

IN THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION

of

BRUNEL INSURANCE BROKERS LIMITED

(Adopted by Special Resolution dated 18 September 2023)

INTERPRETATION

1.1 In these Articles, if not inconsistent with the subject or context:-

“the Act”	means the Companies Act 2006 and any statutory modification or re-enactment from time to time in force;
“the Articles”	means these Articles of Association as amended from time to time;
“Bad Leaver”	means an Employee Member who holds “B” Shares and who ceases to be employed by the Company at any time by virtue of a dismissal by the Company which is not determined by an employment tribunal or a court of competent jurisdiction (from which no right of appeal has been granted), to be a wrongful, unfair or constructive dismissal;
“Board”	means the duly appointed board of directors for the time being of the Company and “Director” means a statutory director who is a member of the Board and “Directors” shall be construed accordingly;
“Business Days”	means Monday to Friday inclusive but excluding statutory holidays or days on which banks generally are not open for business;
“the Chairman”	means such person as shall be appointed as chairman of the Company in writing by a Voting Majority;
“Class”	means in relation to shares in the capital of the Company either an Ordinary Share of £0.001 (“Ordinary Share”) or an “A” Ordinary Share of £0.001 (“A” Share) or a “B” Ordinary Share of £0.001 (“B” Share) or a “C” Ordinary Share of £0.001 (“C” Share) (but for the avoidance of doubt shall not include a Preference Share), and “Classes” shall be construed accordingly;
“Connected Person”	means as defined by Section 839 of the Income and Corporation Taxes Act 1988;
“Disability”	means in respect of an Employee Member that he is incapable for a period of twelve months from performing his duties as an employee of the Company by virtue of

any physical or mental illness, injury or incapacity or is duly certified as being so incapacitated by a medical practitioner approved by the Board (such approval not to be unreasonably withheld or delayed);

“Employee Member”

means any Member who holds “B” Shares and is also an employee or a director of the Company;

“the Expert”

means an independent chartered accountant to be agreed by a Voting Majority or (in default of such agreement) to be nominated by the President for the time being of the Institute of Chartered Accountants for England and Wales on the application of any Member;

“Fair Value”

means the value of a Share or Shares calculated on the following basis:

- (i) reflecting any factors which the Expert reasonably believes should be taken into account by (a) assessing the historical and projected financial performance of the Group; and (b) applying generally accepted methodologies for valuing the Company, including discounted cash flow analysis;
- (ii) as between a willing seller and a willing buyer contracting on arm's length terms;
- (ii) having regard to the fair value of the business of the Company as a going concern;
- (iii) assuming that such Shares or Shares are capable of being transferred without restriction;
- (iv) applying principles and practices consistent with those applied in the previous financial statements of the Company; and
- (v) taking due account as appropriate of the impact on the Company's business of any material or persistent breaches of or termination of any Shareholders' Agreement or any employment or other agreement to which any member of the Group is a party;

but without taking into account (if it be the case) the fact that such Share or Shares constitute a minority or majority interest;

“Financial Year”

means the Company's financial year from time to time;

“Good Leaver”

means an Employee Member who ceases to be employed by the Company and is not a Bad Leaver;

“Group”

means in relation to any company, any holding company of that company and any subsidiaries of that company or its holding company;

“Model Articles”

the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended;

"Member"	means a party holding a Share or Shares and "Members" shall be construed accordingly;
"Member Related Contract"	means any agreement, transaction or arrangement (including payment of any sum on an ex gratia basis) made between a Member (or a person who in relation to such person is a Connected Person) and any member of the Group;
"Preference Share"	means a 5% Secured Preference Share of £1.00 in the capital of the Company;
"Pro Rata Proportion"	means with respect to any Member a percentage calculated by dividing the number of Shares held by such Member at the relevant time by the total number of all Shares then in issue;
"Shareholders' Agreement"	means any one or more written agreements relating to the Company and to which some or all of the Members are a party, and which is either expressly stated on its face to be a Shareholders' Agreement or is clearly intended to take effect as such for the purposes of these or of any earlier Articles, as any such agreement is amended, waived, restated, modified or supplemented from time to time;
"Share"	means a share of any Class (but for the avoidance of doubt shall not include a Preference Share), and "Shares" shall be construed accordingly;
"Voting Majority"	means the written approval and consent of those Members holding such Shares as are entitled to exercise at least 75% of the votes at a general meeting of the Company, pursuant to 8.16; and
"Year End Day"	means the last day of the Financial Year.

- 1.2 Any term or expression defined in the Act shall, unless the context otherwise requires, have the same meaning in these Articles.
- 1.3 The singular shall include the plural and vice versa.
- 1.4 The expression "Member" or "Members" includes his personal representatives.
- 1.5 References to the masculine gender shall include the feminine gender.
- 1.6 Where the context so permits, reference to a "clause" shall be a reference to a clause in these Articles and reference to a "paragraph" shall be a reference to a sub-clause in these Articles.
- 1.7 Reference to a "person" shall include a limited company or any other body corporate, where the context so permits.

MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company save insofar as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

- 2.2 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 where the context admits.
- 3 Any proposed amendment to or variation of these Articles shall be deemed to be a variation of the rights attached to the Shares.
- 4 Regulations 11, 12, 13, 14, 22(1), 26(1), 26(5), 41 and 52 of the Model Articles do not apply to the Company.

SHARE CAPITAL

- 5 The Company does not have power to issue share warrants to bearer.
- 6 The provisions of section 561(1) of the Act apply to the Company other than in respect of any issue or allotment of shares in the capital of the Company which is made pursuant to a bona fide share option scheme for the benefit of employees of the Company.
- 7 The current issued share capital of the Company is £3,900,067.30 divided into 3,900,000 Preference Shares, 57,140 Ordinary Shares, 10,140 "B" Shares and 110 "C" Shares and the Directors shall not have authority pursuant to Section 551 of the Act to issue any further Shares unless otherwise determined by a Special Resolution of the Company.

CLASS RIGHTS

- 8 Each Class and the Preference Shares shall constitute a different class of shares for the purposes of the Act and shall confer upon the holders the following rights:-

Dividends

- 8.1 In any financial year, the profits of the Company available for distribution within the meaning of Part 23 the Act ("**Available Profits**") shall be used to pay dividends as set out in this Article 8.
- 8.2 The Company shall, without resolution of the board or the Company in general meeting and before application of any Available Profits to reserve or for any other purpose, pay the holders of the Preference Shares a fixed cumulative preferential dividend ("**Preferred Dividend**") at an annual rate of 5%, of the original subscription price per Preference Share to be paid quarterly on a pro rata basis on the first day of January, April, July and September each year, to the person registered as its holder on the relevant date
- 8.3 Once all the Preferred Dividend has been paid, any Available Profits remaining that the Company in general meeting determines may be distributed among the holders of the Ordinary Shares at such respective rates (if any) as may be determined by the Company in general meeting and so that a dividend or dividends may be declared on one or several Classes to the exclusion of any other Class or Classes and that dividends at different rates may be declared on the respective Classes.
- 8.4 Subject to the Act and to these Articles, the Board may pay interim dividends if the Available Profits for the relevant period justify such payment.
- 8.5 If the Company is unable to pay the Preferred Dividend in full on the due date because there are insufficient Available Profits, it shall pay the Preferred Dividend on that date to the extent that it is lawfully able to do so.
- 8.6 Unless the Company has insufficient Available Profits, the Preferred Dividend shall be paid immediately on the due date and such payment shall be made notwithstanding any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting.

- 8.7 If the Preferred Dividend is not paid on the due date, it shall immediately become a debt due by the Company and shall be payable in priority to any other dividend.
- 8.8 If the Company is in arrears in paying the Preferred Dividend, the first Available Profits arising shall be applied in the following order of priority
- (i) first, in or towards paying off any arrears of Preferred Dividend; and
 - (ii) thereafter, in or towards redeeming all Preference Shares that have not been due date for redemption in accordance with Article 8.10.

Capital

- 8.9 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion, redemption or purchase of shares), the assets of the Company remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be applied in the following order of priority•
- (i) first, in paying to the holders of the Preference Shares £1.00 per Preference Share, together with a sum equal to any arrears and accruals of the Preferred Dividend calculated down to and including the date of the return of capital and, if there is a shortfall of assets remaining to satisfy the entitlements of holders of Preference Shares in full, the proceeds shall be distributed to the holders of the Preference Shares in proportion to the amounts due to each such share held; and
 - (ii) thereafter, in paying the holders of the Ordinary Shares and the “B” Shares pro rata as if they constituted one and the same Class

Redemption

- 8.10 Subject to the CA 2006 the Preference Shares shall be redeemed in full at any time after the date falling five years from the date of adoption of these Articles by the relevant holder giving at least 30 days written notice of the redemption to the Company (“**Redemption Notice**”).
- 8.11 The Preference Shares shall be redeemed at the expiry of the 30 day notice period refer to in article 8.10, (provided that the Company has not rejected that notice within the said period of 30 days) (“**Redemption Date**”).
- 8.12 On the Redemption Date, the Company shall pay £1.00 on each of the Preference Shares redeemed. At the same time, it shall pay any arrears or accruals of the Preferred Dividends due on such shares, calculated down to and including the Redemption Date. In the absence of any direction to the contrary by the holder of the relevant Preference Shares, any amount paid on redemption of those shares shall relate first to the arrears and accruals of the Preferred Dividends. The Preferred Dividends on the redeemed Preference Shares shall stop accruing from the date on which the redemption amount is paid.
- 8.13 On receipt of the amount payable pursuant to Article 8.12, each such holder or Preference Shares shall surrender to the Company the certificate for the Preference Shares that are to be redeemed (or an indemnity in a form reasonably satisfactory to the board in respect of any lost share certificate) to be cancelled. If any certificate (or indemnity) so surrendered includes any shares that are not redeemable at that time, the Company shall issue a new share certificate for the balance of the shares not redeemable to the holder.
- 8.14 If, on any Redemption Date, the Company is prohibited from redeeming some or all of the Preference Shares then due to be redeemed, the Company shall redeem such number of Preference Shares as it is lawfully able to redeem. If there is more than one holder whose Preference Shares are due to be redeemed, those

Preference Shares shall be redeemed in proportion as nearly as possible to their existing holdings of Preference Shares and the Company shall redeem the balance of those shares as soon as practicable.

- 8.15 For so long as the Company is prohibited from redeeming Preference Shares, and some or all of the Preference Shares have not been redeemed, the Preferred Dividends shall, notwithstanding the other provisions of these Articles, continue to accrue down to and including the date on which such shares are actually redeemed, and the Company shall not pay any dividend or otherwise make any distribution out of capital or otherwise decrease its Available Profits. If the Company fails to make any partial redemption of Preference Shares, then subsequent redemptions of Preference Shares shall be deemed to be of those Preference Shares that first became due for redemption.

Voting

- 8.16 Each of the Shares shall entitle the holder thereof to the right to attend general meetings of the Company and to exercise:-

- (i) 10 votes per Share in respect of each of the Ordinary Shares;
- (ii) 12 votes per Share in respect of each of the "B" Shares; or
- (iii) 1,000 votes per Share in respect of each of the "C" Shares.

- 9 Regulation 42 of the Model Articles shall apply to the voting rights of Members save that if any Member purports to dispose of any interest in any Shares otherwise than in accordance with the provisions of these Articles, then the Shares concerned shall cease to entitle the holder to attend and vote at general meetings of the Company unless and until the provisions of these Articles have been fully complied with.

PERMITTED TRANSFERS

- 10 The directors shall not register any transfer of Shares in the Company unless:--
- 10.1 it is a Preference Share, the same being freely transferable by the holder(s) thereof;
 - 10.2 expressly permitted by these Articles; and
 - 10.3 the transferee has executed any deed of adherence required to be executed pursuant to a subsisting Shareholders' Agreement.
- 11 Any Share may be transferred at any time by a Member to any other person with the prior written consent of a Voting Majority.

ALLOTMENT OF SHARES

- 12 Shares shall be allotted only as follows:-
- 12.1 on the occasion of each allotment the Shares being allotted shall be allotted at the same price (not being at a discount) and on the same terms as to date for payment; and
 - 12.2 no Shares shall be issued otherwise than to Members already holding Shares of the same Class and in Pro Rata Proportion unless otherwise determined by a Special Resolution of the Company.
- 13 The Company shall have a first and paramount lien on every Share for all moneys (whether presently payable or not) called or payable at a fixed time and in respect of that Share. The Company shall also have a first and paramount lien on all Shares registered in the name of any person (whether solely or jointly with others) for all moneys owing to the Company from

him or his estate either alone or jointly with any other person, whether as a Member or not and whether such moneys are presently payable or not. The directors may at any time declare any Share to be wholly or partly exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it.

TRANSFER OF SHARES

- 14 The instrument of transfer of any Share shall be executed by or on behalf of the transferor. In the case of a partly-paid Share, the instrument of transfer must also be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of Members in respect of it.
- 15 Other than in relation to transfers of Shares or Preference Shares permitted pursuant to Article 11 or in circumstances where Article 16 (Drag Along) applies, no transfer of any Shares or any interest in Shares shall be made unless the following provisions are complied with in respect of the transfer.
- (A) A Member, or person entitled to Shares by way of the death or bankruptcy of a Member (or upon the liquidation or administration or administrative receivership of any corporate Member), who wishes to transfer Shares or any interest in Shares ("**the Vendor**") shall serve on the Company notice in writing (a "**Transfer Notice**"). A Transfer Notice shall constitute the directors of the Company (excepting the Vendor and any director(s) appointed by the Vendor or any Connected Person of the Vendor (as applicable)) ("**Independent Directors**") as the Vendor's agents for the sale of the Shares specified in it ("**the Sale Shares**") at a price per Share ("**the Sale Price**") which is agreed upon by the Vendor and the Independent Directors or, in the absence of agreement within 20 Business Days of the date of the Transfer Notice, which the Expert (appointed in accordance with paragraph (B) below and acting as an expert and not as an arbitrator) certifies to be in his opinion the Fair Value of such Share or Shares, as at the date of the Transfer Notice.
- (B) Any Expert required to be appointed pursuant to paragraph (A) above shall be selected and appointed by the Company, with the approval in writing of a Voting Majority, and shall be a firm of accountants with the requisite valuation skills and market knowledge (not being the auditors of the Company for the time being and not having any conflict of interest with any Group member or with any Member).
- (C) If the Expert is asked to certify the Sale Price, the Company shall within 21 days of the issue of the Expert's certificate send a copy to each Member. Subject to any contrary provisions of the Shareholders' Agreement or these Articles, the Vendor shall be entitled, by notice in writing given to the Company within 14 days of the copy being sent to him, to withdraw the Transfer Notice whereupon the cost of obtaining the certificate shall be borne by the Company. A Transfer Notice shall not otherwise be revocable without the consent of all the Independent Directors, who may impose such condition upon any consent as they think fit, including a condition that the Vendor bears all associated costs.
- (D) Upon the Sale Price being agreed or certified by the Expert and provided the Vendor does not withdraw the Transfer Notice in accordance with paragraph (C) (where permitted to do so), the Independent Directors shall within seven days, by notice in writing, offer the Sale Shares to all those Members holding Ordinary Shares or "A" Shares (other than the Vendor). The offer shall be open for a period of 28 days from the date of the Transfer Notice ("**the Acceptance Period**"). If applications are received by the Company by such offerees within the Acceptance Period for a total number of Shares which:-
- (i) is equal to or greater than the number of Sale Shares, the Independent Directors shall allocate the Sale Shares amongst the relevant applicants ("**the Transferees**") pro rata to their respective Share holdings (and, where required, scaling back over-applications in such manner as the Independent Directors see fit, acting in good faith, but avoiding fractional entitlements (by rounding up

or down) and avoiding allocation to any applicant of a greater number of Sales Shares than the number for which such person applied), and paragraph ((E)) below shall apply; or

- (ii) is less than the number of Sale Shares (or where no applications are received), then the Transfer Notice shall be deemed to be withdrawn and paragraph (G) below shall apply.
- (E) Where paragraph (D)(i) applies, the Independent Directors shall promptly give notice in writing to the Vendor specifying the allocation of Sale Shares to Transferees and the Company shall notify the Vendor and the Transferees of the place and time (being not earlier than 30 days and not later than 60 days thereafter (unless all such parties agree otherwise) at which the sale shall be completed ("**Completion Notice**"), and upon such service of a Completion Notice the Vendor shall be bound to transfer the Sale Shares to the Transferees (and the Transferees shall be bound to purchase the Sale Shares) at the time and place specified in the Completion Notice, and prior to the date for completion notified in the Completion Notice:-
 - (a) the Vendor shall deliver to the Company share certificates relating to the Shares being transferred (or an indemnity in a form satisfactory to the Transferee(s) acting reasonably relating to any share certificate that has been lost or destroyed) and a duly executed stock transfer form or forms and shall notify to the Company the bank account details for transmission of the aggregate consideration under paragraph (F) below; and
 - (b) payment of the Sale Price for the Sale Shares shall be made in the relevant proportions by the Transferees to the Company as agent for the Vendor (and the Company shall hold such monies in a separate bank account in the Company's name and hold it in trust for the Vendor).
- (F) If the Vendor fails to transfer the Sale Shares, any one of the Independent Directors (selected by them, acting by majority, and notified to the Vendor in writing) shall be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, transfers of the Sale Shares to the Transferees against payment of the Sale Price to the Company (and lost share certificate indemnities, to the extent required). On payment to the Company pursuant to paragraph (E)(b), each Transferee shall be deemed to have obtained a good discharge for his obligation to make payment for those Sale Shares allocated to him. On execution and delivery of the transfers, the Transferees shall be entitled to require their names to be entered in the register of Members as the holders by transfer of the Sale Shares. The Company shall then pay the aggregate consideration for the Sale Shares from the relevant account, after deducting any fees or expenses falling to be borne by the Vendor) to the relevant account of the Vendor. After the names of the Transferees have been entered in the register of Members in purported exercise of the above powers, the validity of the proceedings shall not be questioned by any person.
- (G) If the offer of the Sale Shares at the Sale Price is not accepted in whole or in part within the Acceptance Period by Members holding Ordinary Shares, then the same procedure stated in paragraphs (D) to (F) (inclusive) shall be repeated but with Members holding Ordinary Shares or "A" Shares being substituted for Members holding Ordinary Shares.
- (H) If the offer of the Sale Shares at the Sale Price is still not accepted in whole or in part within the Acceptance Period, then for a period of three months following the expiry of the Acceptance Period:
 - (i) the Vendor shall be at liberty to transfer the Sale Shares to any person at a price per Share not being less than the Sale Price;
 - (ii) the Independent Directors may require to be satisfied that the Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated

in the transfer without any deduction, rebate or allowance of any kind to the Purchaser; and

- (iii) if not satisfied, the Independent Directors may refuse to register the relevant instrument of transfer and for the avoidance of doubt, a director who is, or is nominated by, the Vendor shall not be entitled to vote at any board meeting at which a resolution relating to the sale is proposed.
- (I) Upon transferring any of the Sale Shares to the Transferee(s) or to a third party in accordance with the provisions of this Article the Vendor shall procure that any director appointed by the Vendor to the board of the Company shall resign and, pending registration of the transfer, shall assist (if necessary) in procuring that directors nominated by the transferee are appointed in their place.
- (J) Notwithstanding the above, the Independent Directors may decline to register a transfer of a share on which the Company has a lien.
- (K) For the purposes of paragraph (L) below the following shall be deemed to be a **Relevant Event**:-
 - (i) a direction (by way of renunciation, nomination or otherwise) by a Member entitled to an allotment or transfer of Shares to the effect that all or any of the Shares be allotted, issued or transferred to some person other than himself;
 - (ii) a sale or other disposition of any beneficial interest in a Share (whether or not for consideration) by a Member otherwise than in accordance with the provisions of these Articles and/or any Shareholders' Agreement and whether or not made in writing;
 - (iii) a corporate Member entering into liquidation (other than a Members' voluntary liquidation for the purpose of reconstruction or amalgamation) or an administrative receiver or a receiver being appointed over any of its assets or an administration order being made against it;
 - (iv) the death or bankruptcy of a Member who is an individual; or
 - (v) an Employee Member ceasing to be an employee of the Company or any subsidiary.
- (L) If a Relevant Event occurs in relation to a Member, he shall be deemed to have given a Transfer Notice in respect of all Shares of each class held by him immediately prior to that event as at the date of the Relevant Event.
- (M) Any Transfer Notice deemed to have been given under (L) of this Article 15 shall be deemed to contain a provision, binding on the Company, that unless all the Sale Shares comprised in it are sold by the Company pursuant to this Article none shall be sold. Paragraph (C) of this Article shall not apply in so far as it entitles the Vendor to withdraw the Transfer Notice. Where a Member gives a Transfer Notice in circumstances where a Transfer Notice would otherwise be deemed to have been given by him he shall not be entitled to withdraw it.
- (N) For the purpose of ensuring that a transfer of Shares is duly authorised, or that no circumstances have arisen whereby a Transfer Notice is deemed to have been given, the Independent Directors may require a Member, the legal representatives of a deceased Member, the liquidator of a corporate Member or a person named as transferee in a transfer lodged for registration to furnish to the Company such information and evidence as the Independent Directors reasonably think fit regarding any matter they deem relevant to that purpose. If the information or evidence is not furnished to the reasonable satisfaction of the Independent Directors within a reasonable time after the request, the Independent Directors shall be entitled to refuse

to register the transfer in question. In a case where no transfer is in question or if the information or evidence discloses that a Transfer Notice ought to be given in respect of any Shares, the Independent Directors shall be entitled within a reasonable time to require, by notice in writing given to the registered holder, that a Transfer Notice be given in respect of the Shares concerned. For the avoidance of doubt, a director who is, or is nominated by, the Vendor or the holder of the shares concerned shall not be entitled to vote at any board meeting at which a resolution considering the registration of a transfer or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned is proposed. If the Independent Directors require that a Transfer Notice be given and it is not duly given within one month from the date of its being required, the Transfer Notice shall be deemed to have been given at the expiration of the month and the provisions of this Article shall take effect accordingly.

- (O) Subject to paragraph (N) of this Article, the directors shall register any transfer made pursuant to or permitted by this Article but shall refuse to register any other transfer.
- (P) In any case where a Transfer Notice is deemed to have been served in respect of an Employee Member pursuant to paragraph (K)(v) of this Article 15 then:-
 - (i) if the Employee Member is a Bad Leaver then the Sale Price shall be deemed to be the par value of the Sale Shares; or
 - (ii) if the Employee Member is a Good Leaver the Sale Price shall be the price calculated in accordance with Article 15(A).

16 DRAG ALONG OPTION

- 16.1 If Members holding at least 75% of the Shares (together the "**Dragging Shareholders**") wish to transfer all their Shares ("**Sale Shares**") to any party (a "**Buyer**"), the Dragging Shareholders will have the option ("**Drag Along Option**") to require any or all of the other holders of Shares to transfer all their Shares ("**Dragged Shares**") with full title guarantee to the Buyer or as the Buyer will direct in accordance with this Article 16.1 ("**Drag Exit**").
- 16.2 The Dragging Shareholders may exercise the Drag Along Option at any time before the registration of the transfer of the Shares in the Company held by the Dragging Shareholders by giving notice to that effect ("**Drag Along Notice**") to all other Members ("**Called Shareholders**"). A copy of the Drag Along Notice will, for information only, also be given to the Company at its registered office (but any failure or delay in giving such copy will in no way prejudice the operation of this Article 16.3).
- 16.3 A Drag Along Notice will:
 - (A) specify that the Called Shareholders are required to transfer all their Dragged Shares in the Company;
 - (B) set out the material terms and conditions of the Drag Exit including:
 - (C) the Drag Sale Value;
 - (D) the consideration for the Dragged Shares;
 - (E) the proposed date of transfer (if known); and
 - (F) the identity of the Buyer; and
 - (G) be accompanied by copies of all documents required to be executed by the Called Shareholders to give effect to the Drag Exit or the Partial Drag, as the case may be.
- 16.4 The validity of a Drag Exit pursuant to this Article 16.5 will not be affected by the Buyer offering different forms of consideration to the Dragging Shareholders and the Called Shareholders or

different forms of consideration as between the Called Shareholders or the Dragging Shareholders, provided that on the date of the Transfer, the value of the consideration offered per Dragged Share is at least equal to the value offered for the corresponding Shares of the Dragging Shareholders.

- 16.5 Without prejudice to Article 16.4 above, the Drag Exit or Partial Drag will be on the same terms and conditions (including, for the avoidance of doubt, as to participating in any escrow arrangements on the same terms as the Dragging Shareholders pro-rata to its participation in such Drag Exit) as has been agreed between the Dragging Shareholders and the proposed Buyer, provided that the Called Shareholders will only be obliged to give or be liable for the same warranties as are given by the Dragging Shareholders and the liability of each Called Shareholder will be capped at the maximum amount they will receive pursuant to the Drag Exit.
- 16.6 A Drag Along Notice served by post will be deemed served when the envelope containing it is placed in the post and the applicable notice provisions of these Articles will in the context of a Drag Along Notice be amended accordingly. The notice provisions of these Articles will otherwise apply to the service of a Drag Along Notice as if it were a notice to be given under these Articles by the Company.
- 16.7 Each Called Shareholder, upon receipt of the Drag Along Notice, will be obliged to:
- (A) sell all of their Dragged Shares, and participate in the Drag Exit;
 - (B) in respect of any Shares owned, vote their Shares in favour of the Drag Exit at any meeting of Members called to vote on or approve the Drag Exit and/or consent in writing to the Drag Exit;
 - (C) procure that any directors designated by it vote in favour of the Drag Exit; and
 - (D) bear their Pro Rata Portion of any costs of a Drag Exit.
- 16.8 If following the 120th day from the date of the Drag Along Notice the Dragging Shareholders have not completed the proposed transaction, the Drag Along Notice will cease to be of effect and each Called Shareholder will be irrevocably released from such obligations under the Drag Along Notice and the rights of the Members holding Shares pursuant to this Article 16.9 will be reinstated.
- 16.9 A Drag Along Notice may be revoked by the Dragging Shareholders at any time prior to completion of the sale of the Dragged Shares and any such revocation notice will be served in the manner prescribed for a Drag Along Notice in Article 16.2.
- 16.10 Completion of the sale of the Dragged Shares will take place on the same date as the date of actual completion of the sale of the Sale Shares unless all of the Called Shareholders and the Dragging Shareholders agree otherwise.
- 16.11 Each Called Shareholder will on service of the Drag Along Notice be deemed to have irrevocably appointed each of the Dragging Shareholders severally to be his attorney to execute any stock transfer and covenant for full title guarantee in respect of the Dragged Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Dragged Shares pursuant to this Article 16.12.
- 16.12 Any rights of pre-emption and other restrictions on transfer contained in these Articles will not apply on any sale and transfer of Shares by the Dragging Shareholders, the Called Shareholders or any other Member to the Buyer named in a Drag Along Notice.
- 16.13 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Shares pursuant to the exercise of pre-existing option to acquire Shares in the Company (including pursuant to a Share Option Scheme) or otherwise, a Drag Along Notice, on the same terms as the previous Drag Along Notice, will be deemed to have been served upon such Member

immediately upon such acquisition and such person will thereupon be bound to sell and transfer all such Shares acquired by him to the Buyer or as the Buyer may direct and the provisions of this Article 16.12 will apply mutatis mutandis to such Member save that completion of the sale of such Shares will take place immediately upon the Drag Along Notice being deemed served on such Member or, if later, upon the date of completion under the previous Drag Along Notice.

17 TAG ALONG

- 17.1 No transfer (other than a Permitted Transfer) of any Shares held by a Member or Members holding at least 75% of the Shares may be made or validly registered, unless the relevant Member(s) ("**Selling Member**") has observed the procedures set out in this Article 17.
- 17.2 The Selling Member shall give each other Member (an "**Offeree**") at least 15 Business Days' notice in advance of the proposed sale (a "**Tag Along Notice**"). The Tag Along Notice shall specify:
- 17.2.1 the identity of the proposed buyer ("**Buyer**");
- 17.2.2 the price per share that the Buyer proposes to pay;
- 17.2.3 the manner in which the consideration is to be paid; and
- 17.2.4 the number of Shares that the Selling Member proposes to sell.
- 17.3 Each Offeree shall, within 10 Business Days following receipt of the Tag Along Notice, notify the Selling Member whether he wants to sell any Shares held by him upon the same terms and at the same price as set out in the Tag Along Notice. Such notification shall be made by delivering a written counter-notice to the Selling Member which shall specify the number of Shares that the Offeree wants to sell.
- 17.4 If the Offeree does not send a counter-notice within that 10 Business Day period, he shall be deemed to have specified that he does not want to sell any Shares.
- 17.5 After the expiry of 10 Business Days from the date that the Offerees receive the Tag Along Notice, the Selling Member shall be entitled to sell to the Buyer (on the terms notified to the Offeree) a number of shares not exceeding the number specified in the Tag Along Notice.
- 16.14 If the Offeree shall within 10 Business Days of receipt of the Tag Along Notice serve on the Selling Member and the Buyer notice of his wish to sell all or any of his Shares, on the same terms and at the same price as offered to the Selling Member and as stated in the Tag Along Notice ("**the Counter-Notice**"), then the Selling Member shall be obliged to procure that the Buyer acquires those Shares of the Offeree upon the same terms as those offered to the Selling Member in the Tag Along Notice, provided that such sale shall then be completed within 15 Business Days of receipt by the Selling Member and the Buyer of the Counter-Notice.

GENERAL MEETINGS

- 16 The powers of consolidation, division, sub-division and cancellation of the share capital of the Company conferred by the Act shall be exercised by special resolution.
- 17 No business shall be transacted at any general meeting unless the requisite quorum is present. Members holding at least 75% of the Shares, present in person or by proxy (or, in the case of a corporate Member, by representative) shall be a quorum for all purposes. Where all the Members have waived in writing the quorum requirement, the waiver shall be effective for the meeting or particular business, or otherwise, as specified in the waiver.
- 18 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day (or, if that day is a holiday, to the next following working day) in the next week but one and at the same time and place or to such

other date, time and place as the directors determine (not being more than 30 days nor less than 10 days after the date appointed for the general meeting unless agreed by the holders of not less than nine tenths in nominal value of the Shares entitled to vote at the meeting). If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, then the meeting shall be terminated.

- 19 Where a meeting is adjourned under Article 18 for 10 days or more, not less than 7 days' notice of the adjourned meeting shall be given as in the case of an original meeting.

DIRECTORS

- 20 The directors shall unless otherwise determined by a special resolution of the Company be not more than four in number.
- 21 The Chairman shall have a casting vote at any meeting of the directors or the Members PROVIDED THAT the use of that casting vote does not contravene the terms of any Shareholders Agreement.
- 22 A director does not require a shareholding qualification but the Chairman must hold one or more Shares.

POWERS AND DUTIES OF DIRECTORS

- 23 Subject to the provisions of the Act, a director may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a director. A director may vote in respect of the contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company. He may also be counted in the quorum at any meeting at which the matter is considered.

ALTERNATE DIRECTORS

- 24 A director (other than an alternate director) may appoint any person to be an alternate director and may remove from office an alternate director appointed by him. When an alternate director is also a director or acts as an alternate director for more than one director, he shall have one vote for every director represented by him (in addition to his own vote if he is himself a director). When acting, he shall be considered as two directors for the purpose of making a quorum if the quorum exceeds two.

DISQUALIFICATION OF DIRECTORS

- 25 Regulation 18 of the Model Articles shall be amended by substituting the following for paragraph (d):-

(d) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as a director;

and by inserting the following paragraph (g):-

(g) he is otherwise duly removed from office.

- 26 A director shall not be required to vacate his office or be ineligible for re-election, and no person shall be ineligible for appointment as a director, by reason only of his attaining or having attained any particular age.

PROCEEDINGS OF DIRECTORS

- 27 Regulation 9(3) of the Model Articles shall be amended by inserting the following sentence after "Notice of a directors' meeting must be given to each director":-

'including directors who are absent from the United Kingdom and have given the Company their addresses outside the United Kingdom'

and inserting the following sentence after "but need not be in writing":-

'Directors who are absent from the United Kingdom shall be entitled to receive 14 days' notice of every meeting.'

- 28 Questions arising at any meeting of the directors or of any committee shall be decided by a majority of votes of the directors present.
- 29 The quorum necessary for the transaction of business at any meeting of the directors or of any committee is two directors.
- 30 Notice of any meeting of the directors may be given by telephone. The contemporaneous linking together by telephone of a number of the directors being not less than the quorum shall be deemed to constitute a meeting of the directors wherever in the world they are, so long as:-
- 30.1 the Chairman or his alternate director shall be present at the meeting in order to constitute a quorum;
- 30.2 at the commencement of the meeting each director acknowledges the presence thereof to all the other directors taking part;
- 30.3 each of the directors taking part are able hear each other of them subject as hereinafter mentioned throughout the meeting;
- 30.4 the directors present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, but the meeting shall be deemed to have been conducted validly notwithstanding that the telephone of any director is accidentally disconnecting during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone had not been disconnected; and
- 30.5 minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if certified by both the chairman and the company secretary

CAPITALISATION OF PROFITS

- 31 The words 'special resolution' shall be substituted for the words 'ordinary resolution' in regulation 36 of the Model Articles.

NOTICES

- 32 Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including facsimile and electronic mail. A notice communicated by immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed and a notice served by first class recorded delivery post shall be deemed to be served on the second Business Day thereafter.

INDEMNITY

- 33 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director, secretary, auditor or other officer of the Company is entitled to be indemnified by the Company against all losses and liabilities sustained or incurred by him in the execution of his duties or in the exercise of his powers or otherwise in connection with his office, including any liability incurred by him (a) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part; or (b) in connection with any

application in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company. The Company may purchase and maintain for any person to whom this Article applies insurance against any liability in respect of which he is entitled to be indemnified.