

ARTICLES OF ASSOCIATION

of

RICHARD NAGY LIMITED

A PRIVATE COMPANY LIMITED BY SHARES

AND INCORPORATED UNDER THE

Companies Act 2006

INCORPORATED ON: 6TH JULY 2000

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ARTICLES OF ASSOCIATION OF RICHARD NAGY LIMITED

A PRIVATE COMPANY LIMITED BY SHARES INCORPORATED UNDER THE COMPANIES ACT 2006

1. PRELIMINARY

- 1.1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "Model Articles") shall apply to the Company save in so far as they are excluded or modified hereby and such Model Articles and the articles set out below shall be the Articles of Association of the Company (the "**Articles**"). In the event of any contradiction between any of the provisions of the model articles and the provisions below, the provisions set out below shall prevail.
- 1.2 In these Articles, any reference to a provision of the Companies Act 2006 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 1.3 Model Articles 9(2), 11, 14, 19(5), 21, 24, 26(5), 28(3), 44(2) and 44(4) do not apply to the Company.
- 1.4 The headings used in these Articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of these Articles.
- 1.5 In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa.

2. DEFINED TERMS

- 2.1 Model Article 1 shall be varied by the inclusion of the following definitions:-

2.1.1 "**2006 Act**" means the Companies Act 2006;

- 2.1.2 **"Accountant"** means the accountants appointed by the Company from time to time unless the Accountant give notice to the Company that they decline instruction to report on the matter in question, when the Accountant shall be a firm of chartered accountants agreed between the Seller and the Board of Directors, or in default of such agreement within 10 Business Days following the notice from the Accountant declining to report, so appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of any such party;
- 2.1.3 **"A Shares"** means the A ordinary shares of £1.00 each in the capital of the Company;
- 2.1.4 **"Encumbrance"** means 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;
- 2.1.5 **"Ordinary Shares"** means the ordinary shares of £1.00 each in the capital of the Company;
- 2.1.6 **"secretary"** means the secretary of the Company, if any, appointed in accordance with Article 7.1 or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary; and
- 2.1.7 **"Shareholders"** means the shareholders of the Company from time to time.
- 2.1.8 **"Shareholder Consent"** means the prior written consent of Richard Nagy.
- 2.1.9 **"Specified Price"** has the meaning given to it in article 11.9.
- 2.1.10 **"Transfer Notice"** has the meaning given to it in article 11.5.

- 2.1.11 **"working day"** means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the Company is registered.

3. **LIABILITY OF THE MEMBERS**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

4. **PROCEEDINGS OF DIRECTORS**

- 4.1 The quorum for directors' meetings shall be one director unless it is increased by a decision of the directors.
- 4.2 Notwithstanding the fact that a proposed decision of the directors concerns or relates to any matter in which a director has, or may have, directly or indirectly, any kind of interest whatsoever, that director may participate in the decision-making process for both quorum and voting purposes.
- 4.3 Subject to the provisions of the 2006 Act, and provided that (if required to do so by the 2006 Act) he has declared to the directors the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:-
- 4.3.1 may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- 4.3.2 may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested; and
- 4.3.3 is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.

5. **UNANIMOUS DECISIONS**

- 5.1 Model Article 8(2) shall be deleted and replaced with the following words
“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.”

6. **TERMINATION OF DIRECTOR’S APPOINTMENT**

- 6.1 In addition to the events terminating a director’s appointment set out in Model Article 18, a person ceases to be a director as soon as that person has for more than six consecutive months been absent without the permission of the other directors (where applicable) from meetings of directors held during that period and the directors make a decision to vacate that person’s office.

7. **SECRETARY**

- 7.1 The directors may appoint a secretary to the Company for such period, for such remuneration and upon such conditions as they think fit; and any secretary so appointed by the directors may be removed by them.

8. **ALTERNATE DIRECTORS**

8.1

- 8.1.1 Any director (the "**Appointor**") may appoint as an alternate any other director, or any other person approved by a decision of the directors, to:-

8.1.1.1 exercise that director’s powers; and

8.1.1.2 carry out that director’s responsibilities,

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

- 8.1.2 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. The notice must:-

- 8.1.2.1 identify the proposed alternate; and
- 8.1.2.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of his Appointor.

8.2

- 8.2.1 An alternate director has the same rights to participate in any directors' meeting or decision of the directors reached in accordance with Model Article 8, as the alternate's Appointor.
- 8.2.2 Except as these Articles specify otherwise, alternate directors:-
 - 8.2.2.1 are deemed for all purposes to be directors;
 - 8.2.2.2 are liable for their own acts or omissions;
 - 8.2.2.3 are subject to the same restrictions as their Appointors; and
 - 8.2.2.4 are not deemed to be agents of or for their Appointors.
- 8.2.3 A person who is an alternate director but not a director:-
 - 8.2.3.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
 - 8.2.3.2 may sign or otherwise signify his agreement in writing to a written resolution in accordance with Model Article 8 (but only if that person's Appointor has not signed or otherwise signified his agreement to such written resolution).

No alternate may be counted as more than one director for such purposes.

8.2.4 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration payable to that alternate's Appointor as the Appointor may direct by notice in writing made to the Company.

8.2.5 Model Article 20 is modified by the deletion of each of the references to "directors" and the replacement of each such reference with "directors and/or any alternate directors".

8.3 An alternate director's appointment as an alternate terminates:-

8.3.1 when his Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

8.3.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor would result in the termination of the Appointor's office as director;

8.3.3 on the death of his Appointor; or

8.3.4 when his Appointor's appointment as a director terminates.

9. **SHARE RIGHTS**

9.1 "**Shares**" in the Company at the date that these Articles are adopted shall be the Ordinary Shares and the A Shares.

9.2 The following rights shall apply to the Shares:

9.2.1 **Income**

9.2.1.1 Subject to the provisions of the 2006 Act, the Company may on the recommendation of the Directors, declare a dividend and the Directors may decide to pay interim dividends.

9.2.1.2 At every directors board meeting at which a dividend is declared, the Company may direct that such dividend be paid either in respect of one or more class of shares to the exclusion of other classes, or

in respect of all classes of shares and, where a dividend is declared in respect of all classes of shares, the Company may differentiate between the classes as to the amount or percentage of dividend payable but, in all other respects, the shares in each class shall be deemed to rank equally in all respects as if they constituted one class of shares.

9.2.1.3 No dividends shall be declared on any class of shares in circumstances where the Director(s) recommend that no dividend should be declared, nor shall any dividend be declared on any class which exceeds the amount recommended by the Director(s) in respect of that class.

9.2.1.4 When paying interim dividends, the Director(s) may make payment to one or more class of shares to the exclusion of the other classes or to all classes of shares. When making such payment, the Director(s) may differentiate between the classes as to the amount or percentage of dividend payable.

9.2.2 **Capital**

9.2.3 On a return of capital, (excluding a purchase of own shares made in accordance with the provisions of these Articles), any surplus assets of the Company remaining after the payment of its liabilities shall be allocated to the holders of the Shares pro rata according to the number of Shares held by the Shareholders.

9.2.4 **Voting**

9.2.5 Subject to the provisions of the Act, at a general meeting of the Company on a show of hands the holders of the Ordinary Shares who (being an individual) is present in person or by proxy, or (being a corporation) is present by a representative duly authorised under section 323 of the Act, shall have one vote and on a poll the holders of the Ordinary Shares present in

person, by representative or by proxy shall have one vote for every Ordinary Share of which it is the holder. On a written resolution the holders of the Ordinary Shares shall have one vote for each Ordinary Share of which it is the holder.

9.2.6 The holders of the A Shares shall not be entitled to receive notice of, or to attend or speak at, any general meeting of the Company and shall not be entitled to vote at any such meeting or on a written resolution.

10. ISSUE OF SHARES

- 10.1 Shares may be issued as nil, part or fully paid.
- 10.2 Unless the members of the Company by special resolution direct otherwise, all shares, which the directors propose to issue must first be offered to the members in accordance with the provisions of this Article 10.
- 10.3 Shares must be offered to members in proportion as nearly as may be to the number of existing shares held by them respectively.
- 10.4 The offer shall be made by notice specifying the number of shares offered, and limiting the period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined.
- 10.5 After the expiration of the period referred to in 10.4 above, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; and such further offer shall be made in the like terms in the same manner and limited by a like period as the original offer.
- 10.6 Any shares not accepted pursuant to the offer referred to in 10.4 and the further offer referred to in 10.5 or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or dispose of the same to such persons, on such terms, and in such manner as they think fit.
- 10.7 In accordance with section 567 of the 2006 Act, sections 561 and 562 of the 2006 Act are excluded.

11. TRANSFER OF SHARES

- 11.1 The holder(s) of Ordinary Shares shall not be subject to any of the restrictions set out in this article 11.2– 11.18 inclusive, article 12 and may sell, transfer, assign, pledge, charge or otherwise dispose of any of their Ordinary Shares share or any interest in any Ordinary Share in the capital of the Company at their sole discretion.
- 11.2 Subject to this article 11 and article 12, no holder of A Shares shall sell, transfer, assign, pledge, charge or otherwise dispose of any A Share or any interest in any A Share in the capital of the Company, except as permitted by these Articles.
- 11.3 Save for where article 12 applies, an A Shareholder (the “**Seller**” for the purposes of this article 11.3) wishing to dispose of his or her A Shares shall offer all or part of the A Shares held by them (“**Sale Shares**”) by notice in writing to the Company (“**Preliminary Notice**”).
- 11.4 Upon receipt of the Preliminary Notice, the Company (acting by the Board) shall in the absence of written agreement as to the Specified Price between the Seller and the Company (acting by the Board) within 5 Business Days of a Preliminary Notice being delivered, instruct the Accountant to determine the value of the Sale Shares in accordance with provisions of article 11.9.2 (“**Independent Valuation Price**”). The Accountant valuation costs shall be borne by the Company in the absence of contrary agreement between the parties.
- 11.5 On delivery of the Accountants notice confirming the Independent Valuation Price or earlier written confirmation that the Seller and the Board have agreed the Specified Price, the Company shall deliver a notice in writing to the Seller confirming the Specified Price (“**Price Notice**”). In the absence of any contrary correspondence being received by the Company from the Seller within 2 Business Days of the Price Notice being delivered by the Company, the Seller shall be deemed to have served a notice on the Company accepting the terms of the Independent Valuation Price and offering all of the Sale Shares for sale on those terms in accordance with this article 11 (“**Transfer Notice**”). The Company shall, as agent of the Seller, communicate the Transfer Notice to all of the Shareholders. Once

issued or deemed to have been issued, a Transfer Notice may not be withdrawn (in whole or part) except with the prior written consent of the holder(s) of the Ordinary Shares.

- 11.6 Within 40 clear Business Days of the Transfer Notice ("the **First Transfer Period**") the Company shall give written notice to the Seller stating whether the Company is willing to purchase any and if so what number of the Sale Shares at the Specified Price ("**Company Acceptance Notice**"). The Company shall, using distributable reserves (as defined by s830 of the Act) and for so long as it is otherwise lawful and in the Company's best interests to do so, acquire the Sale Shares as noted in the Company Acceptance Notice at the end of the First Transfer Period or such earlier date specified in the Company Acceptance Notice.
- 11.7 If by the expiry of the First Transfer Period the Company has not issued a Company Acceptance Notice in respect of all of the Sale Shares, the Seller shall offer the balance ("**Initial Surplus**") of the Sale Shares (if any) to the remaining Shareholders (excluding the Seller) in the proportions which their shareholding bears to the aggregate of the Shares in issue (but excluding the Sellers' shares held in the capital of the Company and as close as is possible without involving fractions). The Shareholders shall within 14 days of receipt of the said notice ("**Second Transfer Period**") state in writing to the Board (at the Company's registered office address) and the Seller whether it is willing to purchase the Sale Shares on the same terms as was offered to the Company pursuant to article 11.4.
- 11.8 If at the end of the Second Transfer Period, the Shareholders (excluding the Seller) have not applied to purchase the Initial Surplus pursuant to article 11.7 then the Seller shall be entitled to either (i) withdraw the Transfer Notice and retain their A Shares, or (ii) with Shareholder Consent transfer the balance of the Sale Shares to a third party ("**Approved Third Party**") at a price not lower than the Specified Price.
- 11.9 In these Articles the expression "the **Specified Price**" shall mean either:
- 11.9.1 such sum as is agreed between the Seller and the Company (acting by the Board) in accordance with article 11.4; or

- 11.9.2 the Independent Valuation Price in each case based on the following assumptions per Share as specified in the Price Notice as being the fair market value of the Sale Shares based on the following assumptions:-
 - 11.9.2.1 valuing each of the Sale Shares as a proportion of the total value of all the issued Shares;
 - 11.9.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 11.9.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 11.9.2.4 the Sale Shares are sold free of all Encumbrances;
 - 11.9.2.5 the sale is taking place on the date of the Transfer Notice; and
 - 11.9.2.6 to the extent that the Accountant is required to determine the value of the Sale Shares, taking account of any other factors that the Accountant reasonably believe should be taken into account.
- 11.10 Where applicable, the Company shall use its reasonable endeavours to procure that the Accountant determines the Independent Valuation Price within 15 Business Days of being requested to do so.
- 11.11 Upon receipt by the Company of a Deemed Transfer Notice from a Seller the Board shall follow the procedure set out in articles 11.4 – 11.10(inclusive) and 11.13– 11.18 (inclusive).
- 11.12 At the expiration of the relevant transfer period(s) the Board shall allocate the Sale Shares to the Company and / or the Shareholders and / or an Approved Third Party as may have expressed their willingness to purchase.
- 11.13 Upon an allocation of the Sale Shares being made and subject to the provisions of this article 11, the relevant Company and / or the Shareholders and / or an Approved Third Party (as applicable) shall each pay the

Specified Price (or the relevant proportion thereof) for and accept a transfer of the Sale Shares allocated to them and the Seller shall, upon payment of the Specified Price (or the relevant proportion thereof), transfer such Sale Shares to the respective purchaser(s).

11.14 If in any case the Seller after having become bound to transfer the Sale Shares as aforesaid makes default in so doing the Board may appoint some person to execute instruments of transfer of those Sale Shares in favour of the purchasers and shall thereupon cause the names of the purchasers to be entered in the register of members of the Company as the holders of the Sale Shares and shall hold the Specified Price in trust for the Seller.

11.15 Completion of any transfer of Shares pursuant to these Articles shall take place 10 Business Days after such Shares have been accepted by and allocated to the purchaser in accordance with the terms hereof.

11.16 At such completion:

11.16.1 the Seller shall deliver, or procure that there is delivered to the Board:

11.16.1.1 a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Sale Shares to the relevant purchaser, together with the relevant share certificates (or a suitable indemnity in lieu thereof) and such other documents as the purchaser may reasonably require to show good title to the Shares, or to enable him to be registered as the holders of the Sale Shares;

11.16.1.2 an irrevocable power of attorney, in agreed form, given by each Seller to enable the attorney (or its proxies) to exercise all voting and other rights attaching to the Sale Shares in the period between completion and registration of the transfer of the Sale Shares in the Company's register of members;

11.16.2 to the extent that the Seller:

11.16.2.1 will hold no Shares following completion; and

11.16.2.2 is a director or has appointed a director,

they shall provide or procure the provision of a written resignation of that director to take effect from completion of the sale of the Sale Shares which shall include an acknowledgement that the retiring director has no claims against the Company;

11.16.3 the purchaser of the Sale Shares shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to his order for the agreed purchase price or such other payment method as may be agreed by the relevant parties from time to time; and

11.16.4 the Sale Shares shall be sold with full title guarantee.

11.17 If any ongoing Shareholder has agreed to acquire the Sale Shares and subsequently fails to pay the purchase price on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of the purchase price shall accrue interest at a rate equal to 3% per annum above the base rate of the Bank of England from time to time.

11.18 The Board of directors (and the relevant Shareholders) shall procure the registration (subject to due stamping by the ongoing Shareholders) of the transfers of Shares in the Company effected pursuant to this article and each of them consents to such transfers and registrations under these Articles.

12. EVENTS OF DEFAULT

12.1 An A Shareholder is deemed to have served a Transfer Notice for the sale of all of their shares held by them in the capital of the Company under article 11.5 immediately before any of the following events of default:

12.1.1 a bankruptcy order being made against him or her, or an arrangement or composition being made with his or her creditors, or where he or she otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or

12.1.2 he or she is suffering from a mental disorder and either:-

- 12.1.2.1 he or she is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland an application for admission under the Mental Health (Scotland) Act 1960, or
 - 12.1.2.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his or her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his or her property or affairs; or
- 12.1.3 he or she is convicted of committing a criminal offence in the United Kingdom or elsewhere which the Board reasonably believes may harm the reputation of the Company (excluding any minor motoring offence); or
- 12.1.4 he or she attempts to dispose of their A Shares in a way that is not in accordance with the provisions of these Articles; or
- 12.1.5 he or is she no longer engaged by the Company as an employee or consultant for any reason whatsoever.
- 12.2 The Deemed Transfer Notice under this article 12 has the same effect as a Transfer Notice, except that:
 - 12.2.1 the Deemed Transfer Notice takes effect on the basis that the Specified Price shall be an amount equal to the amount determined by the Accountant in accordance with article 11.9.2; and
 - 12.2.2 the Seller does not have a right to withdraw the Transfer Notice following a valuation.
- 13. **DRAG RIGHT**
 - 13.1 Where Richard Nagy ("**Major Shareholder**") wishes to transfer all of the Shares then held by him or which are under his control to a bona fide purchaser on arm's length terms (the "**Proposed Buyer**"), the Major

Shareholder may require the remaining Shareholders (the “**Called Shareholders**”) to sell and transfer all of their respective Shares to the Proposed Buyer or as the Proposed Buyer directs in accordance with the provisions of this article 13 (the “**Drag Along Option**”) provided always that the consideration offered for each Share held by the Called Shareholders shall be an amount at least equal to the price per share offered by the Proposed Buyer for the Shares held or controlled by the Major Shareholder.

13.2 The Major Shareholder may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (the “**Drag Along Notice**”) at any time before the transfer of the Major Shareholder’s Shares to the Proposed Buyer. The Drag Along Notice shall specify:

13.2.1 that the Called Shareholder is required to transfer all of his Shares held from time to time (“**Called Shares**”) pursuant to this article 13;

13.2.2 the person to whom the Called Shares are to be transferred;

13.2.3 the total consideration payable for the Called Shares; and

13.2.4 the proposed date of the transfer insofar as it is known to the Major Shareholder.

13.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Major Shareholder does not complete the sale of their Shares to the Proposed Buyer within ninety days of serving the Drag Along Notice. However, for the avoidance of doubt, a further Drag Along Notice may be served following the lapse of any particular Drag Along Notice.

13.4 The Called Shareholders shall be required to enter into any agreements and provide such documentation reasonably required by the Proposed Buyer or the Major Shareholder to effect the sale of the Called Shares to the Proposed Buyer and shall agree to any terms agreed between the Proposed Buyer and the Major Shareholder subject to the provisions of article 13.1.

13.5 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the Major Shareholder’s Shares unless that date is less than 28 (twenty eight) days after the date on which the Drag Along

Notice is served, in which case the completion date shall be 28 (twenty eight) days after delivery of the Drag Along Notice.

- 13.6 The parties hereby agree and acknowledge that the rights of pre-emption set out in these Articles shall not apply to any transfer of Shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served. The Called Shareholders shall each execute and deliver any documents that may be reasonably required by the Major Shareholder to give effect to the intention of this article.
- 13.7 To the extent that the Proposed Buyer has not, on the completion date, put the Company in funds to pay the consideration due pursuant to article 13.2.3, 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 Shareholder shall have no further rights or obligations under this article 13.7 in respect of their Shares in respect of the relevant Drag Along Notice.
- 13.8 If any Shareholder does not, on or before completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by him and any other documents and/or agreements required in respect of the relevant transaction, the defaulting Shareholder shall be deemed to have irrevocably appointed any director of the board nominated for the purpose by the Major Shareholder to be their agent and attorney to execute all necessary transfer(s) and documents and agreements on his behalf, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 13.

14. **LIEN**

- 14.1 The Company has a first and paramount lien on all shares (whether or not such shares are fully paid) standing registered in the name of any person indebted or under any liability to the Company, whether he is the sole

registered holder thereof or is one of two or more joint holders, for all moneys payable by him or his estate to the Company (whether or not such moneys are presently due and payable).

14.2 The Company's lien over shares:-

14.2.1 takes priority over any third party's interest in such shares; and

14.2.2 extends to any dividend or other money payable by the Company in respect of such shares and (if the Company's lien is enforced and such shares are sold by the Company) the proceeds of sale of such shares.

14.3 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.

14.4 Subject to the provisions of this Article, if

14.4.1 a notice of the Company's intention to enforce the lien ("**lien enforcement notice**") has been sent in respect of the shares; and

14.4.2 the person to whom the lien enforcement notice was sent has failed to comply with it,

the Company may sell those shares in such manner as the directors decide.

14.5 A lien enforcement notice:-

14.5.1 may only be sent in respect of shares if a sum is payable to the Company by the sole registered holder or one of two or more joint registered holders of such shares and the due date for payment of such sum has passed;

14.5.2 must specify the shares concerned;

14.5.3 must include a demand for payment of the sum payable within 14 days;

- 14.5.4 must be addressed either to the holder of such shares or to a person entitled to such shares by reason of the holder's death, bankruptcy or otherwise; and
 - 14.5.5 must state the Company's intention to sell the shares if the notice is not complied with.
- 14.6 If shares are sold under this Article:-
 - 14.6.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
 - 14.6.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 14.7 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:-
 - 14.7.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
 - 14.7.2 second, in payment 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 a suitable indemnity 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 in respect of the shares after the date of the lien enforcement notice.
- 14.8 A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been sold to satisfy the Company's lien on a specified date:-
 - 14.8.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and

- 14.8.2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share.

15. **CALLS ON SHARES AND FORFEITURE**

- 15.1 Subject to these Articles and the terms on which shares are allotted, the directors may send a notice (a "**call notice**") to a member requiring the member to pay the Company a specified sum of money (a "**call**") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.

- 15.2 A call notice:-

- 15.2.1 may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium);

- 15.2.2 must state when and how any call to which it relates is to be paid; and

- 15.2.3 may permit or require the call to be paid by instalments.

- 15.3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the call notice was sent.

- 15.4 Before the Company has received any call due under a call notice the directors may:-

- 15.4.1 revoke it wholly or in part; or

- 15.4.2 specify a later time for payment than is specified in the call notice;

- by a further notice in writing to the member in respect of whose shares the call was made.

- 15.5 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which the call is required to be paid.

- 15.6 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 15.7 Subject to the terms on which shares are allotted, the directors may, when issuing shares, make arrangements for a difference between the holders in the amounts and times of payment of calls on their shares.
- 15.8 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is allotted, as being payable to the Company in respect of that share (whether in respect of nominal value or premium):-
- 15.8.1 on allotment;
 - 15.8.2 on the occurrence of a particular event; or
 - 15.8.3 on a date fixed by or in accordance with the terms of issue.
- 15.9 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.
- 15.10 If a person is liable to pay a call and fails to do so by the call payment date:-
- 15.10.1 the directors may send a notice of forfeiture (a "**forfeiture notice**") to that person; and
 - 15.10.2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
- 15.11 For the purposes of this Article:-
- 15.11.1 the "call payment date" is the date on which 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
 - 15.11.2 the "relevant rate" is the rate fixed by the terms on which the share in respect of which the call is due was allotted or, if no such rate was fixed when the share was allotted, five percent per annum.

- 15.12 The relevant rate must not exceed by more than five 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.
- 15.13 The directors may waive any obligation to pay interest on a call wholly or in part.
- 15.14 A forfeiture notice:-
- 15.14.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
 - 15.14.2 must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
 - 15.14.3 must require payment of a call and any accrued interest by a date which is not less than 14 days after the date of the forfeiture notice;
 - 15.14.4 must state how the payment is to be made; and
 - 15.14.5 must state that if the forfeiture notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.
- 15.15 If a forfeiture notice is not complied with before the date by which payment of the call is required in the forfeiture notice, 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.
- 15.16 Subject to the following provisions of this Article 15.16, the forfeiture of a share extinguishes:-
- 15.16.1 all interests in that share, and all claims and demands against the Company in respect of it; and
 - 15.16.2 all other rights and liabilities incidental to the share as between the person in whose name the share is registered and the Company.

15.17 Any share which is forfeited:-

- 15.17.1 is deemed to have been forfeited when the directors decide that it is forfeited;
- 15.17.2 is deemed to be the property of the Company; and
- 15.17.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.

15.18 If a person's shares have been forfeited:-

- 15.18.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- 15.18.2 that person ceases to be a member in respect of those shares;
- 15.18.3 that person must surrender the certificate for the shares forfeited to the Company for cancellation;
- 15.18.4 that person remains liable to the Company for all sums due and payable by that person at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
- 15.18.5 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.

15.19 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on such terms as they think fit.

15.20 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.

15.21 A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been forfeited on a specified date:-

- 15.21.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - 15.21.2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share.
- 15.22 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.
- 15.23 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:-
 - 15.23.1 was, or would have become, payable; and
 - 15.23.2 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.
- 15.24 A member may surrender any share:-
 - 15.24.1 in respect of which the directors may issue a forfeiture notice;
 - 15.24.2 which the directors may forfeit; or
 - 15.24.3 which has been forfeited.
- 15.25 The directors may accept the surrender of any such share.
- 15.26 The effect of surrender on a share is the same as the effect of forfeiture on that share.
- 15.27 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

16. SHARE CERTIFICATES

16.1 The Company must issue each member with one or more certificates in respect of the shares which that member holds.

16.2 Except as is otherwise provided in these Articles, all certificates must be issued free of charge.

16.3 No certificate may be issued in respect of shares of more than one class.

16.4 A member may request the Company, in writing, to replace:-

16.4.1 the member's separate certificates with a consolidated certificate; or

16.4.2 the member's consolidated certificate with two or more separate certificates.

16.5 When the Company complies with a request made by a member under 16.4 above it may, at the director's discretion, charge a reasonable fee for doing so.

16.6 Every certificate must specify:-

16.6.1 for how many shares and of what class, it is issued;

16.6.2 the nominal value of those shares;

16.6.3 the amount paid up, if any, on those shares; and

16.6.4 any distinguishing numbers assigned to them.

16.7 Certificates must:-

16.7.1 have affixed to them the Company's common seal; or

16.7.2 be otherwise executed in accordance with the Companies Acts.

17. CONSOLIDATION OF SHARES

17.1 This Article applies in circumstances where:-

17.1.1 there has been a consolidation of shares; and

17.1.2 as a result, members are entitled to fractions of shares.

17.2 The directors may:-

17.2.1 sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable; and

17.2.2 authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser.

17.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.

17.4 A person to whom shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

17.5 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to the sale.

18. **DIVIDENDS**

18.1 Except as otherwise provided by these Articles or the rights attached to the shares, all dividends must be:-

18.1.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

18.1.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

18.2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

18.3 For the purpose of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

19. CAPITALISATION OF PROFITS

19.1 Replace Model Article 36(4) with the following:

“A capitalised sum which was appropriated from profits available for distribution may be applied:

19.1.1 in or towards paying up any amounts unpaid on any existing nil or partly paid shares held by the persons entitled; or

19.1.2 in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct“

19.2 Model Article 36(5)(a) is amended by the deletion of the words "paragraphs (3) and (4)" and replaced with "Model Article 36(3) and Article 19.1 above".

20. WRITTEN RESOLUTIONS OF MEMBERS

20.1 Subject to Article 20.2, a written resolution of members passed in accordance with Part 13 of the 2006 Act is as valid and effectual as a resolution passed at a general meeting of the Company.

20.2 The following may not be passed as a written resolution and may only be passed at a general meeting:-

20.2.1 a resolution under section 168 of the 2006 Act for the removal of a director before the expiration of his period of office; and

20.2.2 a resolution under section 510 of the 2006 Act for the removal of an auditor before the expiration of his period of office.

20.3 Subject to Article 20.4, on a written resolution, a member has one vote in respect of each share held by him.

20.4 No member may vote on a written resolution unless all moneys currently due and payable in respect of any shares held by him have been paid.

21. NOTICE OF GENERAL MEETINGS

21.1 Every notice convening a general meeting of the Company must comply with the provisions of:-

21.1.1 section 311 of the 2006 Act as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting; and

21.1.2 section 325(1) of the 2006 Act as to the giving of information to members regarding their right to appoint proxies.

21.2 Every notice of, or other communication relating to, any general meeting which any member is entitled to receive must be sent to each of the directors and to the auditors (if any) for the time being of the Company.

22. QUORUM AT GENERAL MEETINGS

22.1 If and for so long as the Company has one member (who holds Ordinary Shares and has entitlement to vote), one member entitled to vote on the business to be transacted, who is present at a general meeting in person or by one or more proxies or, in the event that the member is a corporation, by one or more corporate representatives, is a quorum.

22.2 If and for so long as the Company has two or more members who are entitled to vote, two members, each of whom is entitled to vote on the business to be transacted and is present at a general meeting in person or by one or more proxies or, in the event that any member present is a corporation, by one or more corporate representatives, are a quorum.

22.3 Model Article 41(1) is modified by the addition of a second sentence as follows:-

"If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved."

23. VOTING AT GENERAL MEETINGS

23.1 Subject to Article 23.3 below, on a vote on a resolution at a general meeting on a show of hands:-

23.1.1 each member who, being an individual, is present in person has one vote;

- 23.1.2 if a member (whether such member is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies so appointed and in attendance at the meeting have, collectively, one vote; and
 - 23.1.3 if a corporate member appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the 2006 Act, one vote.
- 23.2 Subject to Article 23.4 below, on a resolution at a general meeting on a poll, every member (whether present in person, by proxy or authorised representative) has one vote in respect of each share held by him.
- 23.3 No member may vote at any general meeting or any separate meeting of the holders of any class of shares in the Company, either in person, by proxy or, in the event that the member is a corporation, by corporate representative in respect of shares held by that member unless all moneys currently due and payable by that member in respect of any shares held by that member have been paid.
- 23.4 A poll may be demanded by:
 - 23.4.1 the chairman of the meeting; or
 - 23.4.2 the directors; or
 - 23.4.3 two or more persons having the right to vote on the resolution; or
 - 23.4.4 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution; or
 - 23.4.5 by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand for a poll made by a person as proxy for a member is the same as a demand made by the member.

- 23.5 Polls must be taken at the general meeting at which they are demanded and in such manner as the chairman directs.

24. DELIVERY OF PROXY NOTICES

- 24.1 Model Article 45(1) is modified, such that a "proxy notice" (as defined in Model Article 45(1)) and any authentication of it demanded by the directors must be received at an address specified by the Company in the proxy notice not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote; and any proxy notice received at such address less than 48 hours before the time for holding the meeting or adjourned meeting shall be invalid.

25. COMMUNICATIONS

- 25.1 Subject to the provisions of the 2006 Act, a document or information may be sent or supplied by the Company to a person by being made available on a website.
- 25.2 A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by electronic means is entitled to have notices sent to him at that address, but otherwise no such member is entitled to receive any notices from the Company.
- 25.3 If any share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders.
- 25.4 If the Company sends or supplies notices or other documents by first class post and the Company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting.
- 25.5 If the Company sends or supplies notices or other documents by electronic means and the Company proves that such notices or other documents were

properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied.

25.6 If the Company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website.

25.7 For the purposes of this Article 25, no account shall be taken of any part of a day that is not a working day.

26. **COMPANY SEALS**

26.1 Model Article 49(1) is modified, such that any common seal of the Company may be used by the authority of the directors or any committee of directors.

26.2 Model Article 49(3) is modified to read as follows:

"Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by:

- (a) one authorised person in the presence of a witness who attests the signature; or
- (b) two authorised persons".

27. **TRANSMISSION OF SHARES**

27.1 Model Article 27 is amended by the addition of a new Model Article 27(4) as follows:

"Nothing in these Articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member."

27.2 All the Articles relating to the transfer of shares apply to:-

27.2.1 any notice in writing given to the Company by a transmittee in accordance with Model Article 28(1); and

27.2.2 any instrument of transfer executed by a transmittee in accordance with Model Article 28(2),

as if such notice or instrument were an instrument of transfer executed by the person from whom the transmittee derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

28. SHARE TRANSFERS

28.1 Model Article 26(1) is amended to read as follows:

“Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and, if any of the shares are nil or partly paid, the transferee.”

28.2 The directors may refuse to register the transfer of a share where it is not being made in accordance with the provisions of these Articles, and, if they do so, the instrument of transfer must be returned to the transferee together with a notice of refusal giving reasons for such refusal as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged for registration, unless the directors suspect that the proposed transfer may be fraudulent.