

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

# **ARTICLES OF ASSOCIATION OF**

# **ACT UK GROUP (FIFE) LIMITED**

**Incorporated on 28<sup>th</sup> April 2022**

**Company number 14076624**



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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

## **ARTICLES OF ASSOCIATION OF**

### **ACT UK GROUP (FIFE) LIMITED**

**Adopted by written special resolution passed on** 15 June 2022

#### **INTERPRETATION**

1. In these Articles:

- (a) unless the context otherwise requires, the following expressions have the following meanings:

"Accountants"	means the accountants of the Company from time to time;
"Act"	means the Companies Act 2006;
"A Shareholder(s)"	means the holder or holders from time to time of the issued A Shares;
"A Share(s)"	means the "A" ordinary shares of £1 each in the share capital of the Company from time to time;
"Asset Sale"	means the disposal by the Company of the whole, or substantially the whole, of its business and assets;
"Board"	means the board of directors of the Company or the directors present at a duly convened meeting of the directors at which a quorum is present;
"B Shareholder(s)"	means the holder or holders from time to time of the issued B Shares;

"B Share(s)"	means the "B" ordinary shares of £1 each in the share capital of the Company from time to time;
"Controlling Interest"	means an interest (within the meaning of sections 820-825 of the Companies Act 2006) in any shares in the capital of the Company conferring in aggregate more than 50 per cent of the total voting rights conferred by the shares in the capital of the Company from time to time in issue;
"Deemed Transfer Notice"	means a Transfer Notice deemed to be given under any provision of these Articles or any Relevant Agreement;
"Group"	means the Company, any subsidiary of the Company, any holding company of the Company and any subsidiary of any holding company of the Company from time to time (and the expression " <b>Group Company</b> " shall be interpreted and construed accordingly);
"Model Articles"	means the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229);
"MR"	means Michael Mark Richardson (being a director as at the date of adoption of these Articles);
"Non-Allocation Notice"	means a notice issued by the Company to a Proposing Transferor to identify Transfer Shares for which no purchaser has been identified;
"paid up"	means, in relation to a share, paid up or credited as paid up;
"Relevant Agreement"	means any agreement relating (in whole or in part) to the management and/or affairs of the Company which is binding from time to time on the Company and the members and which (expressly or by implication) supplements and/or prevails over any provisions of these Articles (including, without limitation, a shareholders' agreement (if any));
"Representatives"	means, in relation to a member, any person or persons who have

become entitled to his shares in consequence of his death, bankruptcy or mental incapacity;

“Sale Notice” means a notice issued by the Company to a Proposing Transferor to identify the Transfer Shares for which purchasers have been identified;

“share” means a share in the capital of the Company of whatever class;

“Shares” means all of the A Shares and all of the B Shares together;

“Shareholders” means the holder or holders from time to time of the entire issued share capital of the Company (and the expression “**Shareholder**” shall be interpreted and construed accordingly);

“Transfer Notice” means a notice given by a member proposing to transfer all or part of his holding of shares (as the case may be) and includes, where the context admits, a Deemed Transfer Notice; and

“Transfer Value” means the value as agreed by all the A Shareholders in their sole discretion or, if all the A Shareholders cannot agree such value within 5 days of the relevant Transfer Notice or Deemed Transfer Notice, as the Accountants shall, on the application of any A Shareholder or the Proposing Transferor, certify in writing to be the fair value per share being transferred. In certifying such value, the Accountants shall be considered to be acting as an expert and not an arbitrator, and their decision shall (save in the case of manifest error) be final and binding. The costs of the Accountants shall be borne by the Company.

- (b) words or expressions, the definitions of which are contained or referred to in the Act, shall be construed as having the meaning thereby attributed to them;
- (c) words importing the singular include (where appropriate) the plural, words importing any gender include (where appropriate) every gender, and words importing persons include (where appropriate) bodies corporate and unincorporate; and (in each case) vice versa;

- (d) references to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs of the Article or references to sub-paragraphs of the paragraph in which the reference appears;
- (e) the headings in these Articles are for convenience only and shall not affect the construction or interpretation of any of the provisions contained in them;
- (f) unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force on the date when these Articles become binding on the Company; and
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made (as at the date on which these Articles become binding on the Company) under that statute or statutory provision.

#### **MODEL ARTICLES**

2. The Model Articles shall apply to the Company, except insofar as they are modified or excluded by these Articles.

#### **NUMBER OF DIRECTORS**

3. The maximum number and the minimum number of directors may be determined from time to time by a special resolution of the members entitled to vote. Subject to and in default of any such determination, there shall be no maximum number of directors and the minimum number shall be one. Whenever the minimum number of directors is one, a sole director shall have authority to exercise all the powers and discretions vested in the directors generally, and the provisions of these Articles which relate to the quorum at board meetings are modified accordingly.

#### **ALTERNATE DIRECTORS**

4.1. Any director (other than an alternate director) may appoint any other director, or any other person approved by a resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

4.2. An 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, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence, but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. It shall not

be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

4.3. Any person eligible to be appointed as an alternate director may act as an alternate director to represent more than one director, and at any meeting of the directors or of any committee of the directors shall be entitled to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

4.4. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but if a director retires by rotation or otherwise, but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

4.5. Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by a resolution of the directors.

4.6. Save as otherwise provided in these Articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

4.7. An alternate director shall not be entitled as such to receive any remuneration from the Company, except that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

#### **QUORUM FOR DIRECTORS' MEETINGS**

5.1. Subject to Article 4.3, and except at any time when the Company has just one director (in which case the quorum shall be one), the quorum for the transaction of business at a meeting of directors is any two eligible directors (one of whom must be MR for as long as he is a director).

5.2. For the purposes of any meeting (or part of a meeting) held to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of such meeting) shall be one eligible director.

5.3. Articles 11(2) and 11(3) of the Model Articles shall not apply to the Company.

5.4. In the event that at any duly convened meeting of the directors, or of any committee of the directors, the meeting is not quorate or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum is not present, any one director shall be a quorum.

5.5. The chairman of any meeting of the directors or of any committee of the directors shall not be entitled to a second or casting vote.

5.6. For the avoidance of doubt, any person who is willing to act as a director may be appointed as a director of the Company by an ordinary resolution of the members entitled to vote.

#### **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

6.1. Subject to sections 177(5), 177(6), 182(5) and 182(6) of the Act (and unless expressly provided otherwise by any Relevant Agreement or by his terms of employment with a Group Company) and provided he 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:

6.1.1. 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;

6.1.2. shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of any such transaction or arrangement in which he is interested;

6.1.3. shall be entitled to vote at a meeting of the directors (or committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement in which he is interested;

6.1.4. 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

6.1.5. shall not be accountable to the Company for any benefit which he (or a person connected with him) 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 duty under section 176 of the Act.

6.2. Articles 14(1) to 14(5) (inclusive) of the Model Articles shall not apply to the Company.

#### **DIRECTORS' CONFLICTS OF INTEREST**

7.1. For the purposes of section 175 of the Act, the directors may authorise any matter or situation proposed to them which would, if not so authorised, involve a director breaching his duty under that section.

7.2. Any authorisation under this Article 7 will be effective only if:

7.2.1. any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question or any other interested director; and

7.2.2. the matter was agreed to without the director in question or any other interested director voting or would have been agreed to if their vote(s) had not been counted.

7.3. Any authorisation under this Article 7 may (whether at the time of giving the authorisation or subsequently):

7.3.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

7.3.2. be subject to such terms and be for such duration, or impose such limits or conditions, as the directors may decide; and

7.3.3. be terminated or varied by the directors at any time, but this will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

7.4. In granting such authorisation, the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his



involvement in that matter otherwise than as a director of the Company, and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

7.4.1. disclose such information to the directors or to any director or other officer or employee of the Company; or

7.4.2. use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.

7.5. Where the directors grant an authorisation under this Article 7, they may (whether at the time of giving the authorisation or subsequently) decide that the director:

7.5.1. is excluded from discussions (whether at meetings of directors or otherwise) relating to that matter;

7.5.2. is not to be given any documents or other information relating to that matter; and

7.5.3. may or may not vote and/or may or may not be counted in the quorum at any future meeting of directors in relation to any resolution relating to that matter.

7.6. Where the directors grant an authorisation under this Article 7, the director concerned will be obliged to act in accordance with any terms imposed by the directors in relation to the conflict.

## **CLASSES OF SHARES**

8.1. The directors may issue any share in the Company as an A Share or as a B Share, but only with the prior written consent of each of the A Shareholders. Save as expressly set out otherwise in these Articles or a Relevant Agreement, the A Shares and the B Shares shall be treated equally and shall rank *pari passu*. The A Shares and the B Shares shall have, and be subject to, the following rights and restrictions:

### ***Income***

8.1.1. Sums distributed by the Company in or in respect of any financial year of the Company shall be distributed amongst the A Shareholders and the B Shareholders at such times and on such terms and conditions as the directors may, in their absolute discretion, decide (such distribution then requiring to be approved by an ordinary resolution of the members entitled to vote). For the avoidance of doubt, in declaring any dividend or distribution as may lawfully be declared from time to time by the directors in relation to a class of shares, the directors shall be

under no obligation to declare the same or any dividend or distribution in relation to any other class of shares.

### ***Voting***

8.1.2. The voting rights of the Shares are as follows:

- A Shares: one vote each; and
- B Shares: no votes.

### **ISSUING SHARES**

9.1. Subject to the provisions of these Articles, at any time when the Company has just one class of shares, the directors may exercise the power to allot shares conferred by section 550 of the Act.

9.2. Subject to the provisions of these Articles, and in accordance section 551 of the Act, at any time when the Company has more than one class of shares, the directors may allot any shares in the Company, or grant options over or rights to subscribe for, or to convert any security into, shares in the Company, provided that:

9.2.1. the maximum nominal amount of such shares shall not exceed £1,000,000;

9.2.2. this authority to allot may be exercised only within the period of five years after the date of incorporation of the Company or the date of adoption of these Articles (whichever shall be the later), save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such period (and, if so, the directors may allot shares within the terms of such an offer or agreement as if the authority had not expired); and

9.2.3. no shares shall be issued at a discount.

### **PRE-EMPTION RIGHTS ON ALLOTMENT OF SHARES**

10.1. Subject to Article 24.1, save with the prior written consent of all the A Shareholders, no shares may be allotted or issued to any person.

10.2. The statutory pre-emption rights contained in the Act (whether under sections 561, 562 or otherwise) shall not apply to the Company.

10.3. Save with the prior written consent of all the A Shareholders, no shares shall be allotted on terms that the right to take up the shares allotted may be renounced in favour of, or assigned to,

another person, and no person entitled to the allotment of a share may direct that such share be allotted or issued to any other person.

## **PAYMENT FOR SHARES**

11. Any share in the Company may be issued as fully paid, partly paid or completely unpaid.

## **CALLS ON SHARES**

12.1. Subject to the terms of allotment, the directors may make one or more calls on any member or members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares.

12.2. A call may, before receipt by the Company of any sum due thereon, be revoked by the directors in whole or in part and payment of a call may be postponed by the directors in whole or in part.

12.3. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

12.4. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

12.5. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

12.6. If a call remains unpaid after it becomes due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate (if any) fixed by the terms of allotment of the share or in the notice of the call, but the directors may waive payment of the interest in whole or in part.

12.7. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment or call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

12.8. Subject to the terms of allotment, the directors may make arrangement on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.

### **LIEN ON SHARES**

13.1. The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company (whether that person is the full registered holder of those shares or one of two or more joint holders) for all sums presently payable by him or his estate to the Company, save that this Article 13 shall not apply to the A Shares.

13.2. The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

13.3. To give effect to a sale, the directors may authorise any person to execute an instrument of transfer of the shares to be sold to, or in accordance with the directions of, the purchaser. The title of the transferee of the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

13.4. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of sale.

### **FORFEITURE OF SHARES FOR NON-PAYMENT**

14.1. Save in relation to the A Shares (to which this Article 14 shall not apply), if a call remains unpaid after it has become due and payable, the directors may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with, the shares in respect of which the call was made will be liable to be forfeited.

14.2. If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

14.3. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine, either to the person who was before the forfeiture the holder or to any other person. At any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where, for the purposes of its disposal, a forfeited share is to be transferred to any person, the directors may authorise any person to execute an instrument of transfer of the share to that person.

14.4. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate(s) for the shares forfeited, but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company. The directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

14.5. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer, if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture or disposal of the share.

## **TRANSFER OF SHARES**

### **General**

15.1. Subject to the provisions of Articles 15.8, 16.1, 18 and 20, a member may not voluntarily give a Transfer Notice in relation to any B Shares held by him from time to time, and the provisions of Articles 15, 16 and 17 shall not otherwise apply to the B Shares (save that a B Shareholder shall not create or permit to exist any charge, lien, encumbrance or trust over any of his B Shares).

15.2. No member shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any share contrary to Article 19, or except as may be required in pursuance of his rights or obligations under these Articles or any Relevant Agreement; nor shall he create or permit to exist any charge, lien, encumbrance or trust over any share, or agree (whether subject to any condition precedent, condition subsequent or otherwise) to do any of such things except:

15.2.1. as permitted by Article 16 (Permitted Transfers);

15.2.2. as permitted by Article 17 (Pre-emption rights);

15.2.3. as permitted by Article 18 (Deemed Transfers);

15.2.4. as permitted by Article 20 (Drag Along); and/or

15.2.5. as permitted by a Relevant Agreement.

15.3. If a member at any time attempts to deal with or dispose of a share or any interest therein or right attaching thereto otherwise than as permitted by these Articles, he shall be deemed immediately prior to such attempt to have given a Transfer Notice in respect of such share and must comply with the provisions of Article 17.

15.4. For the purpose of ensuring that a particular transfer of shares is permitted under these Articles, any member may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as such member may think necessary or relevant (acting reasonably).

15.5. Where a Transfer Notice in respect of any share is deemed to have been given under any provision of these Articles or under any Relevant Agreement and the circumstances are such that the directors are unaware of the facts giving rise to the same, such Transfer Notice shall be deemed to have been received by the directors on the date on which the directors actually become aware of such facts.

15.6. The directors shall not refuse to register any transfer of a share which is permitted under these Articles but may, in their absolute discretion, decline to register any transfer of any share which would otherwise be permitted hereunder if it is a transfer of a share on which the Company

has a lien, and shall in any event refuse to register the transfer of a share which is prohibited by any Relevant Agreement.

15.7. If a member or any of his Representatives becomes aware of any event which is deemed to give rise to an obligation to serve a Transfer Notice, he shall forthwith give written notice thereof to the directors.

15.8. Notwithstanding the provisions of these Articles, where a share is transferred to a member holding shares only of another class, such first mentioned share shall be converted into and re-designated a share of such other class, unless all the A Shareholders otherwise agree in writing.

### **Permitted Transfers**

#### *Agreed transfers*

16.1. Notwithstanding anything else contained in these Articles, a member may at any time transfer all or any of his shares:

(a) pursuant to and in accordance with the terms of any Relevant Agreement; or

(b) to any person (whether or not a member), without any price or other restriction, with the prior written consent of all the A Shareholders.

#### *Transfers by Representatives*

16.2. The Representatives of a member may at any time transfer all or any of the shares to which they are entitled to any person to whom the registered holder would be permitted to transfer the same under these Articles.

#### *No transfer during deemed transfer active period*

16.3. Unless all the A Shareholders otherwise consent in writing, no transfer of any share permitted by this Article 16 shall be made during the active period of any Transfer Notice or Deemed Transfer Notice in respect of such share (and for this purpose "active period" in respect of a given notice means the period from the time of its service until the time when no member has any further rights or obligations, directly or indirectly, pursuant to that notice).

### **Pre-emption rights**

17.1. Except for a transfer of shares which is permitted under these Articles (and subject always to Article 16.1), no share shall be transferred until the following conditions of this Article 17 are complied with.

*Transfer notice*

17.2. Any member proposing to transfer a share ("**the Proposing Transferor**") shall give a Transfer Notice in writing to the directors that the Proposing Transferor wishes to transfer such share. The Transfer Notice shall specify:

17.2.1. the number and class of shares which the Proposing Transferor wishes to transfer ("**the Transfer Shares**") (which may be all or part only of the shares then held by the Proposing Transferor); and

17.2.2. the price at which the Proposing Transferor wishes to sell the Transfer Shares and the identity of any person who has indicated a willingness to purchase the Transfer Shares at such price.

*Total transfer condition*

17.3. A Transfer Notice shall also state whether the Proposing Transferor wishes to impose a Total Transfer Condition (meaning a condition that unless all the Transfer Shares are sold pursuant to the following provisions of this Article 17, none shall be so sold). In the absence of such a statement, the Transfer Notice shall be deemed not to contain a Total Transfer Condition.

*Joint transfer notices*

17.4. Any two or more members shall be entitled to serve a joint Transfer Notice (meaning a notice signed by each of them specifying the shares which they wish together to transfer) containing a Total Transfer Condition. Such a notice shall for all the purposes of this Article 17 take effect as if it were a single Transfer Notice and that the Total Transfer Condition relates to all the shares that are the subject of the joint Transfer Notice, but the obligations of those members thereunder or in respect thereof shall be several only.

*Pre-emption procedure*

17.5. The Transfer Notice shall constitute the Company (by its board of directors) as the agent of the Proposing Transferor empowered to sell the Transfer Shares (together with all rights attaching thereto) at the Transfer Price (as hereinafter defined) on the terms of this Article 17. Once given, a Transfer Notice may not be revoked save with the prior written consent of all the A Shareholders.



17.6. Within 7 days after the receipt of any Transfer Notice, the directors shall serve a copy of that Transfer Notice on all the members (other than the Proposing Transferor).

17.7. Subject as expressly provided otherwise in these Articles or in any Relevant Agreement (and subject always to Article 16.1), the Transfer Shares shall be offered for purchase at a price per Transfer Share ("**the Transfer Price**") which shall be the Transfer Value thereof.

17.8. If the determination of the Transfer Price is referred to the Accountants, the date of determination of the Transfer Price ("**the Determination Date**") shall be the date on which the Accountants' determination of the Transfer Price is received in writing by the directors. If the Transfer Price is agreed by all the A Shareholders, the Determination Date shall be the date of such agreement.

17.9. Subject always to Article 16.1, within 7 days after the Determination Date, the Transfer Shares shall be offered for purchase at the Transfer Price by the directors to the members set out in column (1) below (other than the Proposing Transferor and any member to whom under Article 19 shares may not be transferred):

<b>Class of shares</b>	<b>Column (1) First allocation</b>
A Shares	A Shareholders (pro rata to the number of A Shares held)

17.10. Every such offer shall be made in writing and shall specify:

17.10.1. the total number of Transfer Shares;

17.10.2. the number of Transfer Shares offered to the relevant member(s) ("**Pro Rata Entitlement**");

17.10.3. whether or not the Transfer Notice contained a Total Transfer Condition; and

17.10.4. a period (being not less than 14 days and not more than 21 days) within which the offer must be accepted or shall lapse,

and shall be accompanied by a form of application for use by the relevant member(s) in applying for their Pro Rata Entitlement and for any shares in excess of such entitlement which they wish to purchase.

17.11. Upon the expiry of the said offer period, the directors shall allocate the Transfer Shares in the following manner:

17.11.1. to each member who has agreed to purchase shares, his Pro Rata Entitlement or such lesser number of Transfer Shares for which he may have applied; and

17.11.2. if any member has applied for less than his Pro Rata Entitlement the excess shall be allocated to the members who have applied for any part of such excess (pro rata to the number of shares of the relevant class then held by them respectively), but without allocating to any member a greater number of Transfer Shares than the maximum number applied for by him (and any such excess shall be apportioned by applying this Article 17.11.2 without taking account of any member whose application has already been satisfied in full).

*If all the shares are not allocated*

17.12.1. If all the Transfer Shares are not accepted within the time limited for acceptance and the Transfer Notice did not contain a Total Transfer Condition, the Company shall serve on the Proposing Transferor a Sale Notice in respect of those Transfer Shares allocated and a Non-Allocation Notice specifying the number of Transfer Shares remaining unallocated.

17.12.2. If all the Transfer Shares are not accepted within the time limited for acceptance and the Transfer Notice contained a Total Transfer Condition, the Company shall serve on the Proposing Transferor a Non-Allocation Notice specifying all the Transfer Shares.

*Fractions*

17.13. If any of the Transfer Shares shall not be capable of being offered or allocated without involving fractions, they shall be offered to, or allocated amongst, the members, or some of them, in such proportions as may be determined by the Board (acting reasonably).

*Unsold shares freely transferable*

17.14. If the directors do not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s), they shall forthwith give notice in writing of that fact to all the members whereupon the Company may, within 60 days of the giving of such notice (subject to

the provisions of the Act), exercise its power to purchase such number of the unallocated Transfer Shares as it may determine (or, if the Transfer Notice contained a Total Transfer Condition, all the Transfer Shares).

17.15. If the Company declines or is unable within the period specified in Article 17.14 to exercise the power referred to in Article 17.14, the Proposing Transferor may then during the period of 6 months transfer some or all of the unallocated Transfer Shares to any person or persons (whether or not a member) at a price which is not less than the Transfer Price.

*Subsequent transfer procedure*

17.16. If the directors receive acceptances in respect of the Transfer Shares, they shall forthwith give notice to the Proposing Transferor and to those persons who have agreed to purchase the shares ("**Purchaser**" or "**Purchasers**"). The Proposing Transferor shall thereupon become bound on receipt of the Transfer Price to transfer to each Purchaser those Transfer Shares accepted by him.

17.17. Every such notice shall state the name and address of each Purchaser, the number of Transfer Shares agreed to be purchased by him and the time and place appointed by the directors for completion of the purchase. The place shall not be outside England and the time shall not be less than 7 days nor more than 28 days after the date of the notice. Subject to the giving of such notice, the purchase shall be completed at the time and place appointed by the directors.

17.18. If a Proposing Transferor, having become bound to transfer any Transfer Shares pursuant to these Articles, defaults in transferring them, the directors may authorise any person (who is (as security for the performance of the Proposing Transferor's obligations) hereby irrevocably and unconditionally appointed as the attorney of the Proposing Transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf. The Company may receive the purchase money and shall thereupon (subject to the transfer being duly stamped with any necessary stamp duty) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the Proposing Transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the Proposing Transferor until he shall have delivered his share certificate(s) (or an appropriate indemnity in respect of any lost certificate(s)) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee, who shall not be bound to see to the application thereof, and after the name of the

transferee has been entered in the register of members in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

17.19. An obligation to transfer a share under the provisions of this Article 17 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.

### **Deemed Transfers**

#### *Bankruptcy, incapacity, etc*

18.1. Notwithstanding any other provision of these Articles, if any B Shareholder:

(a) being an individual (i) dies, (ii) becomes bankrupt (or makes any arrangement or composition with his creditors) or (iii) becomes a patient within the meaning of the Mental Health Act 1983 (as amended) and an order is made in respect of his property; or

(b) being a company, passes a resolution to wind itself up or has a winding up order issued against it or makes any arrangement or composition with its creditors or has a receiver, manager, administrative receiver, liquidator or administrator appointed over all or any part of its undertaking or assets,

a Transfer Notice shall be deemed to have been served by that member in respect of that member's entire holding of shares in the Company, immediately before the happening of any such event (and he shall vacate the office of director (if applicable)).

#### *Termination of employment*

18.2. Notwithstanding any other provision of these Articles, if any B Shareholder shall cease (for any reason, excluding death) to be employed as an employee of the Company or of a Group Company (and does not continue in that capacity in relation to any Group Company) then he shall vacate the office of director and a Transfer Notice shall be deemed to have been served on the date of such cessation in respect of that B Shareholder's entire holding of shares.

18.3. Where a Transfer Notice shall be deemed to have been served in accordance with Articles 18.1 or 18.2 then the provisions of Article 17 shall apply to such Transfer Notice, subject to the following variations:

18.3.1. The table contained in Article 17.9 shall be as follows:

Class of shares	Column (1) First allocation
A Shares	A Shareholders (pro rata to the number of A Shares held)
B Shares	A Shareholders (pro rata to the number of A Shares held)

*Timing*

18.3.2. The directors shall serve notice on all the members (including the Proposing Transferor) notifying them that the Transfer Notice has been deemed to have been given within 3 months after (i) the date of the event giving rise to the Deemed Transfer Notice, or (ii) (if later) the date on which the directors actually became aware of such event;

*No total transfer provision*

18.3.3. A Total Transfer Condition shall not be deemed to have been specified by the Proposing Transferor;

*Notice applies to entire holding of shares*

18.3.4. The Transfer Notice shall be deemed to have been given in relation to the entire holding of shares held by the relevant member;

18.3.5. The Transfer Notice shall not be revocable, except with the prior written consent of all the A Shareholders; and

*Share value*

18.3.6. Where a Transfer Notice is deemed to have been served in accordance with Article 18.1 or Article 18.2 above, the Transfer Price of the relevant shares shall be the Transfer Value.

**Prohibited transfers**

19. Notwithstanding anything else contained in these Articles, no share shall be issued or transferred to any infant or bankrupt, without the prior written consent of all the A Shareholders.

**Drag Along**

20.1. In these Articles a “**Qualifying Offer**” shall mean an offer in writing by or on behalf of any person (“**the Offeror**”) to (a) the holders of the entire issued share capital in the Company to acquire all their share capital, and/or (b) the holders of the entire issued share capital in any

holding company from time to time of the Company, valuing each share in the Company equally for the purposes of this Article 20.

20.2. If the A Shareholder shall give written notice to the Company's remaining shareholders ("**the Other Shareholders**") of (a) its wish to accept a Qualifying Offer (in relation to the Company), or (b) the wish of the shareholders of the Company's holding company to accept a Qualifying Offer (in relation to the holding company), then the provisions of this Article 20 shall apply and the Other Shareholders shall become immediately bound to transfer all their shares to the Company, the Company's holding company, the Offeror or the Offeror's nominee, as specified by the A Shareholder, with full title guarantee (and free from encumbrance), on the date specified by the A Shareholder.

20.3. If any Other Shareholder shall not, within 7 days of being required to do so, execute and deliver transfers in respect of the shares held by him and the certificates in respect of those shares (or a suitable indemnity in lieu thereof), then the A Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as it thinks fit to execute, the necessary transfers and indemnities on the Other Shareholder's behalf and deliver such transfers and certificates or indemnities to the Offeror (or its nominee) and the Company shall register such transfers and, after such registration, the validity of such proceedings shall not be questioned by any person.

20.4. Upon any person, following the issue of a notice pursuant to Article 20.2, becoming a member of the Company pursuant to the exercise of an option to acquire shares in the Company (a "**New Member**"), a notice shall be deemed to have been served upon each New Member (on the same terms as the previous notice) who shall thereupon be bound to sell and transfer all such shares acquired by him to the Company, the Company's holding company, the Offeror or the Offeror's nominee, as specified by the A Shareholder, and the provisions of this Article 20 shall apply mutatis mutandis to each New Member, save that completion of the sale of such shares shall take place forthwith upon the notice being deemed served on each New Member.

20.5. Any transfer of shares pursuant to a Qualifying Offer shall not be subject to the restrictions on transfer or the pre-emption rights contained in these Articles.

20.6. For the avoidance of doubt, in relation to Articles 20.1(b) and 20.2(b) above, the aggregate value of all the B Shares shall be equal to X% of the price paid or payable by the Offeror for the Company (and not X% of the price paid or payable by the Offeror for any holding company from time to time of the Company), where "X" =

- The proportion that the number of B Shares bear to the total number of all the issued shares in the capital of the Company from time to time ("X" being 10, as at the date of adoption of these Articles)

#### **PROCEEDINGS AT GENERAL MEETINGS**

21.1. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. One A Shareholder present in person or by proxy shall be a quorum.

21.2. At any general meeting a poll may be demanded by any A Shareholder present in person or by proxy.

21.3. An instrument appointing a proxy to vote at a general meeting shall be deemed also to confer authority to vote on a poll, on the election of a chairman and on a motion to adjourn the meeting.

21.4. The chairman of a general meeting shall not be entitled to a second or casting vote.

#### **WRITTEN RESOLUTIONS**

22. A written resolution of the members entitled to vote shall lapse for the purposes of section 297 of the Act at the end of the period specified by the directors in the notice circulating the resolution. If no such period is specified, the resolution shall lapse unless passed within 28 days of the circulation date.

#### **DOCUMENTS ISSUED UNDER SEAL**

23. A document issued under seal by the Company may be signed by two directors or by a director and secretary as well as in the manner specified in Article 49 of the Model Articles, and the said Article 49 shall be modified accordingly.

#### **OVERRIDING PROVISIONS**

24.1. Notwithstanding the provisions of these Articles, the directors shall be obliged, so far as may be permitted by law, to act in all respects in accordance with, and give effect to, any Relevant Agreement.

24.2. These Articles shall be binding on each member's Representatives.

24.3. An Asset Sale may not be undertaken without the prior passing of a resolution of those members holding (in aggregate) 75% or more of the total voting rights conferred by the shares in the capital of the Company from time to time in issue.