

**Company number SC453182**

**PRIVATE COMPANY LIMITED BY SHARES**

**NOTICE OF WRITTEN RESOLUTIONS**

**of**

**DOCS24 LTD (the "Company")**

**22 June 2018**



Notice is hereby given that the following resolutions were passed as special resolutions (the "Resolutions") by way of written resolution on the above date.

**SPECIAL RESOLUTIONS**

**1. Adopt new articles**

That the new articles of association of the Company, initialled by a director for identification, and attached to this resolution be adopted to the exclusion of the current articles of association.

**2. Disapplication of pre-emption rights**

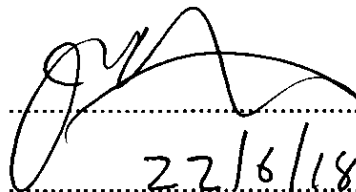
THAT in accordance with Section 569 of the Act the statutory pre-emption rights as set out in Section 561 of the Act be and hereby are disapplied and the Directors be generally and unconditionally authorised to allot shares, or to grant rights to subscribe for, or to convert any security into, any shares, in the Company (noting the directors' authority to allot and issue such shares in accordance with section 550 of the Act and without prejudice to such authority) provided that that authority is limited to the allotment of up to 120 Ordinary Shares of £1.00 each and further provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date on which this resolution is passed and save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

**3. Directors' general conflicts authorised**

THAT any conflicts and/or potential conflicts of interests of any director of the Company up to the date of this resolution and/or in relation to the issue of shares pursuant to the resolution above are authorised and/or approved and/or ratified for all purposes.

Director

Date

  
.....  
22/6/18  
.....

JR

**ARTICLES OF ASSOCIATION OF**

**DOCS24 LTD**

**REGISTERED NUMBER SC453182**

**ADOPTED ON 22 JUNE 2018**

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**Company number SC453182**  
**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**DOCS24 LTD**  
**(Adopted by special resolution passed on 22 June 2018)**

**INTRODUCTION**

**1. INTERPRETATION**

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

**Act:** means 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)

**appointor:** has the meaning given in article 11.1.

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

**Board:** the board of Directors of the Company from time to time.

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

**Conflict:** has the meaning given in article 7.1.

**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.

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

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

**Family Trust:** as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this

purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons).

**Founder or Founders:** James Rae and Ian Paterson-Brown.

**Group Company:** the Company and each and any of its Subsidiaries for the time being and **Group Company** shall be construed accordingly.

**Independent Expert:** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 5 Business Days of the expiry of the 10 Business Day period referred to in article 19.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

**Investors:** as defined in the investment agreement entered into on or around the date of adoption of these Articles.

**Investor Director:** the director appointed by the Investors in accordance with article 10.

**Investor Majority:** the consent in writing of those holding not less than 51% by nominal value of the Shares held by the Investors.

**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:** means 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 date of adoption of these Articles.

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

**Privileged Relation:** in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue) and such other family and friends of the member as may be approved by the Board from time to time either generically or on an individual basis.

**Sale Shares:** has the meaning given in article 17.2(a).

**Shareholder or Shareholders:** a holder, or the holders, for the time being of any Share or Shares.

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

**Transfer Notice:** has the meaning given in article 17.2.

**Transfer Price:** has the meaning given in article 18.

- 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 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
  - (a) the insertion of the words “for the time being” at the end of article 7(2)(a); and
  - (b) the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.

- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words “(including alternate directors)” before the words properly incur.
- 1.13 In article 25(2)(c) of the Model Articles, the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words “, subject to article 10,” after the word “But”.
- 1.15 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”.
- 1.16 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”. 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. UNANIMOUS DECISIONS**

- 2.1 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.
- 2.2 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.
- 2.3 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.

### **3. CALLING A DIRECTORS' MEETING**

Any director may call a directors' meeting by giving not less than 10 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.

### **4. QUORUM FOR DIRECTORS' MEETINGS**

- 4.1 Subject to article 4.2, the quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two eligible directors. If the

necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine.

- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 4.3 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.

## **5. CASTING VOTE**

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 second or casting vote.

## **6. 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 he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- (a) 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;
- (b) 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;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) 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;



- (e) 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
- (f) 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 any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 7. **DIRECTORS' CONFLICTS OF INTEREST**

- 7.1 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**).
- 7.2 Any authorisation under this article 7 will be effective only if:
  - (a) the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors for consideration at a meeting under the provisions of these Articles;
  - (b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the Interested Director; and
  - (c) the matter was agreed to without his voting or would have been agreed to if the Interested Directors had not been counted.
- 7.3 Any authorisation of a Conflict under this article 7 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.

7.4 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.

7.5 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.

7.6 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.

## **8. 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.

## **9. NUMBER OF DIRECTORS**

9.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be less than two.

- 9.2 The maximum number of directors of the Board holding office at any one time shall be 7 unless expressly agreed in advance by ordinary resolution of the Shareholders.

**10. APPOINTMENT OF DIRECTORS**

- 10.1 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 10.2 The Investors shall, acting by an Investor Majority, have the right to:
- (a) appoint by notice in writing addressed to the Company and to maintain in office up to 2 natural persons as the Investors may from time to time direct as a Director (**Investor Director(s)**) (and as a member of each and any committee of the Board) and to remove any such director so appointed and, upon his removal whether by the Investors or otherwise, to appoint another person to act as an Investor Director in his place; and
  - (b) appoint a representative to attend as an observer at each and any meeting of the board and of each and any committee of the Board.
- 10.3 Each Founder shall, so long as he and his Permitted Transferees holds in aggregate 10% or more of the issued ordinary share capital of the Company, from time to time have the right to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a Director, and to remove any such Director and to appoint a replacement (a "Founder Director"). A Founder shall be entitled to remove his respective nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in their place.
- 10.4 The parties shall use their respective reasonable endeavours to ensure that any Board meeting (or meeting of a committee of the Board) and every general meeting of the Company has the requisite quorum.
- 10.5 The Company shall reimburse any Investor Director appointed pursuant to the Articles and any observers appointed pursuant to clause 10.2(b) in accordance with its existing policy with the reasonable costs and any out of pocket expenses incurred by the Investor Director in respect of attending meetings of the Company or carrying out authorised business on behalf of the Company.

## **11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

11.1 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.

11.2 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.

11.3 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.

## **12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

12.1 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.

12.2 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 appointors; and
- (d) are not deemed to be agents of or for their appointors

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

12.3 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); and

- (c) shall not be counted as more than one director for the purposes of article 12.3.

- 12.4 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) but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 12.5 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.

### **13. 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.

## **SHARES**

### **14. 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.

### **15. TRANSFERS OF SHARES: GENERAL**

- 15.1 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.

- 15.2 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 15.6, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 15.3 The Directors may refuse to register a transfer of any Share where the Shareholder is resident or otherwise outside the UK, and where the Directors believe registering the transfer would breach any local or UK law or regulations.
- 15.4 Any transfer of a Share by way of a sale which is required to be made under articles 20, 21 and 22 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 15.5 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 15.6 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 15.6, 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.
- 15.7 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- (a) any holder (or the legal representatives of a deceased holder); or
  - (b) any person named as a transferee in a transfer lodged for registration; or
  - (c) 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.
- 15.8 If any such information or evidence referred to in article 15.7 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and then:
- (a) the relevant Shares shall cease to confer on the holder of them any rights:

- (i) 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;
  - (ii) to receive dividends or other distributions otherwise attaching to those Shares; and
- (b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in article 15.8(a) at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 15.8(b) on completion of such transfer.

15.9 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:

- (a) it does not contain a Minimum Transfer Condition; and
- (b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).
- (c) Any Transfer Notice 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.

## **16. PERMITTED TRANSFERS OF SHARES**

16.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

16.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

- (a) the Original Shareholder;
- (b) any Privileged Relation(s) of the Original Shareholder;

without any price or other restriction.

16.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Board is satisfied:

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
- (b) with the identity of the proposed trustee(s);

- (c) that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- (d) that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

16.4 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 5 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

- (a) the Original Shareholder; or
- (b) 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 16.4, 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 16.4.

16.5 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 5 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with article 17,

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 16.5. This article 16.5 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.

16.6 Notwithstanding any other provision of this article 16, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## **17. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

17.1 Except where the provisions of articles 16, 20 and 21 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 17.



- 17.2 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:
- (a) subject to article **15.9(b)**, the number of Shares he wishes to transfer (**Sale Shares**);
  - (b) the name of the proposed transferee, if any;
  - (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**) which shall not be more than the price to which the Shares will be offered to any third party as if the Seller were selling the Sale Shares; and
  - (d) subject to article **15.9(a)**, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).
- 17.3 Once given, a Transfer Notice may only be withdrawn with the consent of the Board.
- 17.4 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.
- 17.5 As soon as practicable following the later of:
- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
  - (b) the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 17.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 17 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.
- 17.6 An offer of Sale Shares shall remain open for acceptance for a period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with article 17.7 and article 17.8.
- 17.7 Subject to article 17.6, the Directors shall offer the Sale Shares to the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 17.8 If:
- (a) at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to

the total number of Shares of the class being offered held by all Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;

- (b) not all Sale Shares are allocated following allocations in accordance with article 17.8(a), but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 17.8(a). The procedure set out in this article 17.8(b) 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
- (c) at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Shareholders in accordance with their applications. The balance (the **Surplus Shares**) shall be dealt with in accordance with article 17.13.

17.9 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation shall be conditional on the fulfilment of the Minimum Transfer Condition (which may be fulfilled by an aggregate allocation to Shareholders); and
- (b) if the total number of Sale Shares applied for 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.

17.10 Where either:

- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
- (b) 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, 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 5 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).

- 17.11 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.
- 17.12 If the Seller fails to comply with article 17.11:
- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney 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 Sale Shares to the Applicants (including if reasonably necessary a share certificate indemnity in a form acceptable to the Board);
    - (ii) 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
    - (iii) (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
  - (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant 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.
- 17.13 Where a Transfer Notice lapses pursuant to article 17.9(b) or an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the 30 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 Sale Shares not taken up by Shareholders 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 17.13 shall continue to be subject to any Minimum Transfer Condition.
- 17.14 The Seller's right to transfer Shares under article 17.13 does not apply if the Directors reasonably consider that:
- (a) 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;
  - (b) 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

- (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in article 17.14(b).

## **18. PRE-EMPTION RIGHTS ON THE ALLOTMENT OF SHARES**

18.1 Unless otherwise agreed by special resolution and Investor Majority Consent, if the Company proposes to allot any Shares (other than any Shares to be held under an employees' share scheme), those Shares shall not be allotted to any person unless the Company has first offered them to all Shareholders on the date of the offer on the same terms, and at the same price, as those Shares are being offered to other persons on a *pari passu* and *pro rata* basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:

- (a) shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant Shares; and
- (b) may stipulate that any shareholder who wishes to subscribe for a number of Shares in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess Shares (**Excess Shares**) for which he wishes to subscribe.

18.2 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 18.1 shall be used for satisfying any requests for Excess Securities made pursuant to Article 18.1. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants *pro rata* to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with Article 18.1 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.

## **19. VALUATION**

19.1 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) which price shall not be more than the price to which the Shares would be offered to any third party, 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.

19.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:

- (a) 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);
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction;
  - (d) 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
  - (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 19.3 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.
- 19.4 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.
- 19.5 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).
- 19.6 The Independent Expert shall be requested to determine the Fair Value within 10 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.
- 19.7 The cost of obtaining the Independent Expert's certificate shall be borne by the parties or in such other proportions as the Independent Expert directs unless, (a) the Seller withdraws the relevant Transfer Notice in accordance with article 17.3; or (b) 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.
- 20. COMPULSORY TRANSFERS**
- 20.1 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.
- 20.2 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 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.

- 20.3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice.
- 20.4 Notwithstanding any other provisions of these Articles, the transfer price per Sale Share in respect of an event under articles 19.1, 19.2 and 19.3, shall be the Fair Value of such Sale Share.
- 20.5 Forthwith upon a Transfer Notice being deemed to be served under article 20 the Shares subject to the relevant Deemed Transfer Notice (**Restricted 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 issued in respect of those Shares.

The Directors may reinstate the rights referred to in article 20.4 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 20.

## **21. MANDATORY OFFER ON CHANGE OF CONTROL**

- 21.1 Except in the case of Permitted Transfers and transfers pursuant to Articles 14, 16, and 19, after going through the pre-emption procedure in Article 12, the provisions of Articles 20.2 to 20.7 will apply if either: (i) one or more Shareholders ("**Proposed Sellers**") proposes to transfer in one or a series or related transaction any Shares (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company, provided that this article shall not be triggered by an acquisition by a Founder; or (ii) either Founder proposes to transfer in one or a series or related transactions more than 50% of the Shares held by him at the date of adoption of these Articles to a person other than a Permitted Transferee.

- 21.2 A Proposed Seller must, before making a Proposed Transfer, procure the making by the Proposed Purchaser of an offer (the **"Offer"**) to all other holders of Shares to acquire all of the Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 21.7).
- 21.3 The Offer must be given by written notice (a **"Proposed Sale Notice"**) at least 10 Business Days (the **"Offer Period"**) prior to the proposed sale date (**"Proposed Sale Date"**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of shares proposed to be purchased by the Proposed Purchaser (the **"Proposed Sale Shares"**).
- 21.4 If any other holder of Shares is not given the rights accorded to them by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 21.5 If the Offer is accepted by any Shareholder (an **"Accepting Shareholder"**) within the Offer Period, the completion of the Proposed Transfer will be conditional on the completion of the purchase of all the shares held by Accepting Shareholders.
- 21.6 The Proposed Transfer is subject to the pre-emption provisions of Article 17 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 17.
- 21.7 For the purpose of this Article the expression **"Specified Price"** shall mean in respect of each share a sum in cash equal to the highest price per share offered or paid by the Proposed Purchaser
- (i) In the Proposed Transfer, or
  - (ii) In any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer.

## **22. DRAG ALONG RIGHTS ON PROPOSED SALE**

- 22.1 After first giving a Transfer Notice and going through the procedure set out in article 17, if the holders of 75% of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser 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 (**Drag Along Option**).
- 22.2 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 22;
  - (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.
- 22.3 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 20 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.
- 22.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 22.
- 22.5 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 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 25<sup>th</sup> Business Day after service of the Drag Along Notice.
- 22.6 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 22.2(c) 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.
- 22.7 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 21 in respect of their Shares.

- 22.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with Article 22.7) 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 22.
- 22.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 22 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of the Shares shall take place upon the later of the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the Company.
- 22.10 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in Article 17, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 22.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

#### **DECISION MAKING BY SHAREHOLDERS**

#### **23. POLL VOTES**

- 23.1 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.

- 23.2 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.

## **24. PROXIES**

- 24.1 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”.
- 24.2 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” as a new paragraph at the end of that article.

## **ADMINISTRATIVE ARRANGEMENTS**

### **25. MEANS OF COMMUNICATION TO BE USED**

- 25.1 Subject to Article 25.2, 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 fax, at the time of transmission; or
  - (c) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 a.m. on the second Business Day after posting; or
  - (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9 a.m. on the fifth Business Day after posting; or
  - (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - (f) if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
  - (g) 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; and
  - (h) if deemed receipt under the previous paragraphs of this Article 25.1 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.

25.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

## **26. INDEMNITY**

26.1 Subject to Article 26.2, 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 26.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

26.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

26.3 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 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).

## **27. INSURANCE**

27.1 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.

27.2 In this article:

- (a) a relevant officer means any 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.