

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

Generative Vision Ltd

adopted by special resolution on 13 June 2023

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Company number 14704282

THE COMPANIES ACT 2006

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ARTICLES OF ASSOCIATION

OF

GENERATIVE VISION LTD

(Adopted by special resolution passed on 13 June 2023)

INTRODUCTION

1 INTERPRETATION

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

“Act” the Companies Act 2006.

“acting in concert” has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

“Adoption Date” the date of adoption of these Articles.

“Articles” the Company’s articles of association for the time being in force.

“Bad Leaver” an Employee who ceases to be an Employee as a consequence of that person’s dismissal as an Employee for cause, where “cause” shall mean the lawful termination of that person’s contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person’s misconduct or as otherwise permitted pursuant to the terms of that person’s contract of employment or consultancy.

“Board” the board of Directors of the Company.

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

“Company” means Generative Vision Ltd (Company number 14704282).

“Company’s Lien” has the meaning given to it in article 19.1.

“connected” has the meaning given in section 1122 of the Corporation Tax Act 2010.

“Controlling Interest” an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

“Deemed Transfer Notice” a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

“Departing Employee” an Employee who ceases to be a director or employee of, or consultant to, any Group Company and who does not continue as, or become, a director or employee of, or consultant to, any Group Company.

“Directors” the directors of the Company from time to time.

“Early Leaver” an Employee who becomes a Departing Employee by reason of (i) that person's resignation as an Employee at any time during the Relevant Period, except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect or (ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996.

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

“Employee” an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, any Group Company.

“Equity Shares” the Ordinary Shares and the Ordinary Non-Voting Shares.

“Fair Value” has the meaning given in article 12.4.

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

“Good Leaver” an Employee who ceases to be an Employee and who is not a Bad Leaver or an Early Leaver and shall include, without limitation, when the Directors determine that a person is not a Bad Leaver.

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

“holding company” has the meaning given in article 1.11.

“Independent Expert” the auditors for the time being of the Company or, if they decline the instruction, an independent firm of chartered accountants of international repute appointed by the Company and the Seller in accordance with article 12.

“Issue Price” in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.

“Lien Enforcement Notice” means a notice in writing which complies with the requirements of article 20.2.

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

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

“Non-Voting Consent” the prior written consent of the holders of the Ordinary Non-Voting Shares.

“Ordinary Shares” the voting ordinary shares of £0.00001 each in the capital of the Company.

“Ordinary Non-Voting Shares” the non-voting ordinary shares of £0.00001 each in the capital of the Company.

“Original Shareholder” has the meaning given in article 10.1.

“Permitted Issue” means the: (i) the grant of options over Ordinary Shares comprising in aggregate not more than 12.57% of the fully diluted share capital of the Company; and/or (ii) the bona fide issuance of Shares (other than Ordinary Non-Voting Shares) to one or more investors (who are not a Shareholder or connected with a Shareholder) on arm’s length terms, raising an aggregate of at least £2,000,000 (a “Qualifying Financing”); .

“Permitted Transfer” a transfer of Shares made in accordance with article 10.

“Permitted Transferee” in relation to:

- (a) a Shareholder who is an individual, any of their Privileged Relations; and
- (b) a Shareholder which is a company, a Member of the Same Group as that company.

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

“Relevant Period” the period of 24 months from the Adoption Date.

“Relevant Securities” any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than:

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

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

- (a) the Employee in question;
- (b) any Permitted Transferee of that Employee (other than those Shares held by those persons the Board declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of their relationship with the Employee); and
- (c) and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice.

“Restricted Shares” has the meaning given in article 13.6.

“Sale Shares” has the meaning given in article 11.2.1.

“Seller” has the meaning given in article 11.2.

“Shareholder Majority” the holder(s) for the time being of not less than 75% by nominal value of all Ordinary Shares held by the Shareholders from time to time.

“Shareholder Majority Consent” the prior consent in writing of a Shareholder Majority.

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

“Share Option Scheme” any share option scheme of the Company established from time to time.

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

“Share Sale” the sale of (or the grant of a right to acquire or to dispose of) the entire issued share capital of the Company whether pursuant to Article 15 or otherwise, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.

“subsidiary” has the meaning given in article 1.11.

“Termination Date”

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

“Transfer Notice” has the meaning given in article 11.2.

“Transfer Price” has the meaning given in article 12.

“Writing or written” the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), “writing” or “written” shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
 - 1.6.1 an Article is a reference to the relevant numbered article of these Articles; and

- 1.6.2 a model article is a reference to the relevant article,
unless expressly provided otherwise.
- 1.7 A reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time. A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.8 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.
- 1.10 A reference in these Articles to a holder, or the holder(s), of Shares, Equity Shares or any class of Shares as the case may be shall, in each case, be deemed to exclude any member holding Shares in treasury.
- 1.11 A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.

2 ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy is set out in the schedule to these Articles.
- 2.2 Model articles 7, 8, 9(1), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 22, 26(5), 38, 39, 49 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 In model article 25(2)(c), the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.
- 2.4 Model article 29 shall be amended by the insertion of the words “, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2),” after the words “the transmittee’s name”.

DIRECTORS

3 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two.

4 PROCEEDINGS OF DIRECTORS

- 4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 4.2 (subject to article 4.3 and article 4.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with article 4.2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4 A decision may not be taken in accordance with article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 4.5 and article 4.6.
- 4.5 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors.
- 4.6 For the purposes of any meeting (or part of a meeting) held pursuant to article 6 to authorise a Conflict (as defined in article 6.1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 4.7 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to:
 - 4.7.1 appoint further Directors; or
 - 4.7.2 call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.8 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chair (or other chair of the meeting) shall not have a second or casting vote.
- 4.9 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

5 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided they have declared the nature and extent of their 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:

- 5.1.1 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;
- 5.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which they are interested;
- 5.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which they are interested;
- 5.1.4 may act by themselves, or their firm in a professional capacity for the Company (otherwise than as auditor) and they, or their firm shall be entitled to remuneration for professional services as if they were not a Director;
- 5.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 5.1.6 shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them) 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 their duty under section 176 of the Act.

6 DIRECTORS' CONFLICTS

- 6.1 The Directors may, in accordance with the requirements set out in this article 6, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an Interested Director) breaching their duty under section 175 of the Act to avoid conflicts of interest (Conflict).
- 6.2 Any authorisation under this article 6 will be effective only if:

- 6.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 6.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 6.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 6.3 Any authorisation of a Conflict under this article 6 may (whether at the time of giving the authorisation or subsequently):
 - 6.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 6.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - 6.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 6.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 6.3.5 provide that, where the Interested Director obtains, or has obtained (through their involvement in the Conflict and otherwise than through the Interested Director's position as a Director of the Company) information that is confidential to a third party, they 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
 - 6.3.6 permit the Interested Director to absent themselves 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.
- 6.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct themselves in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 6.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

- 6.6 A Director, notwithstanding their office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in their appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 6.1 shall be necessary in respect of any such interest.
- 6.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which they derive from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

7 ORDINARY NON-VOTING SHARES

- 7.1 Notwithstanding the other provisions of these Articles, each of the Shareholders shall exercise all voting rights and powers of control available to him in relation to the Company to procure that, and the Company agrees that, save with Non-Voting Consent, the Company shall not at any time prior to completion of a Qualifying Financing:
- 7.1.1 (i) take any step to enter into liquidation or administration, or to wind up the Company, (ii) propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise) or to apply for an interim order under Part 1 of the Insolvency Act 1986, or (iii) invite the appointment of a receiver over all or any part of the Company's assets or undertaking (in each case, save where a failure to take any such action to protect the interests of the creditors of the Company would constitute a breach of their duties as Directors);
 - 7.1.2 enter into any contract, transaction or arrangement with any Shareholder or any person connected with any Shareholder, save for employment contracts in the ordinary course of business on arm's length commercial terms or any disposal (including by way of licence) of all or substantially all of the assets of the Company;
 - 7.1.3 create, allot, issue, buy-back or redeem any share or loan capital or grant or agree to grant any options or warrants for the issue of any share or loan capital or issue any securities convertible into shares (other than a Permitted Issue); and/or
 - 7.1.4 enter into any agreement to do any of the foregoing.
- 7.2 Notwithstanding the other provisions of these Articles, each holder of Ordinary Shares agrees that prior to completion of a Qualifying Financing they shall not, save with Non-Voting Consent, transfer all or any of their Shares other than pursuant to the operation of Article 13.3.

- 7.3 In this Article reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 7.4 Any holder of Ordinary Non-Voting Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares on a one-for-one basis of all (or such number as stated in such notice) of the fully paid Ordinary Non-Voting Shares held by them at any time and those Ordinary Non-Voting Shares shall convert automatically on the date of (or such other date as may be specified as the date of conversion in) such notice.
- 7.5 For so long as any Ordinary Non-Voting Shares are registered in the name of Generative Engineering Limited (CRN: 13712034) or its Permitted Transferees ("Restricted Shareholder"), the conversion rights pursuant to Article 7.4 in respect of such Shares shall be suspended.
- 7.6 Conversion rights suspended pursuant to Article 7.5 shall be automatically restored upon registration of such Shares in the name of a person other than a Restricted Shareholder.
- 7.7 The Company shall:
- 7.7.1 not without Non-Voting Consent permit or cause to be proposed any alteration or variation to the rights attaching to its Ordinary Shares which is prejudicial to the holders of the Ordinary Non-Voting Shares unless such alteration or variation affects the Ordinary Shares and the Ordinary Non-Voting Shares *pari passu*;
 - 7.7.2 send to each holder of Ordinary Non-Voting Shares as soon as reasonably practicable after each meeting of the Board (or committee of the Board) a copy of the minutes.
 - 7.7.3 provide each holder of Ordinary Non-Voting Shares as soon as reasonably practicable with such other information concerning the Company and its business as that such Shareholder may reasonably require from time to time.
- 7.8 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only 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 more than 75 per cent. in nominal value of the issued shares of that class.

SHARES AND DISTRIBUTIONS

8 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 8.1 Save to the extent authorised by these Articles, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.
- 8.2 Subject to the remaining provisions of this article 8, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:
- 8.2.1 offer or allot;
 - 8.2.2 grant rights to subscribe for or to convert any security into; and
 - 8.2.3 otherwise deal in, or dispose of,
- any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.
- 8.3 The authority referred to in article 8.2:
- 8.3.1 shall be limited to £2.15 of Ordinary Non-Voting Shares;
 - 8.3.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
 - 8.3.3 may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).
- 8.4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 8.5 Unless otherwise agreed by special resolution (and prior to completion of a Qualified Financing, with Non-Voting Consent), if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Equity Shares (each an Offeree) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.
- 8.6 An offer made under article 8.5 shall:
- 8.6.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;

- 8.6.2 remain open for a period of 10 Business Days from the date of service of the offer; and
- 8.6.3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which they are entitled under article 8.5 shall, in their acceptance, state the number of excess Relevant Securities (Excess Securities) for which they wish to subscribe.
- 8.7 If, on the expiry of an offer made in accordance with article 8.5, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 8.8 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 8.5 shall be used to satisfy any requests for Excess Securities made pursuant to article 8.6.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Equity Shares held by each such applicant bears to the total number of such Equity Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by them).
- 8.9 If, after completion of the allotments referred to in articles article 8.7 and article 8.8, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to article 8.10 be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 8.10 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

9 TRANSFERS OF SHARES: GENERAL

- 9.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 9.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to article 9.4, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

- 9.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, they shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by them.
- 9.4 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 9.4, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 9.5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- 9.5.1 any holder (or the legal representatives of a deceased holder); or
 - 9.5.2 any person named as a transferee in a transfer lodged for registration; or
 - 9.5.3 such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 9.6 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:
- 9.6.1 it does not contain a Minimum Transfer Condition; and
 - 9.6.2 the Seller wishes to transfer all the Shares held by them (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).
- 9.7 Any Transfer Notice (but not an Offer Notice (as defined in article 14) or a Drag Along Notice (as defined in article 15)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

10 PERMITTED TRANSFERS OF SHARES

- 10.1 A Shareholder (the Original Shareholder) may transfer all or any of their or its Shares to a Permitted Transferee.

10.2 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

10.2.1 the Original Shareholder; or

10.2.2 a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 10.2, 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 10.2.

10.3 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 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

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

10.3.2 give a Transfer Notice to the Company in accordance with article 11,

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 10.3. This article 10.3 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

10.4 Notwithstanding any other provision of this article 10, a transfer of any Shares approved by the Directors (acting with the consent of a Shareholder Majority) may be made without any price or other restriction and any such transfer shall be registered by the Directors.

11 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

11.1 Except where the provisions of article 10, article 14 or article 15 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 11.

11.2 A Shareholder who wishes to transfer Shares (a Seller) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a Transfer Notice) to the Company specifying:

- 11.2.1 subject to article 9.6.2, the number of Shares they wish to transfer (Sale Shares);
 - 11.2.2 the name of the proposed transferee, if any;
 - 11.2.3 subject to article 13.4, the price per Sale Share (in cash), if any, at which they wish to transfer the Sale Shares (the Proposed Sale Price); and
 - 11.2.4 subject to article 9.6.1, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a Minimum Transfer Condition).
- 11.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value less than the Proposed Sale Price the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with the consent of the Board.
- 11.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 11.5 As soon as practicable following the later of:
- 11.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
 - 11.5.2 the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 11.3) offer the Sale Shares for sale to the other Shareholders (excluding any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (Offerees) inviting them to apply to the Company in writing within the period from the date of the offer to the date 15 Business Days after the offer (both dates inclusive) (Offer Period) for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 11.6 If:
- 11.6.1 at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which the Offeree's existing holding of Shares bears to the total number of Shares (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the

Offerees shall be determined by the Board). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which that Shareholder has expressed willingness to buy;

- 11.6.2 not all Sale Shares are allocated following allocations in accordance with article 11.6.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 11.6.1. The procedure set out in this clause 11.6.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
 - 11.6.3 at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the Board shall allocate the Sale Shares to the Offerees in accordance with their applications. The balance of the Sale Shares (Surplus Shares) may be transferred to the buyer identified in the Transfer Notice (if any) in accordance with article 11.11.
- 11.7 Where the Transfer Notice contains a Minimum Transfer Condition:
- 11.7.1 any allocation made under article 11.6 shall be conditional on the fulfilment of the Minimum Transfer Condition; and
 - 11.7.2 if the total number of Sale Shares applied for under article 11.6 is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 11.8 Where either:
- 11.8.1 the Transfer Notice does not contain a Minimum Transfer Condition; or
 - 11.8.2 allocations have been made in respect of all the Sale Shares,
- the Directors shall, when no further offers or allocations are required to be made under article 11.6, give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an Applicant). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).
- 11.9 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.
- 11.10 If the Seller fails to comply with article 11.9:

- 11.10.1 the Chair (or, failing the Chair, any other Director or some other person nominated by a resolution of the Directors) may, as agent on behalf of the Seller:
 - 11.10.1.1 complete, execute and deliver in their name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - 11.10.1.2 receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
 - 11.10.1.3 (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- 11.10.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered the certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.
- 11.11 Where a Transfer Notice lapses pursuant to article 11.7.2 or an Allocation Notice does not relate to all the Sale Shares, then, subject to article 11.12, the Seller may, at any time during the 30 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 11.11 shall continue to be subject to any Minimum Transfer Condition.
- 11.12 The Seller's right to transfer Shares under article 11.11 does not apply if the Directors reasonably consider that:
 - 11.12.1 the transferee is a person (or a nominee for a person) whom the Board determines to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
 - 11.12.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - 11.12.3 the Seller has failed or refused to promptly provide information available to them and reasonably requested to enable it to form the opinion referred to in article 11.12.2.

12 VALUATION

- 12.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.
- 12.2 If the auditors for the time being of the Company decline an instruction to make a certification or a determination in accordance with these Articles, the Company and the Seller shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Independent Expert and to agree terms of appointment with the Independent Expert. Neither party shall unreasonably withhold its agreement to the terms of appointment proposed by the Independent Expert or the other party.
- 12.3 If the parties fail to agree on an Independent Expert and the terms of their appointment within 10 Business Days of either party serving details of a proposed Independent Expert on the other, then at the request of either of them, the parties shall make a joint application requesting the President of the Institute of Chartered Accountants in England and Wales (ICAEW) to nominate the Independent Expert under the President's Nomination Scheme. The Company and the Seller shall:
- 12.3.1 co-operate fully and promptly in all actions necessary to make a joint application for the nomination of an Independent Expert in accordance with this clause including (but not limited to) completing and signing all forms, indemnities and any other documentation required to complete the application to the ICAEW;
 - 12.3.2 use their reasonable endeavours and co-operate to agree, as soon as reasonably practicable, the terms of appointment with the person nominated to act as Independent Expert in accordance with this clause; and
 - 12.3.3 bear equally between them the administration fee or other charges or expenses payable to the ICAEW in connection with the application to nominate an Independent Expert.
- 12.4 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- 12.4.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);

- 12.4.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 12.4.3 that the Sale Shares are capable of being transferred without restriction;
 - 12.4.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - 12.4.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 12.5 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 12.6 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 12.7 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 12.8 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 12.9 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
- 12.9.1 the Seller withdraws the relevant Transfer Notice in accordance with article 11.3; or
 - 12.9.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,
- in which case the Seller shall bear the cost.

13 COMPULSORY TRANSFERS

- 13.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be

deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.

- 13.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent dissolution, liquidation, amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine.
- 13.3 If an Employee becomes a Departing Employee a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within 10 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a Compulsory Employee Transfer) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.
- 13.4 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee is:
- 13.4.1 a Bad Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares;
 - 13.4.2 an Early Leaver, be restricted to 50 per cent. of Fair Value of such Sale Shares; and
 - 13.4.3 a Good Leaver, be the aggregate Fair Value of such Sale Shares.
- 13.5 Notwithstanding the provisions of article 13.4, a Shareholder Majority may, by notice in writing served on the Company and the relevant Seller(s), direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to article 13.4.
- 13.6 Forthwith upon a Transfer Notice being deemed to be served under article 13.3 the Relevant Shares (Restricted Shares) shall cease to confer on the holder of them any rights:
- 13.6.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - 13.6.2 to receive dividends or other distributions otherwise attaching to those Shares; or
 - 13.6.3 to participate in any future issue of Shares.

The Directors may (with Shareholder Majority Consent) reinstate the rights referred to in article 13.6 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 13.3 on completion of such transfer.

14 MANDATORY OFFER ON CHANGE OF CONTROL

- 14.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 10, article 13 or article 18.2, but after the operation of the pre-emption procedure set out in article 11), whether made as one or as a series of transactions (a Proposed Transfer) would, if completed, result in any person other than an existing Shareholder (the Buyer), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 14 shall apply.
- 14.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the Offer) to each Shareholder and, in respect of all Equity Shares held in treasury, the Company (each an Offeree) on the date of the Offer other than any holder(s) of Restricted Shares, to buy all of the Equity Shares held by such Offerees on the date of the Offer for a consideration in cash per Equity Share (the Offer Price) which is equal to the highest price per Equity Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Equity Shares in connection with the Proposed Transfer.
- 14.3 The Offer shall be made by notice in writing (an Offer Notice) addressed to each Offeree on the date of the Offer at least 10 Business Days (the Offer Period) before the date fixed for completion of the Proposed Transfer (the Sale Date). The Offer Notice shall specify:
- 14.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);
 - 14.3.2 the Offer Price and any other terms and conditions of the Offer;
 - 14.3.3 the Sale Date; and
 - 14.3.4 the number of Equity Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 14.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- 14.4.1 the making of an Offer in accordance with this article 14; and
 - 14.4.2 the completion of the transfer of any Equity Shares by any Offeree (each an Accepting Offeree) who accepts the Offer within the Offer Period,

- and the Directors shall refuse to register any Proposed Transfer made in breach of this article 14.4.
- 14.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 14 shall not be, subject to the pre-emption provisions of article 11.
- 15 DRAG ALONG**
- 15.1 If a Shareholder Majority (the Selling Shareholders) wish to transfer all of their interest in Equity Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (Proposed Buyer), the Selling Shareholders shall have the option (Drag Along Option) to require all the other holders of Equity Shares on the date of the request, including the Company in respect of Equity Shares held in treasury, if any (Called Shareholders) to sell and transfer all their interest in Equity Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 15.
- 15.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a Drag Along Notice), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- 15.2.1 that the Called Shareholders are required to transfer all their Equity Shares (Called Shares) pursuant to this article 15;
- 15.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
- 15.2.3 the consideration payable for the Called Shares calculated in accordance with article 15.4;
- 15.2.4 the proposed date of completion of transfer of the Called Shares.
- 15.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors, acting with Shareholder Majority Consent. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 15.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares on a winding up of the Company.

- 15.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 15.
- 15.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- 15.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or
- 15.6.2 that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 15.7 Within 10 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Equity Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Equity Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 15.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 15.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 15.4 in trust for the Called Shareholders without any obligation to pay interest.
- 15.8 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period, put the Company in funds to pay the amounts due pursuant to article 15.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Equity Shares and the Called Shareholders shall have no further rights or obligations under this article 15 in respect of their Equity Shares.
- 15.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by them (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute and deliver all necessary transfers on their behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 15.

- 15.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Equity Shares, whether or not pursuant to a Share Option Scheme (a New Shareholder), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Equity Shares acquired by them to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 15 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Equity Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 15.11 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Equity Shares.
- 15.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 11.
- 15.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

DECISION-MAKING BY SHAREHOLDERS

16 GENERAL MEETINGS

- 16.1 No business other than, subject to article 16.2, the appointment of the chair of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 16.2 The Chair shall chair general meetings. If there is no Chair in office for the time being, or the Chair is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chair of the meeting must be the first business of the meeting.

17 VOTING

- 17.1 The holders of the Ordinary Shares shall have the right to receive notice of and attend and vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company. Save, in each case, as provided otherwise in the CA 2006, each such holder present in person or by proxy

or by representative shall be entitled on a show of hands to one vote and on a poll or written resolution to one vote for each Equity Share held by him.

- 17.2 The holders of the Ordinary Non-Voting Shares shall have the right to receive notice of but not to attend, vote or speak at any general meeting of the Company and shall have the right to receive copies of any proposed written resolution of the Company but shall have no right to vote on any proposed written resolution.
- 17.3 Model article 44(3) shall be amended by the insertion of the words “A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made” as a new paragraph at the end of that model article.
- 17.4 Model article 45(1) shall be amended by:
 - 17.4.1 the deletion of model article 45(1)(d) and its replacement with the words “is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate”; and
 - 17.4.2 the insertion of the words “and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting” as a new paragraph at the end of that model article.

18 PURCHASE OF OWN SHARES

- 18.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
 - 18.1.1 £15,000; and
 - 18.1.2 the nominal value of 5% of the Company’s fully paid share capital at the beginning of each Financial Year.
- 18.2 Subject to the remaining provisions of this article 18, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:
 - 18.2.1 hold the Shares (or any of them) in treasury;
 - 18.2.2 deal with any of the Shares, at any time, in accordance with section 727; or
 - 18.2.3 cancel any of the Shares, at any time, in accordance with section 729 of the Act.

18.3 The provisions of article 8.4 to article 8.10 (inclusive) shall apply to a sale or transfer of Shares held in treasury pursuant to article 26.2(b) save that, for the purposes of this article 18.3:

18.3.1 reference in article 8 to an allotment shall include the sale or transfer of Shares; and

18.3.2 reference in the definition of “Relevant Securities” to Shares “issued after the Adoption Date” shall include Shares to be sold or transferred by the Company,

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

19 COMPANY’S LIEN OVER SHARES

19.1 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 they are the sole registered holder of the Share or one of several joint holders, for all monies payable by them (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

19.2 The Company’s Lien over a share:

19.2.1 takes priority over any third party’s interest in that Share; and

19.2.2 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.

19.3 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.

20 ENFORCEMENT OF THE COMPANY’S LIEN

20.1 Subject to the provisions of this article 20, if:

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

20.1.2 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.

20.2 A Lien Enforcement Notice:

- 20.2.1 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;
 - 20.2.2 must specify the Share concerned;
 - 20.2.3 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);
 - 20.2.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and
 - 20.2.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 20.3 Where Shares are sold under this article 20:
- 20.3.1 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
 - 20.3.2 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.
- 20.4 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:
- 20.4.1 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
 - 20.4.2 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 their estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.
- 20.5 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:
- 20.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - 20.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

ADMINISTRATIVE ARRANGEMENTS

21 MEANS OF COMMUNICATION TO BE USED

- 21.1 Subject to article 21.3, any notice, document or other information shall be deemed received by the intended recipient:
- 21.1.1 if delivered by hand, at the time the notice, document or other information is left at the address;
 - 21.1.2 if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting;
 - 21.1.3 if sent by pre-paid airmail, at 9.00 am on the fifth Business Day after posting;
 - 21.1.4 if sent by email or fax, at the time of transmission; or
 - 21.1.5 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.
- 21.2 If deemed receipt under article 21.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 21.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.
- 21.3 To prove service, it is sufficient to prove that:
- 21.3.1 if delivered by hand, the notice was delivered to the correct address; or
 - 21.3.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted;
 - 21.3.3 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 21.3.4 if sent by email, the notice was properly addressed and sent to the email address of the recipient.
- 21.4 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form, or by means of a website.
- 21.5 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

22 INDEMNITY AND INSURANCE

22.1 Subject to article 22.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

22.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a Relevant Officer in the actual or purported execution and/or discharge of their duties, or in relation thereto including any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part, or in connection with any application in which the court grants them, in their capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs; and

22.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred to in article 22.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

22.2 This article 22 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

22.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

22.4 In this article 22:

22.4.1 Relevant Loss means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and

22.4.2 Relevant Officer means any director or other officer or former director or other officer of any Group Company.