

LS AD BB JH

Company number 15412723
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
FLUID SEALING & ENGINEERING HOLDINGS LIMITED (Company)
(Adopted by special resolution passed on 13 February 2024)

Introduction

1. Interpretation

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

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 from time to time).

Act: the Companies Act 2006.

Adoption Date: the date of adoption of these Articles.

Appointor: has the meaning given in article 13.1.

Articles: the company's articles of association for the time being in force.

Board: the board of directors of the Company from time to time.

B Shareholders: the holder(s) for the time being of the B Shares.

B Shares: the ordinary B shares of £0.01 each in the capital of the Company.

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

Call: has the meaning given in article 30.1.

Call Notice: has the meaning given in article 30.1.

Company's Lien: has the meaning given in article 28.1.

Conflict: has the meaning given in article 9.1.

C Shareholders: the holders for the time being of the C Shares.

C Shares: the ordinary C shares of £0.01 each in the capital of the Company.

Connected: has the meaning attributed by sections 1122 and 1123 of the Corporation Tax Act 2010.

Controlling Interest: an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

D Shareholders: the holders for the time being of the D Shares.

D Shares: the ordinary D shares of £0.01 each in the capital of the Company.

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under article 22.1.

Departing Employee: means an Employee who ceases to be a director and/or employee of any Group Company for any reason (other than by reason of death) provided that, for these purposes, an Employee shall be deemed to cease, or have ceased, to be an employee upon the commencement of any period during which the individual is placed on Garden Leave pursuant to his service contract or employment contract with any Group Company, notwithstanding that the individual remains an employee of a Group Company for the time being.

E Shareholders: the holders for the time being of the E Shares.

E Shares: the ordinary E shares of £0.01 each in the capital of the Company.

Eligible Director: 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: means a Shareholder who is, or has been, a director and/or employee of any Group Company.

Encumbrance: any interest or equity of any person (including any right to acquire, option, right of pre-emption, any agreement in respect of voting rights or commitment to give or create voting rights) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement.

Excluded Shareholder: each Shareholder whose proposed course of action is the subject of the relevant Shareholder Consent or is the subject (or whose Shares are the subject) of a Deemed Transfer Notice.

Fair Value: in relation to a Share, as determined in accordance with article 25.

Garden Leave: means any period during which a Group Company in respect of an Employee and pursuant to the service contract or employment contract between a Group Company and that Employee ceases or has ceased to provide that Employee with work.

Good Leaver: an Employee who becomes a Departing Employee by reason of retirement at normal retirement age, permanent disability or permanent incapacity through ill-health.

Group: the Company and any subsidiary of the Company and any holding company from time to time of the Company and any subsidiary from time to time of a holding company of the Company and each company in the Group is a Group Company.

Lien Enforcement Notice: has the meaning given in article 29.2.

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Adoption Date and Model Article shall be construed accordingly.

Sale Share: has the meaning given to it in article 21.4.

Seller: has the meaning given to it in article 21.4.

Shareholder: each holder for the time being of any class of Shares and Shareholders shall be construed accordingly.

Shareholder Consent: the prior written consent of all of the Shareholders (excluding, where relevant, any Excluded Shareholder).

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

Third Party Buyer: a bona fide arms' length buyer(s) who is not an existing Shareholder or Connected to any existing Shareholder(s).

Transfer Price: the price per Sale Share determined in accordance with article 21.7.

Valuers: the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants or valuers jointly appointed by the Seller and the Board or, in the absence of agreement between the Seller and the Board on the identity of the expert within 10 Business Days of the expiry of the 10 Business Day period referred to in article 21.7, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and

expressions which have particular meanings in the Act shall have the same meanings in these Articles.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 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.
- 1.8 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
 - (a) another person (or its nominee), by way of security or in connection with the taking of security; or
 - (b) its nominee.
- 1.11 Articles 6(2), 7, 8, 9(1), 11(2) and (3), 13, 14, 17(1), 26(5), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.13 Model Article 27(2) shall be amended to replace the word "properly" with the word "reasonably".

- 1.14 Article 29 of the Model Articles 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) of the Model Articles," after the words "the transmittee's name".
- 1.15 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".
- 1.16 Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

2. Decision making

Any decision of the directors must be either a majority decision at a meeting of the directors or a decision taken in accordance with article 3 or article 4.

3. Unanimous decisions

- 3.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 3.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 3.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

4. Directors' written resolutions

- 4.1 Any director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors (including alternate directors).
- 4.2 If the Company has appointed a company secretary, the company secretary must propose a directors' written resolution if a director so requests by giving notice in writing to each of the other directors (including alternate directors).
- 4.3 Notice of a proposed directors' written resolution must indicate:
 - (a) the proposed resolution; and
 - (b) the time by which it is proposed that the directors should adopt it.

4.4 A proposed directors' written resolution is adopted when a majority of the Eligible Directors (or their alternates) have signed one or more copies of it, provided that those directors (or their alternates) would have formed a quorum at a directors' meeting were the resolution to have been proposed at such meeting.

4.5 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles.

5. Calling a directors' meeting

Any director may call a directors' meeting by giving not less than 3 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

6. Quorum for directors' meetings

6.1 The quorum for the transaction of business at a meeting of directors is two Eligible Directors.

6.2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and at the time when there is to be voting on any business.

6.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

- (a) to appoint further directors; or
- (b) to call a general meeting so as to enable the Shareholders to appoint further directors.

7. Casting vote at a meeting of directors

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

8. 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 article 9.7 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:

- 8.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 8.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 8.3 shall be entitled to vote at a meeting of directors (or committee of directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 8.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
 - 8.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested or associated (as defined in article 46.2(c)); and
 - 8.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in or association with 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 or association nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
9. Directors' conflicts of interest
- 9.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an Interested Director) breaching his duty under section 175 of the Act to avoid conflicts of interest (Conflict).
 - 9.2 Any authorisation under this article 9 will be effective only if:
 - (a) 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;
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and

- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.

9.3 Any authorisation of a Conflict under this article 9 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) 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;
- (c) 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;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

9.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

9.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

9.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions

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

- 9.7 If any matter to be considered or voted upon by the Board relates to any amendment to, termination or enforcement of any agreement or arrangement entered into by the Company with a Shareholder (in any capacity) (Interested Person) where such amendment, termination or enforcement is in accordance with its terms; or the commencement, conduct, defence or settlement of any arbitration, litigation or other proceedings (Proceedings) by the Company involving an Interested Person then the matter shall be considered at a separate meeting of or separately by the Board and the Interested Person who is a party to the Proceedings if he is a director of the Company shall not be entitled to attend or participate in any director decision relating to that matter, receive information or advice received by the Company on such matter or vote or be counted in the quorum in relation to such matter unless the Board (excluding the Interested Person) so decides.

10. Records of decisions to be kept

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.

11. Number of directors

Unless otherwise determined by special resolution, the number of directors (other than alternate directors) shall not be more than four and shall not be less than two.

12. Appointment and removal of directors

- 12.1 Each of the Shareholders holding 10% or more of the Shares from time to time (but not their personal representatives) shall have the right to appoint and maintain in office one natural person as a director of the Company (including himself) and to remove any director so appointed and, upon his removal (or death), to appoint another person to act as a director in his place. Before any person is appointed as a director of the Company under this article 12.1 (other than the Shareholder himself) the Shareholder proposing to appoint such person must first, before serving a notice upon the Company, obtain Board approval to such appointment (such approval not to be unreasonably withheld or delayed). Where a director's appointment under this article 12.1 is terminated as a result of article 12.4(c), the Shareholder who appointed that director shall not have the right to appoint another director to act in his place pursuant to this article 12.1 without Board approval.
- 12.2 An appointment or removal in accordance with article 12.1 shall be made by giving notice in writing to the Company and, in the case of the removal of a director, to the

director being removed. Any appointment takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date. Any removal takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date.

12.3 In addition to the rights set out in article 12.1 and subject to article 11, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

- (a) by ordinary resolution; or
- (b) by a decision of the directors,

in each case only if acting with Shareholder Consent.

12.4 Model Article 18 shall be modified by the addition of the following events upon the occurrence of any of which a person shall cease to be a director:

- (a) they are convicted of a criminal offence (other than a minor motoring offence) and a majority of the other directors resolve that they cease to be a director;
- (b) save in respect of a director appointed pursuant to article 12.1, a majority of the other directors resolve that they cease to be a director (acting with Shareholder Consent);
- (c) if that person is an Employee and is placed on Garden Leave or ceases to be an employee of a Group Company or if that person has been appointed by an Employee who is placed on Garden Leave or who ceases to be an employee of a Group Company. For the avoidance of doubt, this article 12.4(c) shall apply to all directors, including those appointed pursuant to article 12.1; and
- (d) if that person is also a Shareholder or is a director appointed by a Shareholder pursuant to article 12.1 and the appointing Shareholder's Shares are the subject of a Deemed Transfer Notice.

13. Appointment and removal of alternate directors

13.1 Any director (Appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's Appointor.

13.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors.

13.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

14. Rights and responsibilities of alternate directors

14.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's Appointor.

14.2 Except as the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointor; and
- (d) are not deemed to be agents of or for their Appointor,

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

14.3 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate);
- (c) shall not be counted as more than one director for the purposes of this article 14.3; and
- (d) may sign a written resolution (but only if it is not signed or to be signed by that person's Appointor).

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

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

15. Termination of alternate directorship

An alternate director's appointment as an alternate terminates:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate's Appointor's appointment as a director terminates.

16. Secretary

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

Shares

17. Purchase of own shares

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

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

18. Share capital

- 18.1 The issued share capital of the Company as at the Adoption Date is divided into B Shares, C Shares, D Shares and E Shares.

18.2 Except as otherwise provided in these Articles, the B Shares, C Shares, D Shares and E Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

19. Variation of class rights

19.1 Subject to the other provisions of these Articles, 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 at least 75% in nominal value of the issued Shares of that class and with Shareholder Consent.

19.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares.

20. Dividends

20.1 The Company shall not declare, pay or make any dividend or other distribution:

- (a) without Shareholder Consent; and
- (b) which is or would be prohibited by the Act.

20.2 Subject to article 20.1, the directors may declare an interim dividend and the Company may by ordinary resolution, upon the recommendation of the directors, declare a final dividend but no dividend shall exceed the amount recommended by the directors.

20.3 Subject to article 20.1, every directors' meeting, committee of directors or general meeting of the Company at which a dividend is declared may by directors' resolution or ordinary resolution (as the case may be) direct that such dividend be paid:

- (a) in respect of any one or more classes of Shares to the exclusion of any other class or classes of Share(s) or in respect of all such classes; and
- (b) where such dividend is declared in respect of more than one class of the Shares, such dividend may differentiate in the amount or percentage of dividend payable in respect of the different classes of Share but in default of such differentiation the Shares in respect of each class in relation to which the dividend is declared shall be deemed to rank pari passu as if they constituted one class of Share in respect of the dividend declared.

21. Transfer of Shares and pre-emption rights
- 21.1 No Shareholder shall create any Encumbrance over, transfer or otherwise dispose of or give any person any rights in or over any Share or any interest in any Share, except as permitted or required by these Articles or a written agreement in force from time to time between the Shareholders or with Shareholder Consent.
- 21.2 Save with Shareholder Consent, no Shareholder shall transfer any Shares unless he transfers all (and not some only) of the Shares held by him.
- 21.3 The Board shall register any duly stamped transfer made in accordance with these Articles or a written agreement in force from time to time between the Shareholders unless it suspects that the proposed transfer may be fraudulent, but any transfer made in breach of these Articles, or such agreement, shall not be registered by the Board and shall be void and of no effect.
- 21.4 Except where the provisions of article 22 or article 26 or article 27 apply, any Shareholder (Seller) wishing to transfer any Shares must give a notice in writing (Transfer Notice) to the Company giving details of the proposed transfer, including:
- (a) the number of Shares he wishes to transfer (Sale Shares);
 - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
 - (c) the price per Sale Share (in cash) at which he wishes to sell the Sale Shares (Proposed Sale Price).
- 21.5 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 21.6 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.
- 21.7 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the Board or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 25.

21.8 Within 10 Business Days of the determination of the Transfer Price, the Board shall (unless the Transfer Notice is withdrawn in accordance with article 21.6) offer the Sale Shares held by the Seller for sale (or the remaining part thereof, as the case may be) as follows. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered:

- (a) in the first instance to the Company (First Offeree). The Board on behalf of the Company shall have 10 Business Days from the date of the offer to determine whether the Company wishes, and has sufficient available profits or capital, to purchase the Sale Shares (First Offer Period). If the Board, on behalf of the Company, decides to purchase the Sale Shares (or part thereof, as the case may be), the Board shall issue a written statement confirming in writing the maximum number of Sale Shares the Company wishes to buy; and
- (b) to the extent that the First Offeree has not taken up the offer to purchase all of the Sale Shares during the First Offer Period, the Board shall allocate the Sale Shares to the First Offeree in accordance with its application (if applicable) and shall offer the balance of the Sale Shares to the Shareholders (excluding the Seller) (Second Offerees). The Second Offerees shall have 10 Business Days from the expiry of the First Offer Period (Second Offer Period) to apply to the Company in writing for the maximum number of Sale Shares he wishes to buy.

21.9 If:

- (a) at the end of the First Offer Period, the First Offeree has not taken up the offer to purchase all of the Sale Shares, the Sale Shares (or the balance thereof, as the case may be) (Excess Shares) shall be offered to the Second Offerees in accordance with article 21.8(b);
- (b) at the end of the Second Offer Period, the number of Excess Shares applied for is equal to or exceeds the total number of Excess Shares available, the Board shall allocate the Excess Shares to each Second Offeree who has applied for them in the proportion which his existing holding of Shares bears to the total number of Shares in issue (excluding those held by the Seller and those held by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). If applicable, fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Excess Shares being allocated, in which case, the allocation of any such fractional entitlements among the Second Offerees shall be determined by the Board). No allocation shall be made to a Shareholder of more than the maximum number of Excess Shares which he has stated he is willing to buy;

- (c) the Excess Shares are not all allocated to the Second Offerees following allocations in accordance with article 21.9(b) but there are applications for Excess Shares that have not been satisfied, the Board shall allocate the remaining Excess Shares to such applicants in accordance with the procedure set out in article 21.9(b). The procedure set out in this article 21.9(c) shall apply on any number of consecutive occasions until either all Excess Shares have been allocated or all applications for Excess Shares have been satisfied; and
- (d) at the end of the Second Offer Period, the Company has not received applications in respect of all of the Excess Shares, the Board shall allocate the Excess Shares to the Second Offerees in accordance with their applications and article 21.11 shall apply to the balance of the Excess Shares.

21.10 As soon as reasonably practicable after expiry of the Second Offer Period and when no further offers or allocations are required to be made under this article 21, the Board shall give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and to each of the First Offeree and/or the Second Offerees 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 (determined in accordance with article 23).

21.11 Where no offers are received for the Sale Shares or an Allocation Notice relates to no or does not relate to all of the Sale Shares, then, the Seller may, with Shareholder Consent, at any time during the period of 6 weeks following the date of service of the Allocation Notice, transfer the balance of the Sale Shares to a Third Party Buyer at a price per Share at least equal to the Transfer Price or Fair Value, whichever is the higher.

21.12 Article 23 shall apply in respect of completion of the sale and purchase of Sale Shares under this article 21.

22. Compulsory Transfers

22.1 A Shareholder is deemed to have served a Transfer Notice under article 21.4 immediately before any of the following events:

- (a) a bankruptcy petition being presented or an order being made for the Shareholder's bankruptcy, or an arrangement or composition being proposed or made with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;

- (b) the Shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986;
- (c) the happening in relation to the Shareholder of any event analogous to any of the above in any jurisdiction in which he or she or it is resident, carries on business or has assets;
- (d) the Shareholder's death;
- (e) the Shareholder (being an Employee) becoming a Departing Employee;
- (f) the Shareholder lacking capacity (under section 2 of the Mental Health Act 2005) to make decisions in relation to his affairs;
- (g) where the Shareholder is a director of a Group Company, the Shareholder breaching his duties (whether statutory or otherwise) as a director;
- (h) the Shareholder breaching the terms of his employment (whether express or implied) with any Group Company;
- (i) the Shareholder committing a material or persistent breach of these Articles or any shareholders' agreement or similar document in relation to a Group Company to which he is party which, if capable of remedy, has not been so remedied within 5 Business Days of notice to remedy the breach being served by the Board (acting with Shareholder Consent).

22.2 A Deemed Transfer Notice deemed to be served under any of the articles 22.1(a) to 22.1(c) (inclusive) or article 22.1(e) to article 22.1(i) (inclusive) shall immediately and automatically revoke:

- (a) a Transfer Notice served by the relevant Shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice; and
- (b) a Deemed Transfer Notice deemed to be served by the relevant Shareholder under article 22.1(d).

22.3 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of article 21 shall apply, except that:

- (a) the Deemed Transfer Notice shall be treated as having specified that the Shareholder wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice);
- (b) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares;

- (c) subject to article 22.3(d) and article 22.3(e), the Transfer Price shall be restricted to a maximum of the lower of the nominal value for each Sale Share and the Fair Value of each such Sale Share;
- (d) if the Seller is deemed to have given a Transfer Notice as a result of article 22.1(e), the Transfer Price shall, where the Departing Employee is a Good Leaver, be the Fair Value of each such Sale Share;
- (e) if the Seller is deemed to have given a Transfer Notice as a result of article 22.1(d), the Transfer Price shall be the Fair Value of each such Sale Share; and
- (f) the Shareholder does not have a right to withdraw the Deemed Transfer Notice.

22.4 If the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party.

22.5 If a Shareholder is deemed to have served a Transfer Notice under article 22.1 then, unless otherwise directed in writing by the Board (acting with Shareholder Consent), the relevant Shares shall cease to confer on the holder of them any rights:

- (a) 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;
- (b) to receive dividends or other distributions otherwise attaching to those Shares; and
- (c) to participate in any future issue of Shares.

22.6 The Board may (acting with Shareholder Consent) reinstate the rights referred to in article 22.5 at any time and, in any event, such rights shall be reinstated in respect of any Shares on completion of a transfer made pursuant to article 22.1.

23. Completion of the sale of Sale Shares

23.1 Completion of the sale and purchase of Shares under article 21 or article 22 of these Articles shall take place in accordance with this article 23.

23.2 If the buyer of the Shares is an existing Shareholder:

- (a) the sale shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee (unless the parties to such sale agree otherwise in writing);

- (b) unless another place, time and/or manner is specified in these Articles (in which case such place and time shall apply), completion of the sale of the Shares shall take place at such place and time and in such a manner as is agreed between the Seller and the buyer(s) but by no later than the date which is 2 months after the date of the Allocation Notice; and
- (c) payment of the Transfer Price may, at the reasonable request of the buyer and to the extent permitted by the Act, be deferred or paid by instalments, the terms of any such deferment and/or instalment payments (including but not limited to the proportion of the Transfer Price deferred, the amount of any instalment payments and the time period for repayment) shall be agreed between the Seller and the buyer (acting reasonably and in good faith) provided that the Transfer Price must be paid in full by the buyer to the Seller within 5 years of the date of delivery (or deemed date of delivery) of the Transfer Notice and any instalment payments must be paid on a quarterly basis and be equal in amount (unless otherwise agreed in writing between the Seller and the buyer). If no such request is made by the buyer, the Transfer Price shall be payable in full in cash on completion of the sale and purchase of the Shares.

23.3 If the buyer of the Shares is the Company:

- (a) the sale shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee (unless the parties to such sale agree otherwise in writing);
- (b) unless another place, time and/or manner is specified in these Articles (in which case such place and time shall apply), completion of the sale of the Shares shall take place at such place and time and in such a manner as is agreed between the Seller and the buyer(s) but by no later than the date which is 2 months after the date of the Allocation Notice; and
- (c) the Transfer Price shall be payable in full in cash on completion (unless the parties to such sale agree otherwise in writing to structure the transaction in such a way which is compliant with the Act and allows for payment of the Transfer Price to be made in tranches).

23.4 If the buyer of the Shares is a Third Party Buyer, completion of the sale of the Shares shall take place at a time and in the manner and upon terms agreed between the Seller and the Third Party Buyer.

23.5 In respect of completion in accordance with article 23.2 or article 23.3, at completion the Seller shall deliver, or procure that there is delivered to the buyer(s) who is to purchase the Shares, a duly completed stock transfer form(s) transferring the legal and beneficial ownership of all of the relevant Shares to him together with the relevant share

certificate(s) (or an indemnity in lieu thereof in a form satisfactory to the buyer) and such other documents as the buyer may reasonably require to show good title to the Shares, or to enable him to be registered as the holder of the Shares.

23.6 If any Applicant (as defined in article 21.10) fails to pay the Transfer Price payable by that Applicant on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price shall accrue interest at a rate equal to 4% per annum above the base rate of National Westminster Bank plc from time to time.

23.7 If the Seller fails to comply with article 23.5:

- (a) any director of the Company may, as agent, on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Shares to the buyer(s);
 - (ii) receive the Transfer Price (or any part thereof) and give a good discharge for it (and no buyer shall be obliged to see to the distribution of it); and
 - (iii) (subject to the transfers being duly stamped, if applicable) enter the buyer(s) in the register of members as the holders of the Shares purchased by them; and
- (b) the Company shall pay the Transfer Price (or any part thereof received) into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate(s) for the relevant Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares.

24. Ceasing to be a director of the Company and other matters

If, following a sale of Shares in accordance with these Articles, a Shareholder will hold no further Shares in the Company (excluding any Shares held by his personal representatives, successors and permitted assigns) the Shareholder shall deliver, or procure that there is delivered, to the Company his resignation as a director of the Company (if applicable) and resignations from any directors appointed by him, and if such resignations are not received by the Company as at completion of the sale of the Shares, such director(s) shall be deemed for all purposes to have resigned with effect from completion of the sale of the Shares and shall cease as at that date to be director(s), unless Shareholder Consent is otherwise obtained to the contrary.

25. Valuation of Shares

- 25.1 In the event a valuation of Shares is required under these Articles, the Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the parties to the transaction in writing of their determination.
- 25.2 The Fair Value for any Share shall be the price per Share determined in writing by the Valuers on the following bases and assumptions:
- (a) valuing each of the Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount (including minority discount) being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Shares;
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - (d) the Shares are sold free of all Encumbrances;
 - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
 - (f) taking account of any other factors that the Valuers reasonably believe should be taken into account.
- 25.3 The Shareholders are entitled to make submissions to the Valuers including oral submissions and the Shareholders and the Company will provide the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the Shareholders may reasonably require.
- 25.4 To the extent not provided for by this article 25, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary), instructing professional advisers to assist them in reaching their valuation.
- 25.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties (in the absence of manifest error or fraud).
- 25.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct.

Drag and tag provisions

26. Drag along

- 26.1 If the holders of at least 80% of the Shares (Selling Shareholders) wish to transfer all (but not some only) of their Shares (Sellers' Shares) to a Third Party Buyer on arm's length terms (Proposed Buyer), the Selling Shareholders may require all other Shareholders (Called Shareholders) to sell and transfer all their Shares (Called Shares) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 26 (Drag Along Option).
- 26.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (Drag Along Notice) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 26.2;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of the transfer.
- 26.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 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.
- 26.4 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - (b) that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 11th Business Day after service of the Drag Along Notice.
- 26.5 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer and the sale of the Called Shares by the Called Shareholders shall not be subject to the provisions of article 21.

- 26.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 26.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 26.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 26 in respect of their Shares.
- 26.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 26.6) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the 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 shares under this article 26.
27. Tag along
- 27.1 After going through the pre-emption procedure set out in article 21, the provisions of article 27.2 to article 27.6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any of their Shares on arm's length terms (Proposed Transfer) which would, if carried out, result in a Third Party Buyer (Buyer), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 27.2 Before making a Proposed Transfer, the selling Shareholders shall procure that the Buyer makes an offer (Offer) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the price per Share offered by the Buyer or any person Acting in Concert with the Buyer (Specified Price).

- 27.3 The Offer shall be made by written notice (Offer Notice), at least 15 Business Days before the proposed sale date (Sale Date). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the Specified Price and other terms and conditions of payment;
 - (c) the Sale Date; and
 - (d) the number of Shares proposed to be purchased by the Buyer (Offer Shares).
- 27.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with article 27.2 and article 27.3 the selling Shareholders shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 27.5 If the Offer is accepted by any of the other Shareholders (Accepting Shareholder) in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 27.6 The Proposed Transfer is subject to the provisions of article 21 but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

Lien, calls and forfeiture

28. Company's lien over shares

- 28.1 The Company has a lien (the Company's Lien) over every Share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether that person is the sole registered holder of the Share or one of several joint holders, for all monies payable by that person (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- 28.2 The Company's Lien over a Share:
- (a) takes priority over any third party's interest in that Share; and
 - (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.
- 28.3 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.

29. Enforcement of the Company's Lien

29.1 Subject to the provisions of this article 29, if:

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

29.2 A Lien Enforcement Notice:

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

29.3 Where Shares are sold under this article 29:

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

29.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

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

money payable by that person (or that person's estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

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

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

30. Call notices

30.1 Subject to the Articles and to the terms on which Shares are allotted, the directors may send a notice (a Call Notice) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a Call) which is payable in respect of Shares in the Company held by that Shareholder at the date when the directors decide to send the Call Notice.

30.2 A Call Notice:

- (a) may not require a Shareholder to pay a Call which exceeds the total sum unpaid on that Shareholder's Shares (whether in respect of nominal value or premium);
- (b) must state when and how any Call to which it relates is to be paid; and
- (c) may permit or require the Call to be made in instalments.

30.3 A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.

30.4 Before the Company has received any Call due under a Call Notice the directors may:

- (a) revoke it wholly or in part; or
- (b) specify a later time for payment than is specified in the notice,

by a further notice in writing to the Shareholder in respect of whose shares the Call is made.

31. Liability to pay Calls

- 31.1 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 31.2 Joint holders of a Share are jointly and severally liable to pay all Calls in respect of that Share.
- 31.3 Subject to the terms on which Shares are allotted, the directors may, when issuing shares, provide that Call Notices sent to the holders of those Shares may require them:
- (a) to pay Calls which are not the same; or
 - (b) to pay Calls at different times.

32. When Call Notice need not be issued

- 32.1 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):
- (a) on allotment;
 - (b) on the occurrence of a particular event; or
 - (c) on a date fixed by or in accordance with the terms of issue.
- 32.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

33. Failure to comply with Call Notice: automatic consequences

- 33.1 If a person is liable to pay a Call and fails to do so by the call payment date:
- (a) the directors may issue a notice of intended forfeiture to that person; and
 - (b) until the Call is paid, that person must pay the Company interest on the Call from the call payment date at the relevant rate.
- 33.2 For the purposes of this article 33:
- (a) the "call payment date" is, subject to article 33.3, the time when the Call Notice states that a Call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date; and
 - (b) the "relevant rate" is:

- (i) the rate fixed by the terms on which the Share in respect of which the Call is due was allotted;
- (ii) such other rate as was fixed in the Call Notice which required payment of the Call, or has otherwise been determined by the directors; or
- (iii) if no rate is fixed in either of these ways, 5% per annum.

33.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

33.4 The directors may waive any obligation to pay interest on a Call wholly or in part.

34. Notice of intended forfeiture

34.1 A notice of intended forfeiture:

- (a) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
- (b) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
- (c) must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must state how the payment is to be made; and
- (e) must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.

35. Directors' power to forfeit shares

If a notice of intended forfeiture is not complied with before the date by which payment of the Call is required in the notice of intended forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

36. Effect of forfeiture

36.1 Subject to the Articles, the forfeiture of a Share extinguishes:

- (a) all interests in that Share, and all claims and demands against the company in respect of it; and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.

36.2 Any Share which is forfeited in accordance with the Articles:

- (a) is deemed to have been forfeited when the directors decide that it is forfeited;
- (b) is deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.

36.3 If a person's Shares have been forfeited:

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of shareholders;
- (b) that person ceases to be a shareholder in respect of those Shares;
- (c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- (d) that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

36.4 At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all Calls and interest and expenses due in respect of it and on such other terms as they think fit.

37. Procedure following forfeiture

37.1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

37.2 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 forfeited on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

37.3 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

37.4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:

- (a) was, or would have become, payable; and
- (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

38. Surrender of shares

38.1 A Shareholder may surrender any Share:

- (a) in respect of which the directors may issue a notice of intended forfeiture;
- (b) which the directors may forfeit; or
- (c) which has been forfeited.

38.2 The directors may accept the surrender of any such Share.

38.3 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.

38.4 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

Decision making by shareholders

39. Quorum for general meetings

39.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy who together hold at least 51% of the Shares.

39.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

40. Voting rights

The voting rights attached to each of the Shares shall be:

- 40.1 on a written resolution, each Shareholder shall have one vote for each Share held by them; and
- 40.2 on a resolution to be passed at a general meeting of the Company, every Shareholder (each being an individual) present in person or by proxy or (being a corporation) present by a representative or by proxy shall have:
 - (a) on a show of hands, one vote each; and
 - (b) on a poll, one vote for each Share of which they are the holder.

41. Poll votes

- 41.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 41.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

42. Proxies

- 42.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 42.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

43. Return of capital

On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any Shares), the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

- 43.1 first, in paying to each B Shareholder in respect of each B Share of which it is the holder an amount equal to the nominal value thereof;

- 43.2 second, in paying to each C Shareholder in respect of each C Share of which it is the holder an amount equal to the nominal value thereof;
- 43.3 third, in paying to each D Shareholder in respect of each D Share of which it is the holder an amount equal to the nominal value thereof;
- 43.4 fourth, in paying to each E Shareholder in respect of each E Share of which it is the holder an amount equal to the nominal value thereof; and
- 43.5 the balance of such assets (if any) shall be distributed amongst the Shareholders (pari passu as if the B Shares, C Shares, D Shares and E Shares constituted one class of share) according to the proportion which the number of Shares held by that Shareholder bears to the total number of Shares in issue at that time.

Administrative arrangements

44. Means of communication to be used

- 44.1 Subject to article 44.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
 - (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - (b) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - (c) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; and
 - (d) if deemed receipt under the previous paragraphs of this article 44.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 44.2 To prove service, it is sufficient to prove that:
 - (a) if delivered by hand, the notice was delivered to the correct address; or
 - (b) if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
 - (c) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

45. Indemnity

45.1 Subject to article 45.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

(a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

(i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

(ii) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

(b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 45.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

45.2 This article 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.

45.3 In this article:

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

(b) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

46. Insurance

46.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

46.2 In this article:

- (a) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.