARES

- 15.1. A Shareholder (the **Original Shareholder**) being [●] may transfer all or any of his or its Shares to a Permitted Transferee (providing that if any Voting Shares are transferred pursuant to this article 15, the Permitted Transferee shall be required to enter into a deed of adherence in respect of any shareholders agreement in place from time to time in respect of the Voting Shares).
- 15.2. Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
 - 15.2.1. the Original Shareholder;
 - 15.2.2. any Privileged Relation(s) of the Original Shareholder;
 - 15.2.3. the trustee(s) of another Family Trust of which the Original Shareholder is the

Settlor; or

15.2.4. to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

15.3. If a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, that Privileged Relation shall within five Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise but not by reason of death) execute and deliver to the Company a transfer of the Shares held by them to the Original Shareholder (or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which the relevant Privileged Relation shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 16 and article 18.2.

15.4. On the death or bankruptcy of a Privileged Relation (other than a joint holder), their personal representatives or trustee in bankruptcy (as the case may be) shall offer the Shares held by the Privileged Relation for transfer to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, within 20 Business Days after the grant of probate or the making of the bankruptcy order (as the case may be), for such consideration as may be agreed between the Original Shareholder and the personal representatives or trustee in bankruptcy (as the case may be). If:

15.4.1. a transfer of the Shares has not been executed and delivered within 20 Business Days of the grant of probate or the making of the bankruptcy order (as the case may be); or

15.4.2. the Original Shareholder is themselves the subject of a bankruptcy order, the personal representatives or trustee in bankruptcy (as the case may be) shall be deemed to have given a Transfer Notice in respect of the Shares in accordance with article 16 and article 18.2 and the consideration shall be determined pursuant to article 17.

15.5. Notwithstanding any other provision of this article 15, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

16. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

16.1. If a Shareholder wishes to transfer any Voting Shares held by them (other than in accordance with article 15, article 18, article 19 or article 20) they must obtain the consent of the Voting Shareholders (excluding any Excluded Shareholder) and may only transfer such number of Shares as allowed pursuant to any shareholders agreement in place between the Voting Shareholders from time to time.

- 16.2. Except where the provisions of article 15, article 19 or article 20 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 16.
- 16.3. A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:
- 16.3.1. subject to article 14.9, the number and class of Shares he wishes to transfer (**Sale Shares**);
 - 16.3.2. the name of the proposed transferee, if any; and
 - 16.3.3. subject to article 18.2, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**).
- 16.4. Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value less than the Proposed Sale Price the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice.
- 16.5. A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 16.6. If an Original Shareholder serves a Transfer Notice under article 16.3 or is deemed to have served a Transfer Notice under article 18 or pursuant to the terms of any shareholders agreement in place from time to time between the Voting Shareholders, any Permitted Transferee of that Original Shareholder to whom shares have been transferred in accordance with article 15 is, unless otherwise agreed with the unanimous consent of the Voting Shareholders (excluding any Excluded Shareholder), also deemed to have served a Transfer Notice in respect of all their shares on the same date as the Original Shareholder's Transfer Notice is served or is deemed to have been served (in the case of a Deemed Transfer Notice).
- 16.7. As soon as practicable following the later of:
- 16.7.1. receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
 - 16.7.2. the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 16.4) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 16 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.
- 16.8. If the Sale Shares are Voting Shares, the Company shall offer the Sale Shares in the following order of priority:

- 16.8.1. first, to the Voting Shareholders; and
 - 16.8.2. second, to any person at a price at least equal to the Transfer Price, providing that the consent of the Voting Shareholders (excluding any Excluded Shareholder) is obtained (such consent not to be unreasonably withheld or delayed).
- 16.9. If the Sale Shares are Non-Voting Shares (or Shares of any class other than Voting Shares, the Company shall offer the Sale Shares in the following order of priority:
- 16.9.1. first, to the Voting Shareholders; and
 - 16.9.2. second, to the holders of Shares; and
- in each case on the basis set out in article 16.11 to article 16.16 (inclusive).
- 16.10. An offer of Sale Shares made in accordance with article 16.9.1 shall remain open for acceptance for a period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with article 16.11 and article 16.12.
- 16.11. Subject to article 16.10, the Directors shall offer the Sale Shares in the order of priority referred to in article 16.8 (as appropriate) to the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**the Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 16.12. If:
- 16.12.1. 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 Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Non-Voting Shares bears to the total number of Non-Voting Shares of the class being offered held by all Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
 - 16.12.2. not all Sale Shares are allocated following allocations in accordance with article 16.12.1, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 16.12.1. The procedure set out in this article 16.12.2 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
 - 16.12.3. at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale

Shares to Shareholders in accordance with their applications. The balance **(the Surplus Shares)** shall be dealt with in accordance with article 16.16.

16.13. Where allocations have been made in respect of all the Sale Shares, the Directors shall, when no further offers or allocations are required to be made under article 16.10 to article 16.12 (inclusive), give notice in writing of the allocations of Sale Shares (**an Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (**each an Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 after the date of the Allocation Notice).

16.14. On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

16.15. If the Seller fails to comply with article 16.14:

16.15.1. the Chair (or, failing the Chair, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:

16.15.1.1. complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

16.15.1.2. receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and

16.15.1.3. (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Non-Voting Shares purchased by them; and

16.15.2. the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Non-Voting Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Non-Voting Shares) to the Company.

16.16. Where an Allocation Notice does not relate to all the Sale Shares, then, subject to article 16.17, the Seller may, at any time during the 20 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price.

16.17. The Seller's right to transfer Shares under article 16.16 does not apply if the Directors

reasonably consider that:

- 16.17.1. the transferee is a person (or a nominee for a person) whom the Directors determine to be a competitor (or a Member of the Same Group as a competitor) of the business of the Company;
- 16.17.2. the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- 16.17.3. the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in article 16.17.2.

17. VALUATION

- 17.1. The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.
- 17.2. If the accountants or auditors for the time being of the Company decline an instruction to make a certification or a determination in accordance with these Articles, the Company and the Seller shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Independent Expert and to agree terms of appointment with the Independent Expert. Neither party shall unreasonably withhold its agreement to the terms of appointment proposed by the Independent Expert or the other party.
- 17.3. If the parties fail to agree on an Independent Expert and the terms of their appointment within 10 Business Days of either party serving details of a proposed Independent Expert on the other then either party shall be entitled to request the institute of chartered accountants to appoint the Independent Expert and to agree their terms of appointment on behalf of the parties.
- 17.4. The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
 - 17.4.1. 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);
 - 17.4.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 17.4.3. that the Sale Shares are capable of being transferred without restriction;
 - 17.4.4. 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

- 17.4.5. reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 17.5. If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 17.6. The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 17.7. The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 17.8. The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 17.9. The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 17.10. The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
 - 17.10.1. the Seller withdraws the relevant Transfer Notice in accordance with article 16.4; or
 - 17.10.2. in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,in which case the Seller shall bear the cost.

18. COMPULSORY TRANSFERS

- 18.1. A Shareholder is deemed to have served a Transfer Notice under article 16.3 immediately before any of the following events:
 - 18.1.1. a bankruptcy petition being presented for the Shareholder's bankruptcy;

- 18.1.2. an arrangement or composition with any of the Shareholder's creditors being proposed;
- 18.1.3. the Shareholder convening a meeting of their creditors, or taking any other steps with a view to making an arrangement or composition in satisfaction of their creditors generally;
- 18.1.4. the Shareholder being unable to pay their debts as they fall due within the meaning of section 268 of the Insolvency Act 1986 or for the purposes of section 123 of the Insolvency Act 1986;
- 18.1.5. any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the Shareholder's assets; or
- 18.1.6. the happening in relation to a Shareholder of any event analogous to any of the above in any jurisdiction in which the Shareholder is resident, carries on business or has assets;
- 18.1.7. the Shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or the Shareholder's Shareholding;
- 18.1.8. the Shareholder (being an Employee) becoming a Departing Employee (a **Compulsory Employee Transfer**) (unless the directors otherwise direct in writing within 20 Business Days of the relevant Termination Date that a Transfer Notice shall not be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares). Any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.
- 18.1.9. the Voting Shareholder committing an act of Gross Misconduct;
- 18.1.10. the Shareholder committing a material or persistent breach of any Shareholders' agreement to which the Shareholder is a party in relation to the Shares in the Company which if capable of remedy has not been so remedied within 28 Business Days of the holder(s) of a majority of the Shares requiring such remedy;
- 18.1.11. if a Shareholder which is a body corporate (for the avoidance of doubt these are in addition to the matters referred to in the remainder of this article 18.1):
 - 18.1.11.1. the passing of a resolution for the liquidation of the Shareholder, other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the Shareholder's Group (the structure of which has been previously approved by the other Shareholders in the Company in writing) in which a new company assumes (and is capable of assuming) all the obligations of the Shareholder;
 - 18.1.11.2. the appointment of a liquidator, administrator or administrative receiver over it, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales;

- 18.1.11.3. the presentation at court by any competent person of a petition for the winding up of the Shareholder and which has not been withdrawn or dismissed within seven days of such presentation;
 - 18.1.11.4. a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the Shareholder, save that, where that Shareholder acquired shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice;
 - 18.1.11.5. the Shareholder applying to court for, or obtaining, a moratorium under Part A1 of the Insolvency Act 1986.
- 18.2. In the event of a Shareholder's death, the deceased Shareholder's executor(s) or personal representative (as the case may be) will be deemed to have served a Transfer Notice under article 18 (for the avoidance of doubt, this article shall not apply upon the death of any Voting Shareholder unless a determination has been made pursuant to article 18.9).
- 18.3. The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 18.3.1. the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and, subject to article 18.3.2 and article 18.3.3, the Transfer Price for the Sale Shares shall be the aggregate Fair Value of those Shares, determined by the Valuer in accordance with article 17;
 - 18.3.2. the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Shareholder is:
 - 18.3.2.1. a Bad Leaver, be restricted to a maximum of the lower of the aggregate subscription price paid (or deemed to be paid) in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares; and
 - 18.3.2.2. a Good Leaver, be the aggregate Fair Value of such Sale Shares;
 - 18.3.3. if the Seller is deemed to have given a Transfer Notice as a result of article 18.1.9, the Transfer Price shall be determined by a decision of the Voting Shareholders (acting by unanimous consent but excluding any Excluded Shareholder), provided that the minimum Transfer Price shall be the aggregate subscription price paid in respect of the Sale Shares by the Voting Shareholder, including any share premium; and
 - 18.3.4. if the Seller is deemed to have given a Transfer Notice as a result of article 18.1.10, the Transfer Price shall be restricted to a maximum of the lower of

the aggregate subscription price paid in respect of the Sale Shares by the Shareholder, including any share premium, and the aggregate Fair Value of such Sale Shares.

- 18.4. A Deemed Transfer Notice under article 18.1.8, article 18.1.9 or article 18.1.10 or pursuant to any shareholders agreement in place from time to time between the Voting Shareholders, shall immediately and automatically revoke:
- 18.4.1. a Transfer Notice served by the relevant Shareholder or any of the relevant Shareholder's Permitted Transferees (and any Transfer Notices deemed to have been served by any of their Permitted Transferees under article 16.6, where the relevant shareholder is an Original Shareholder) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 18.1.8, article 18.1.9 or article 18.1.10 or pursuant to any shareholders agreement in place from time to time between the Voting Shareholders (as the case may be); and
 - 18.4.2. a Deemed Transfer Notice deemed to be served by the relevant Shareholder under any of the events set out in article 18.1.1 to article 18.1.7 (inclusive) and article 18.1.11 (and any Transfer Notices deemed to have been served by any of the relevant Shareholder's Permitted Transferees) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 18.1.8, article 18.1.9 or article 18.1.10 or pursuant to any shareholders agreement in place from time to time between the Voting Shareholders (as the case may be).
- 18.5. Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).
- 18.6. Notwithstanding the provisions of article 18.3.2, article 18.3.3 or article 18.3.4, the Board may direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to article 18.3.2, article 18.3.3 or article 18.3.4.
- 18.7. Forthwith upon a Transfer Notice being deemed to be served under article 18 the shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:
- 18.7.1. to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;

- 18.7.2. to receive dividends or other distributions otherwise attaching to those Shares; or
 - 18.7.3. to participate in any future issue of Shares.
- 18.8. The Board may reinstate the rights referred to in article 18.7 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 18 on completion of such transfer.
- 18.9. In the event of the death of a Voting Shareholder, the remaining Voting Shareholders may (acting by unanimous decision) determine that a Deemed Transfer Notice should be served in respect of the deceased Voting Shareholder's Shares pursuant to article 18.2, provided that such determination is made within 6 months of the death of the Voting Shareholder (or such longer time as the Shares remain registered in the name of the deceased Voting Shareholder over 6 months from the date of death). If no such determination is made within that time, any Shares held by such Voting Shareholder shall pass to the Voting Shareholder's personal representatives to deal with in accordance with the processing of the Voting Shareholder's estate.

19. TAG ALONG

- 19.1. After first giving a Transfer Notice and going through the procedure set out in article 16, the provisions of article 19.2 to article 19.6 shall apply if the holders of no less than 75% of the Shares in issue for the time being (**Majority Sellers**) propose to transfer such shareholding to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Majority Buyer**) acquiring 75% or more of the Shares in issue in the capital of the Company.
- 19.2. Before making a Proposed Transfer, the Majority Sellers shall procure that the Majority Buyer makes an offer (**Majority Offer**) to the remaining Shareholders of the Company to purchase all of the Shares held by such Shareholders for a consideration in cash per Share that is at least equal to the price per Share offered by the Majority Buyer in the Proposed Transfer (**Specified Price**).
- 19.3. The Majority Offer shall be made by written notice (**Majority Offer Notice**), at least 28 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Majority Offer Notice shall set out:
- 19.3.1. the identity of the Majority Buyer;
 - 19.3.2. the Specified Price and other terms and conditions of payment;
 - 19.3.3. the Transfer Date; and
 - 19.3.4. the number of Shares proposed to be purchased by the Majority Buyer (**Majority Offer Shares**).

- 19.4. If the Majority Buyer fails to make the Majority Offer in accordance with article 19.2 and article 19.3, the Majority Sellers 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.
- 19.5. If the Majority Offer is accepted by the remaining Shareholders in writing within 28 Business Days of receipt of the Majority Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Majority Offer Shares held by such Shareholders.
- 19.6. The Proposed Transfer is subject to the rights of pre-emption set out in article 16, but the purchase of the Majority Offer Shares shall not be subject to those provisions.

20. DRAG ALONG

- 20.1. If the holders of 75% by nominal value of the Shares in issue for the time being (**the Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request, 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 20.
- 20.2. 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:
- 20.2.1. that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to this article 20;
 - 20.2.2. the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - 20.2.3. the consideration payable for the Called Shares;
 - 20.2.4. the proposed date of completion of transfer of the Called Shares.
- 20.3. Once given, a Drag Along Notice may not be revoked save with the prior consent of the Board. 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 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.

- 20.4. No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 20.
- 20.5. Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- 20.5.1. all of the Called Shareholders and the Selling Shareholders otherwise agree;
or
- 20.5.2. that date is less than 10 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 10 Business Days after the date of service of the Drag Along Notice.
- 20.6. 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 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 20.7. To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period, put the Company in funds to pay the amounts due 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 20 in respect of their Shares.
- 20.8. If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (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 his agent and attorney to execute and deliver all necessary transfers on his 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 20.

- 20.9. Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (**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 him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 20 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 20.9 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.
- 20.10. A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 16.
- 20.11. Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

DECISION-MAKING BY SHAREHOLDERS

21. GENERAL MEETINGS

- 21.1. No business other than, subject to article 21.2, the appointment of the chair of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 21.2. The Chair shall chair general meetings. If there is no Chair in office for the time being, or the Chair is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chair of the meeting must be the first business of the meeting.

22. VOTING

- 22.1. Subject to any other provisions in these Articles concerning voting rights, each Voting Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 22.2. A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

22.3. Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.

22.4. Model article 45(1) shall be amended by:

22.4.1. 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

22.4.2. 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.

23. PURCHASE OF OWN SHARES

23.1. 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:

23.1.1. £15,000; and

23.1.2. the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.

23.2. Subject to the remaining provisions of this article 23, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:

23.2.1. hold the Shares (or any of them) in treasury;

23.2.2. deal with any of the Shares, at any time, in accordance with section 727; or

23.2.3. cancel any of the Shares, at any time, in accordance with section 729 of the Act.

23.3. The provisions of articles 13.3 to 13.8 (inclusive) shall apply to a sale or transfer of Non-Voting Shares held in treasury pursuant to article 23.2.2 save that, for the purposes of this article 23.3:

23.3.1. reference in article 13 to an allotment shall include the sale or transfer of Shares; and

23.3.2. reference in the definition of "Relevant Securities" to Shares (excluding Voting Shares) "issued after the Adoption Date" shall include Shares (excluding Voting 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.

- 23.4. The provisions of article 16 shall apply to a sale or transfer of Voting Shares held in treasury pursuant to article 23.2.2 save that, for the purposes of this article 23.4 reference in article 16 to a transfer or sale shall include an allotment of Voting Shares that immediately before the sale or transfer were, in each case, held by the Company as treasury shares.

ADMINISTRATIVE ARRANGEMENTS

24. MEANS OF COMMUNICATION TO BE USED

- 24.1. Subject to article 24.4, any notice, document or other information shall be deemed received by the intended recipient:
- 24.1.1. if delivered by hand, at the time the notice, document or other information is left at the address;
 - 24.1.2. if sent by pre-paid first class post or other next working day delivery service providing proof of postage, at 9.00 am on the second Business Day after posting;
 - 24.1.3. if sent by pre-paid airmail providing proof of postage, at 9.00 am on the fifth Business Day after posting;
 - 24.1.4. if sent by email, at the time of transmission; or
 - 24.1.5. 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.
- 24.2. If deemed receipt under article 24.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 24.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.
- 24.3. To prove service, it is sufficient to prove that:
- 24.3.1. if delivered by hand, the notice was delivered to the correct address; or
 - 24.3.2. if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
 - 24.3.3. if sent by email, the notice was properly addressed and sent to the email address of the recipient.

- 24.4. A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered by means of a website.
- 24.5. 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.

25. INDEMNITY AND INSURANCE

- 25.1. Subject to article 25.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
- 25.1.1. each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a Relevant Officer in the actual or purported execution and/or discharge of his or her duties, or in relation thereto including any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part, or in connection with any application in which the court grants him or her, in his or her 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
- 25.1.2. the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in article 25.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.
- 25.2. This article 25 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.
- 25.3. 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.
- 25.4. In this article 25:
- 25.4.1. 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
- 25.4.2. Relevant Officer means any director or other officer or former director or other officer of the Company, but excluding in each case any person engaged by the Company as auditor (whether or not he or she is also a director or other officer), to the extent he or she acts in his or her capacity as auditor.