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DATED

15 July

2021

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ARTICLES OF ASSOCIATION

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**BERMANS**

Third Floor  
1 King Street  
Manchester  
M2 6AW

Company number: 13304409

**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**BLAKE CLOUGH CONSULTING LTD (the Company)**

**1 Interpretation**

1.1 In these Articles the following words and expressions have the following meanings unless the context otherwise requires:

<b>Act</b>	the Companies Act 2006;
<b>acting in concert</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);
<b>Adoption Date</b>	the date of the adoption of these Articles;
<b>A Share</b>	an issued A ordinary share of £0.01 in the capital of the Company having the rights and subject to the restrictions set out in these Articles;
<b>A Shareholder</b>	a registered holder of any A Share from time to time;
<b>B Share</b>	an issued B ordinary share of £0.01 in the capital of the Company having the rights and subject to the restrictions set out in these Articles;
<b>B Shareholder</b>	a registered holder of any B Share from time to time;
<b>Bad Leaver</b>	a Member who ceases to be a consultant, employee and/or director of the Company in circumstances where he has committed gross misconduct, material dishonesty, theft, fraud, a material breach by him of his service agreement (other than by reason of ill health) which breach would entitle the Company to summarily dismiss him, breach by him of any restrictive covenant or where he has brought the Company into disrepute or conducted himself in a manner materially adverse to the interests

	of the Company;
<b>Board</b>	the board of directors of the Company from time to time;
<b>Business Day</b>	a day other than a Saturday or Sunday or public holiday in England;
<b>Change of Control</b>	the acquisition whether by purchase, transfer, renunciation or otherwise by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser, together with persons acting in concert or connected with him (excluding any person who was an original party to the Shareholders Agreement), would hold more than 50% of the voting rights attached to the issued shares of the Company;
<b>Competitor</b>	any person who, in the opinion of the Board, is carrying on business directly or indirectly in competition with any member of the Company;
<b>C Share</b>	an issued C ordinary share of £0.01 in the capital of the Company having the rights and subject to the restrictions set out in these Articles;
<b>C Shareholder</b>	a registered holder of any C Share from time to time;
<b>Directors</b>	the directors for the time being of the Company or a quorum of such directors present at a duly convened meeting of the directors;
<b>Disposal</b>	the sale of the whole or a substantial part of the undertaking or assets of the Company;
<b>Eligible Director</b>	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);
<b>Exit</b>	the earlier to occur of: <ul style="list-style-type: none"> <li>(a) the date and time at which an agreement for a Disposal is completed; or</li> <li>(b) the date and time at which an agreement for a Sale is completed.</li> </ul>
<b>Family Trust</b>	as regards any particular Member who is an individual (or deceased or former Member 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 Member and/or any of the Privileged Relations of that Member (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);

<b>Good Leaver</b>	a Member who ceases to be a consultant, employee and/or director of the Company and who is not a Bad Leaver;
<b>Lien Enforcement Notice</b>	a notice in writing which complies with the requirements of Article 21.2;
<b>Member</b>	a registered holder for the time being of Shares;
<b>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date;
<b>Permitted Transfer</b>	a transfer of Shares made in accordance with Article 12.5;
<b>Permitted Transferee</b>	in relation to a Member who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;
<b>Prescribed Period</b>	the period commencing on the Notice Date (as defined in Article 13.5) and ending on either the Buy Back Date or the last day of the Offer Period in accordance with Article 13.7 or 13.8 (as applicable);
<b>Privileged Relation</b>	in relation to a Member who is an individual (or a deceased or former Member who is an individual) means 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);

<b>Sale</b>	the making of one or more agreements (whether conditional or not) for the disposal, transfer, purchase, subscription or renunciation of any part of the share capital of the Company giving rise to a Change of Control and for the purposes of this definition <b>disposal</b> shall mean a sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner of the share in question or voting rights attached thereto or an agreement to enter into such disposal or the grant of a right to compel entry into such an agreement;
<b>Shareholders Agreement</b>	the shareholders agreement dated on or around the Adoption Date between the Members at the Adoption Date and the Company (as amended, varied or supplemented from time to time);
<b>Shares</b>	the A Shares and/or the B Shares and/or the C Shares;
<b>Third Party Purchaser</b>	an individual or body corporate not being a Member or an <b>associate</b> (within the meaning of section 435 Insolvency Act 1986) of a Member;
<b>Transfer Notice</b>	a notice in accordance with Article 13.2 that a Member desires to transfer his Shares; and
<b>Valuers</b>	a firm of chartered accountants or chartered certified accountants agreed between the Proposing Transferor (as defined in Article 13.2) and the Directors or, in default of agreement within 10 Business Days of the first name being proposed by either of them, as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Proposing Transferor or the Directors.

1.2 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 date when these Articles become binding on the Company.

1.3 In these Articles a reference to:

1.3.1 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists); and

1.3.2 **these Articles** is to these articles of association (including the provisions of the Model Articles incorporated therein), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act.

1.4 The headings in these Articles are for convenience only and do not affect their interpretation.

1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender.

1.6 Any question as to whether a person is **connected with** another shall be determined in accordance with sections 1122 and 1123 of the Corporation Tax Act 2010 (except that in construing section 1122 **control** has the meaning given by section 1124 or section 450 and 451 of that Act so that there is control whenever section 1124 or 450 and 451 requires) which shall apply in relation to these Articles as it applies in relation to that Act.

1.7 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

1.8 The Contracts (Rights of Third Parties) Act 1999 shall not apply to any rights under these Articles.

## **2 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 Articles 6(2), 9(1), 11 to 14 (inclusive), 16, 22, 26(5), 27 to 29 (inclusive), 36, 38, 43, 44(2), 49 and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company.

2.3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".

2.4 Articles 31(1)(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

## **3 Directors' meetings**

- 3.1 Subject to the terms of the Shareholders Agreement, each Member shall have the right to appoint (by notice in writing addressed to the Company) or maintain in office one person as he may nominate to be a Director to the Board (and to any committee of the Board) and to remove any such Director so appointed and appoint another person in his place. Any appointment or removal of any Director made in accordance with this Article 3.1 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice.
- 3.2 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.
- 3.3 Subject as provided in these Articles, the Directors may participate in Directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.4 All decisions made at any meeting of the Directors or of any committee of the Directors shall be made only by resolution, and no such resolution shall be passed unless there is a majority vote for it. Each Director has one vote at a meeting of Directors.
- 3.5 The provisions of Article 5.2 shall apply equally to meetings of any committee of the Directors as to meetings of the Directors.

#### **4 Decisions of Directors**

- 4.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision 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.
- 4.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter.
- 4.4 The chairman of Directors' meetings shall not have a casting vote.
- 4.5 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.

#### **5 Number of Directors and quorum**

- 5.1 Unless and until determined otherwise by ordinary resolution, the minimum number of Directors shall be one and there shall be no maximum number of Directors. No shareholding qualification for Directors shall be required.
- 5.2 The quorum at any meeting of the Directors shall be two directors (unless, at such time, only one Director shall hold office, in which case the quorum shall be one Director) which must include a

Director appointed by the A Shareholders and a Director appointed by the B Shareholders, unless there is no such Director in office for the time being or any such Director has, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting.

- 5.3 No business shall be conducted at any meeting of the Directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes of the time specified for the relevant meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned for 5 Business Days at the same time and place or to such time and place as the Directors determine. If at any adjourned meeting such quorum is not present within 30 minutes from the time appointed, then any one Eligible Director shall be a quorum.

## **6 Directors' interests**

- 6.1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not so authorised, involve a Director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (a **Conflict**).
- 6.2 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):
- 6.2.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 6.2.2 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;
  - 6.2.3 provide that the Interested Director may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution related to the Conflict;
  - 6.2.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - 6.2.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he 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
  - 6.2.6 permit the Interested Director to absent himself 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.

- 6.3 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Members in relation to the Conflict.
- 6.4 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.
- 6.5 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 derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles (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.
- 6.6 Subject to sections 177(5) and 177(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 6.7 Subject to sections 182(5) and 182(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 6.6.
- 6.8 Subject, where applicable, to any terms and conditions imposed by the Directors in accordance with Article 6.2, and provided a Director has declared the nature and extent of his 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:
- 6.8.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
  - 6.8.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
  - 6.8.3 shall be entitled to vote at a meeting of Directors (or of a committee of Directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;

- 6.8.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- 6.8.5 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
- 6.8.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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 duty under section 176 of the Act.

## **7 Alternate Directors**

- 7.1 Any Director (the **appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:
  - 7.1.1 exercise that Director's powers; and
  - 7.1.2 carry out that Director's responsibilities,in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.
- 7.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors.
- 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 the proposed alternate is willing to act as the alternate of the Director giving the notice.
- 7.4 An alternate director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.
- 7.5 Except as these 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 his appointor is a member.

7.6 A person who is an alternate director but not a Director:

7.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating); and

7.6.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision, but does not participate).

7.7 A Director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision).

7.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the appointor's remuneration as the appointor may direct by notice in writing made to the Company.

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

7.9.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

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;

7.9.3 on the death of the alternate's appointor; or

7.9.4 when the alternate's appointor's appointment as a Director terminates.

## **8 Secretary**

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

## **9 Share rights**

9.1 As regards dividends, the A Shares, the B Shares and the C Shares shall each be treated as separate classes of Shares. Subject to the terms of the Shareholders Agreement, the Directors

may recommend dividends in respect of the different classes of Shares in different amounts or to the exclusion of any dividend in respect of the different classes of Shares as they may think fit and may pay interim dividends in respect of the different classes of Shares in different amounts or to the exclusion of any dividend in respect of one or more of such classes as they may think fit.

- 9.2 As regards capital, on a return of assets on liquidation or capital reduction or otherwise (other than a conversion or purchase of Shares), the proceeds or (as applicable) the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the A Shares, the B Shares and the C Shares *pari passu* as if the same constituted one class of share in proportion to the percentage of Shares held by them in the Company.
- 9.3 As regards an Exit, in the event of an Exit where the exit involves the sale of 100% of the Shares in the Company or where there is a Disposal of all the undertaking and assets of the Company then, notwithstanding anything to the contrary in the terms and conditions governing such an Exit the Members immediately prior to such Exit shall procure that the consideration (including any deferred and/or contingent consideration, whenever received) or, in the case of a Disposal, the sums by way of distribution which are to be paid out to the Members, shall be placed in a designated trustee account and shall be distributed amongst the holders of the A Shares, the B Shares and the C Shares *pari passu* as if the same constituted one class of share in proportion to the percentage of Shares held by them in the Company.
- 9.4 As regards voting in general meetings, the Members shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company; on a show of hands every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every Member so present shall have one vote for each Share held by him.

## **10 Issue of Shares**

- 10.1 Other than as may be determined by special resolution of the Company in general meeting (and subject to the terms of the Shareholders Agreement), any unissued Shares from time to time shall, before they are issued, be offered to all the Members in proportion to the amounts (excluding any premium paid on subscription) paid up on the Shares held by them respectively (and such offer shall be at the same price and on the same terms to each such Member). Such offer shall be made by notice specifying the number of Shares offered, the proportionate entitlement of the relevant Member, the price per Share and limiting a period (being not less than 20 Business Days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such period the Directors shall offer the Shares so declined to the persons who have, within the said period, accepted all the Shares offered to them in the same manner as the original offer and limited by a period of not less than 10 Business Days. If any Shares comprised in such further offer are declined or deemed to be declined such further offer shall be withdrawn

in respect of such Shares. At the expiration of the time limited by the notice(s) the Directors shall allot the Shares so offered to or amongst the Members who have notified their willingness to take all or any of such Shares in accordance with the terms of the offer. No Member shall be obliged to take more than the maximum number of Shares he has indicated his willingness to take. No Shares shall be offered to a Competitor without the prior written consent of the Board.

- 10.2 In respect of any Shares not accepted pursuant to Article 10.1 above or not capable of being so offered except by way of fractions or in respect of any Shares released from the provisions of Article 10.1 by special resolution as therein specified, shall be at the disposal of the Company and the Directors may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no Shares shall be issued at a discount and provided further that, in the case of Shares not accepted as aforesaid, such Shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the Members, or at a discount. No Share shall be issued more than 3 months after the end of the period for the acceptance of the last offer made under Article 10.1 unless the procedure in Article 10.1 and this Article 10.2 is repeated in relation to that Share.
- 10.3 The discretion of the Directors contained in this Article as to the allotment and disposal of and the granting of any option over the Shares shall in any event be subject to the provisions of any agreement relating thereto binding on the Company from time to time and any directions contained in any resolution creating such Shares.
- 10.4 Any Shares allotted hereunder to any A Shareholder or any B Shareholder or any C Shareholder shall upon such allotment become A Shares or B Shares or C Shares respectively (as the case may be) to rank *pari passu* with the existing A Shares or B Shares or C Shares.
- 10.5 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).

## **11 Variation of class rights**

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of 75% of the issued shares of that class, but not otherwise.

## **12 Transfer of Shares**

- 12.1 Subject to Article 13, Shares may be transferred by transfer in writing in usual common form or in any other form approved by the Directors. The instrument of transfer shall be signed by or on behalf of the transferor and, when the Share is not fully paid, shall also be signed by the transferee.

- 12.2 The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is duly stamped and is accompanied by the relevant share certificate and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). All instruments of transfer which are registered may be retained by the Company.
- 12.3 Notwithstanding any other provision of these Articles, the Board shall not register a transfer of any interest in a Share if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the opinion of the Board) is of unsound mind or unless the transfer is made in accordance with these Articles. In either case, if the transferee is not already a party to the Shareholders Agreement, he must have entered into a deed of adherence to, and in the form required by, the Shareholders Agreement.
- 12.4 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.
- 12.5 A Member (the **Original Shareholder**) may transfer all or any of his Shares to a Permitted Transferee.
- 12.6 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
- 12.6.1 the Original Shareholder;
  - 12.6.2 any Privileged Relation(s) of the Original Shareholder;
  - 12.6.3 subject to Article 12.7, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
  - 12.6.4 subject to Article 12.7, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
- without any price or other restriction.
- 12.7 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Board is satisfied:
- 12.7.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
  - 12.7.2 with the identity of the proposed trustee(s);
  - 12.7.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - 12.7.4 that no costs incurred in connection with the setting up or administration of that Family

Trust are to be paid by the Company.

- 12.8 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 20 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

12.8.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

12.8.2 give a Transfer Notice to the Company in accordance with Article 13,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 12.8.

- 12.9 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:

12.9.1 £15,000; and

12.9.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year.

### **13 Pre-emption on transfer**

- 13.1 Unless all the Members agree in writing to waive the requirements of this Article 13 and save for any transfer made pursuant to Articles 12.5 or 12.6, the right to transfer Shares or any interest in Shares shall be subject to the following restrictions and provisions. References in this Article 13 to Shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of such Shares.

- 13.2 Any Member (the **Proposing Transferor**) proposing to transfer any Shares (the **Sale Shares**), shall be required before effecting, or purporting to effect the transfer, to give a notice in writing to the Company (a **Transfer Notice**). The Transfer Notice shall specify:

13.2.1 that he desires to transfer the Sale Shares;

13.2.2 whether or not he has received an offer from a Third Party Purchaser for the Sale Shares and if so the identity of such Third Party Purchaser and the price so offered;

13.2.3 the price at which he is prepared to sell the Sale Shares in accordance with the following provisions of this Article 13 (the **Proposed Price**); and

13.2.4 whether the Proposing Transferor wishes to impose a condition that unless all of the Sale Shares are sold pursuant to this Article 13 none shall be sold (a **Total Transfer**

**Condition**), but in the absence of such statement the Transfer Notice shall be deemed not to contain a Total Transfer Condition.

- 13.3 The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached thereto) during the Prescribed Period to any Members on the basis set out in the following provisions of this Article 13 and shall not be revocable except with the consent of the Directors or in accordance with Article 13.6.
- 13.4 In the event that the Transfer Notice contains a Total Transfer Condition, then no offer of Sale Shares made by the Company pursuant to this Articles 13 shall be capable of acceptance until all the Sale Shares have been accepted in accordance with the following provisions of Article 13. If the Company does not receive acceptances in respect of all the Sale Shares within the periods specified in this Article 13, it shall forthwith give notice in writing of that fact to each of the Members (including the Proposing Transferor) and the Proposing Transferor shall be entitled to offer all (but not part of) the Sale Shares to the Third Party Purchaser specified in the Transfer Notice, at the price specified in the Transfer Notice, in accordance with Article 13.2.
- 13.5 The Sale Shares shall be offered for purchase in accordance with this Article 13 at a price per Sale Share (the **Sale Price**) as agreed between the Proposing Transferor and the Directors or, in default of such agreement within 15 Business Days after the date of service of the Transfer Notice (the **Notice Date**), the lower of:
- 13.5.1 the Proposed Price; and
- 13.5.2 the price per Sale Share as determined by the Valuers in accordance with Article 13.6 (the **Valuers' Price**).
- 13.6 If the Proposing Transferor and the Directors fail to agree upon the Sale Price within 15 Business Days after the date of service of the Transfer Notice, then immediately following the expiry of such period the Directors shall refer the matter to the Valuers and the Valuers shall be instructed by the Company to determine and certify the price per Sale Share on the basis of what is considered by the Valuers to be the fair value of each Sale Share as at the Notice Date (i) assuming that the Sale Shares are to be sold by a willing seller to a willing buyer contracting on arm's length terms, (ii) having regard to the fair value of the Company's business and assets as a going concern, (iii) 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 with all classes of Shares being valued equally for the purposes of the valuation and (iv) reflecting any other factors which the Valuers reasonably believe should be taken into account (including the likely impact on the Company's business as a result of the departure of the Proposing Transferor). The Valuers shall act as experts and not as arbitrators and their written determination and certificate shall be final and



binding on all persons concerned and (in the absence of fraud or manifest error) they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith. The cost and expense of obtaining the Valuers' Price shall be borne by the Company save where the Valuers' Price is lower than the Proposed Price, in which case the costs and expenses of the Valuers shall be borne by the Proposing Transferor. Save where the Transfer Notice is a Compulsory Transfer Notice given in accordance with Article 14 or otherwise, the Proposing Transferor may withdraw the Transfer Notice within 5 Business Days after the Valuers' Price being notified to him.

- 13.7 If the Transfer Notice is not withdrawn in accordance with these Articles, the Company may, at the entire discretion of the Board, insofar and to the extent that it is authorised to do so by the relevant provisions of Part 18 of the Act, elect to purchase the Sale Shares (or some only of them) at the Sale Price for cancellation by notifying the Proposed Transferor in writing of its intention to do so within 15 Business Days after (i) the Sale Price is agreed between the Proposing Transferor and the Directors or (ii) the Valuers' Price being notified to the Proposing Transferor (whichever is the later) (the **Buy Back Date**).
- 13.8 Any Sale Shares not purchased for cancellation by the Company pursuant to Article 13.7 shall be offered by a written offer notice (the **Offer Notice**) given within 10 Business Days after the Buy Back Date, to the Members (other than the Proposing Transferor and any other Member who has been served with a Compulsory Transfer Notice). The Offer Notice shall invite the relevant Members to state in writing the maximum number of Sale Shares which they wish to purchase. In the event of competition the Sale Shares shall be sold to the acceptors in proportion to the number of Shares held (as nearly, as may be without involving fractions, or increasing the number, sold to a relevant Member beyond that applied for by him) (and the shareholding of the Proposing Transferor and any other Member who has been served with a Compulsory Transfer Notice shall be disregarded for the purpose of calculating this proportion). The period during which a relevant Member may accept the offer contained in the Offer Notice shall commence on the date of the Offer Notice and terminate 10 Business Days thereafter (the **Offer Period**).
- 13.9 Any Shares not accepted by any of the Members pursuant to the foregoing provisions of these Articles by the end of the last day of the Offer Period may be offered by the Proposing Transferor to such persons as he may think fit for purchase at the Sale Price (provided always that the identity of such person(s) shall have been approved by the Board) for a period of three months commencing on the day after the day on which the Offer Period expires, provided that the Proposing Transferor shall not offer any Shares to a Competitor without the prior written consent of the Board.
- 13.10 After the expiry of the period in which all of the Sale Shares have been accepted, the Directors

shall allocate the Sale Shares in accordance with the acceptances received on the basis set out in Articles 13.7 to 13.9. The Directors shall, within 5 Business Days of the expiry of the period in which all of the Sale Shares have been accepted, give notice in writing (the **Sale Notice**) to the Proposing Transferor and to each accepting Member (each a **Purchaser**) specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them.

- 13.11 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than 3 Business Days nor more than 10 Business Days after the date of the Sale Notice or any time after the Sale Notice has been given if all the Sale Shares are to be purchased by the Company) when the Proposing Transferor, upon payment to him by a Purchaser or the Company (as the case may be) (each a **Proposing Transferee**) of the Sale Price in respect of the Sale Shares allocated to that Proposing Transferee, shall transfer those Sale Shares and deliver the relevant share certificates to that Proposing Transferee or cancel the relevant Sale Shares which have been purchased by the Company.
- 13.12 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Proposing Transferee hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Proposing Transferee(s) to be registered as the holder(s) of such shares or cancel such shares that have been purchased by the Company. The receipt of the Company for the purchase money shall constitute a good discharge to the Proposing Transferee(s) (who shall not be bound to see to the application thereof) and after the Proposing Transferee(s) has been registered or such shares cancelled (as the case may be) in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company.
- 13.13 Whenever a Share is transferred to a member holding Shares only of another class such first mentioned Share shall ipso facto and forthwith be converted into and redesignated as a Share of such other class.

#### **14 Compulsory transfers**

- 14.1 A person entitled to a Share in consequence of the death or bankruptcy of a Member, shall be bound at any time within a period of 12 months of such death or bankruptcy, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such Share and the provisions of Articles 13.2 to 13.13 shall apply to the transfer of those Shares.

- 14.2 In the case of a Member (a **Compulsory Transferor**) who is also an employee, consultant or director of the Company ceasing to hold any and all such positions at any time then, within 12 months after such cessation, the Directors may serve notice on such Compulsory Transferor and any of his Permitted Transferees requiring the Compulsory Transferor (and any relevant Permitted Transferees) to give a Transfer Notice (a **Compulsory Transfer Notice**) in respect of all of the Shares held by him and the provisions of Articles 13.2 to 13.12 shall (subject to Articles 14.3 to 14.6) apply to the transfer of those Shares, PROVIDED ALWAYS that if (i) the relevant Member is a Good Leaver, (ii) the Member is retiring in accordance with his contract of employment and the date of such retirement is no earlier than the tenth anniversary of him becoming a Member and (iii) the Company employs at least 20 full-time employees as at the Termination Date, then the relevant Member shall be entitled to keep all of his Shares and shall not be required to offer them for sale in accordance with these Articles.
- 14.3 If the Compulsory Transfer Notice is served by the Directors in accordance with Article 14.2 and the Member is a Good Leaver then the price per Share at which the Shares held by the Compulsory Transferor (and any relevant Permitted Transferees) will be offered for sale pursuant to Article 13 will be fair value as determined by the Valuers in accordance with Article 13.6 and the **Sale Price** will be construed accordingly in these Articles.
- 14.4 If the Compulsory Transfer Notice is served by the Directors in accordance with Article 14.2 and the Member is a Bad Leaver then the price per Share at which the Shares held by the Compulsory Transferor (and any relevant Permitted Transferees) will be offered for sale pursuant to Article 13 will be fair value as determined by the Valuers in accordance with Article 13.6 minus a discount of 75% and the **Sale Price** will be construed accordingly in these Articles.
- 14.5 For the purposes of determining fair value pursuant to Articles 14.3 and 14.4, the fair value of the relevant Shares shall be determined at the Termination Date (as defined in Article 14.6).
- 14.6 For the purpose of Article 14.2, the date upon which a Compulsory Transferor ceases to hold office as an employee (the **Termination Date**) as described therein shall:
- 14.6.1 where the employer terminates or purports to terminate a contract of employment by giving notice to the employee of the termination of the employment, whether or not the same constitutes a wrongful or unfair dismissal, be the later of the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination) and the date (if any) for the termination expressly stated in such notice;
- 14.6.2 where the employee terminates or purports to terminate a contract of employment by giving notice to the employer of the termination of the employment (whether or not he is lawfully able so to do), be the later of the date of that notice and the date (if any) for

the termination expressly stated in such notice;

- 14.6.3 where an employer or employee wrongfully repudiates the contract of employment and the other respectively accepts that the contract of employment has been terminated be the date of such acceptance by the employee or employer respectively;
- 14.6.4 where a contract of employment is terminated under the doctrine of frustration, be the date of the frustrating event; and
- 14.6.5 where a contract of employment is terminated, be the date on which the person actually ceases to be employed by the employer.

For the purpose of this Article 14.6, references to **employee** shall include references to consultant, employee and/or director of the Company and references to a **contract of employment** shall include references to any employment, service or consultancy agreement or other similar engagement.

## **15 Proceedings at general meetings**

- 15.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, which must include an A Shareholder and a B Shareholder.
- 15.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 15.3 At a general meeting, on a show of hands every Member who is present in person or by proxy shall have one vote, unless the proxy is himself a Member entitled to vote; on a poll every Member present in person or by proxy shall have one vote for each Share of which he is the holder; and on a vote on a written resolution every Member has one vote for each Share of which he is the holder.
- 15.4 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 15.5 Article 44(3) of the Model Articles 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 Article.
- 15.6 Article 45(1)(d) of the Model Articles shall be deleted and replaced 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 general meeting (or adjourned meeting) to which they relate".

- 15.7 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that Article.

**16 Means of communication to be used**

- 16.1 Subject to Article 16.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

16.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;

16.1.2 if properly addressed and sent by prepaid airmail to an address outside the United Kingdom, 72 hours after it was posted;

16.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

16.1.4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

16.1.5 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.

- 16.2 Any notice, document or other information served on, or delivered to, an intended recipient under Article 13 may not be served or delivered in electronic form (other than by fax), or by means of a website.

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

**17 Company seal**

The Company need not have a company seal and pursuant to section 44 of the Act, the Company may execute and deliver any document as a deed under the signature of any two directors or of one director and the secretary or by a sole director. A certificate in respect of any shares or other securities in the Company shall be validly issued if it is executed as a deed as aforesaid.

**18 Indemnity**

- 18.1 A relevant Director (as defined in Article 18.3 below) shall be indemnified out of the Company's assets against any liability (other than a liability to the Company or an associated company) which that Director incurs in connection with:

- 18.1.1 civil proceedings in relation to the Company or an associated company (other than a liability incurred in defending proceedings brought by the Company or an associated company in which final judgment is given against the Director);
  - 18.1.2 criminal proceedings in relation to the Company or an associated company (other than a fine imposed in such proceedings, or a liability incurred in defending proceedings in which the Director is convicted and the conviction is final);
  - 18.1.3 regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the Company or an associated company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising)); or
  - 18.1.4 any application for relief under section 589 or 1157 of the Act unless the court refuses to grant the Director relief, and the refusal of relief is final.
- 18.2 For the purposes of Article 18.1, a judgment, conviction or refusal of relief becomes final:
- 18.2.1 if not appealed against, at the end of the period for bringing an appeal; or
  - 18.2.2 if appealed against, at the time when the appeal (or any further appeal) is disposed of, and an appeal is disposed of:
    - (a) if it is determined and the period for bringing any further appeal has ended; or
    - (b) if it is abandoned or otherwise ceases to have effect.
- 18.3 In this Article 18:
- 18.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - 18.3.2 a **relevant Director** means any Director or former director of the Company.
- 19 Insurance**
- 19.1 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.
- 19.2 In this Article 19:
- 19.2.1 a **relevant officer** means any Director or former director of the Company, any other officer or employee or former officer or employee of the Company (but not its auditors) or any trustee of an occupational pension scheme (as defined in section 235(6) the Act) for the purposes of an employees' share scheme of the Company; and
  - 19.2.2 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, any associated company (within the meaning of Article 18.3 above) or any pension fund or employees' share scheme of the Company.

## **20 Company's Lien over Shares**

20.1 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.

20.2 The Company's Lien over a Share:

20.2.1 takes priority over any third party's interest in that Share; and

20.2.2 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.

20.3 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.

## **21 Enforcement of the Company's Lien**

21.1 Subject to the provisions of this Article 21, if:

21.1.1 a Lien Enforcement Notice has been given in respect of a Share; and

21.1.2 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.

21.2 A Lien Enforcement Notice:

21.2.1 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;

21.2.2 must specify the Share concerned;

21.2.3 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);

21.2.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and

21.2.5 must state the Company's intention to sell the Share if the notice is not complied with.

- 21.3 Where Shares are sold under this Article 21:
- 21.3.1 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
  - 21.3.2 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.
- 21.4 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:
- 21.4.1 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
  - 21.4.2 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.
- 21.5 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:
- 21.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - 21.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.