

A26 Bruffy



Company number 00603058
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
SEOFON INVESTMENTS LIMITED
(Adopted by special resolution passed on 23 January 2021)

TABLE OF CONTENTS

1.	Interpretation	1
2.	Number of directors	3
3.	Unanimous decisions	3
4.	Calling a directors' meeting	3
5.	Quorum for directors' meetings	3
6.	Director's deadlock	4
7.	Transactions or other arrangements with the company	4
8.	Directors' conflicts of interest.....	5
9.	Records of decisions to be kept.....	6
10.	Appointment and removal of alternate directors	6
11.	Rights and responsibilities of alternate directors.....	6
12.	Termination of alternate directorship	7
13.	Dividends	7
14.	Purchase of own shares	8
15.	Pre-emption rights on the issue of further shares.....	8
16.	Transfers of shares: general.....	9
17.	Permitted transfers of shares	9
18.	Pre-emption rights on the transfer of shares	10
19.	Drag along.....	13
20.	Tag along.....	14
21.	Reserved matters.....	15
22.	Poll votes.....	15
23.	Proxies.....	16
24.	Means of communication to be used	16
25.	Indemnity.....	17
26.	Insurance.....	17

INTRODUCTION

1. Interpretation

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

- Act:** means the Companies Act 2006.
- appointor:** has the meaning given in article 10.1.
- Articles:** means the company's articles of association for the time being in force.
- Business Day:** means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.
- Conflict:** has the meaning given in article 8.1.
- eligible director:** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).
- Family Trust:** as regards any particular shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular shareholder and/or any of the Privileged Relations of that shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons).
- Original Shareholder:** means a shareholder identified as an original shareholder (together, **Original Shareholders**) and notified to the directors by Shareholder Majority from time to time.
- Permitted Transfer:** a transfer of Shares made in accordance with article 17.
- Permitted Transferee:** in relation to a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust.
- Privileged Relation:** in relation to a shareholder who is an individual (or a deceased or former shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and

their issue).

Model Articles: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

Relevant Securities: any shares or other securities convertible into, or carrying the right to subscribe for shares, issued by the Company after the date of the adoption of these Articles.

Shareholder Majority: means the holders for the time being of not less than 75%% by nominal value of all of the issued shares in the capital of the Company.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1), 11(2), 13, 14(1), (2), (3) and (4), 18(e), 30, 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

DIRECTORS

2. Number of directors

Unless otherwise determined by the shareholders by an ordinary resolution the number of directors shall not be subject to any maximum number of directors and the minimum number of directors is one. Every director must hold a minimum of one share in the capital of the Company.

3. Unanimous decisions

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

4. Calling a directors' meeting

Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

5. Quorum for directors' meetings

- 5.1 Subject to article 5.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors. If the Company only has one director, the general rule does

not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

- 5.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

6. Director's deadlock

If the numbers of votes for and against a proposal at a meeting of directors are equal, such matter shall be referred for voting to the shareholders of the Company and shall be determined by a Shareholder Majority.

7. Transactions or other arrangements with the company

- 7.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

8. Directors' conflicts of interest

- 8.1 The directors may (and if the directors are unable to, then shareholders of the Company by way of an ordinary resolution may), in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 8.2 Any authorisation under this article 8 will be effective only if:
- (a) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - (b) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 8.3 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.
- 8.4 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
 - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 8.5 Where the directors (or shareholders) authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

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

8.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

9. Records of decisions to be kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

10. Appointment and removal of alternate directors

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

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

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

10.2 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.

10.3 The notice must:

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

11. Rights and responsibilities of alternate directors

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

11.2 Except as the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their appointors; and

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

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

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

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of article 11.3(a) and article 11.3(b).

11.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present].

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

12. Termination of alternate directorship

12.1 An alternate director's appointment as an alternate terminates:

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

SHARES AND DISTRIBUTION

13. Dividends

13.1 Subject to the provisions of the Act, the directors may decide to pay dividends whether interim or final.

- 13.2 Any dividend must be paid in accordance with shareholder's respective rights and by reference to each shareholder's holding of shares on the date of the decision to pay it.

14. Purchase of own shares

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

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

15. Pre-emption rights on the issue of further shares

- 15.1 Subject to the remaining provisions of this article 15, the directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into; and
- (c) otherwise deal in, or dispose of,

any shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for shares) to any person, at any time and subject to any terms and conditions as the directors think proper.

- 15.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

- 15.3 Unless otherwise agreed by special resolution if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the shares in the capital of the Company (each an **Offeree**) on a pari passu basis and in the respective proportions that the number of shares held by each such holder bears to the total number of shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

- 15.4 An offer made under article 15.3 shall:

- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- (b) remain open for a period of at least 10 Business Days from the date of service of the offer; and

- (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 15.3 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.
- 15.5 If, on the expiry of an offer made in accordance with article 15.3, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 15.6 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 15.3 shall be used to satisfy any requests for Excess Securities made pursuant to article 15.4(c). If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of shares held by each such applicant bears to the total number of such shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him).
- 15.7 If, after completion of the allotments referred to in articles article 15.5 and article 15.6, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, be offered to any other person(s) as the directors may determine, at the same price and on the same terms as the offer to the shareholders.
- 16. Transfers of shares: general**
- 16.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 16.2 No share shall be transferred, and the directors shall refuse to register a transfer of any share, unless it is made in accordance with these Articles. The directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 16.3 Any transfer of a share by way of sale which is required to be made under article 19 or article 20 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 17. Permitted transfers of shares**
- 17.1 The Original Shareholder may transfer all or any of his shares to a Permitted Transferee.
- 17.2 Where shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer shares to:
 - (a) the Original Shareholder;
 - (b) any Privileged Relation(s) of the Original Shareholder;
 - (c) subject to article 17.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or

- (d) subject to article 17.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

17.3 A transfer of shares may only be made to the trustee(s) of a Family Trust if the directors are satisfied:

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
- (b) with the identity of the proposed trustee(s); and
- (c) that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

17.4 If a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder (whether pursuant to this article 17 or otherwise), the Permitted Transferee (or the transmittee(s) of any such person), shall within 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) execute and deliver to the Company a transfer of the shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which the Company may execute a transfer of the shares on behalf of the Permitted Transferee and register the Original Shareholder as the holder of such shares. This article 17.4 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

18. Pre-emption rights on the transfer of shares

18.1 Except where the provisions of article 17, article 19 or article 20 apply, any transfer of shares by a shareholder shall be subject to the pre-emption rights in this article 18.

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

- (a) the number of Shares he wishes to transfer (**Sale Shares**);
- (b) the name of the proposed transferee, if any;
- (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (**the Sale Price**).

18.3 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Sale Price. As soon as practicable following the receipt of a Transfer Notice the directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 18 at the Sale Price. Each offer shall be in writing and shall give details of the number, Sale Price and proposed transferee of the Sale Shares offered.

18.4 The directors shall offer the Sale Shares to the other shareholders (**Continuing Shareholders**) and the Company giving details of the proposed transfer.

- 18.5 Within 20 Business Days of receipt (**Offer Period**) of a Transfer Notice, the Continuing Shareholders and/or the Company (subject to the provisions of the Act) shall be entitled (but not obliged) to give notice in writing to the directors indicating number of Sales Shares it wishes to purchase at the Sale Price (**Purchase Notice**).
- 18.6 Where the sanction of a resolution under the Act is required for such sale and purchase, the memorandum of contract terms to be approved by the shareholders shall set out the terms of such sale in accordance with the relevant provisions of this article 18. Such contract shall be deemed to come into force with effect from the passing of the relevant resolution. The Company has the right to purchase the Sale Shares in more than one tranches.
- 18.7 If:
- (a) at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares in the following manner:
 - (i) to the Company in such numbers as it applied for and such Sale Shares may be purchased in more than one tranches; and
 - (ii) the remaining Sale Shares after applying to the Company in accordance with article 18.7(a) (i), to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares being offered. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the directors). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
 - (b) not all Sale Shares are allocated following allocations in accordance with article 18.7(a), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 18.7(a)(ii). The procedure set out in this article 18.7(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
 - (c) at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Company and the Continuing Shareholders in accordance with their respective applications. The balance (the **Surplus Shares**) shall be offered to any other person in accordance with article 18.12.
- 18.8 Where allocations have been made in respect of all the Sale Shares, the directors shall, when no further offers or allocations are required to be made under article 18.7, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller, the Company and each Continuing Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares

(which shall be at least 3 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).

- 18.9 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice. If the Company is buying the Sale Shares allocated to it in more than one tranche then such Sale Shares will be transferred on the dates specified in the relevant contract and the Seller shall waive any entitlement to any dividends or other distributions attaching to any of the Sale Shares that the Company has agreed to buy-back.
- 18.10 In the event that the Company declines or is unable to exercise its power to purchase of any Sale Shares in accordance with the provisions of article 18 the Seller shall be relieved from all obligations to transfer such Sale Shares to the Company but shall have no other or further remedy against the Company, its members or the directors. The remaining provisions of this article 18 shall apply thereafter as if at the date of such failure the Seller has served a new Transfer Notice in respect of those Sale Shares that were not purchased by the Company and the provision of this article 18 applies such Transfer Notice provided that the Company shall have no right to exercise its power to purchase those Sale Shares under article 18.5.
- 18.11 If the Seller fails to comply with article 18.9:
- (a) any director or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Sale Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Sale Price); and
 - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
 - (b) the Company shall pay the Sale Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together with such other evidence (if any) as the directors may reasonably require to prove good title to those Shares) to the Company.
- 18.12 If, at the expiry of the period specified in article 18.5, neither the Company nor any of the Continuing Shareholders have given a Purchase Notice or an Allocation Notice does not relate to all the Sale Shares, then the Seller may, with the consent of the directors and Shareholder Majority, transfer all its Sale Shares or the Surplus Shares (as the case maybe) to the buyer identified in the Transfer Notice at a price not less than the Sale Price provided that it does so within three months of the expiry of the period specified in article 18.5.

19. Drag along

- 19.1 If the holders of not less than 75% by nominal value of the shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in their shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in the shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 19.
- 19.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their shares in the Company (**Called Shares**) pursuant to this article 19;
 - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - (c) the consideration payable for the Called Shares calculated in accordance with article 19.4;
 - (d) the proposed date of completion of transfer of the Called Shares.
- 19.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 10 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be an amount at least equal to the price per share offered by the Proposed Buyer for the Selling Shareholders.
- 19.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 19.
- 19.6 Completion of the sale and purchase of the Called Shares shall take place on the same date (**Completion Date**) as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
 - (b) that date is less than 5 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 19.7 On or before the Completion Date, the Called Shareholders shall deliver stock transfer forms for their shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those shares (or a suitable indemnity in respect thereof) to the Company. On or immediately after the Completion

Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 19.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 19.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 19.4 in trust for the Called Shareholders without any obligation to pay interest.

- 19.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the amounts due pursuant to article 19.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant shares and the Called Shareholders shall have no further rights or obligations under this article 19 in respect of their Equity Shares.
- 19.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 19.
- 19.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, shares (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 19 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 18.10 to a person becoming a shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own shares.
- 19.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 18.
- 19.12 Any Transfer Notice served in respect of the transfer of any share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

20. Tag along

- 20.1 The provisions of article 20.2 to article 20.6 shall apply if the holders of not less than 75% by nominal value of the shares in issue for the time being (**Seller**) proposes to transfer their shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such

transfer would, if carried out, result in such person (**Buyer**) acquiring a Controlling Interest in the Company.

- 20.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer (**Offer**) to all the other holders of the shares (**Non-selling Shareholders**) in issue for the time being to purchase all of the shares held by them for a consideration in cash per Share that is at least equal to the price per Share offered by the Buyer in the Proposed Transfer (**Specified Price**).
- 20.3 The Offer shall be made by written notice (**Offer Notice**), at least 10 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the Specified Price and other terms and conditions of payment;
 - (c) the Transfer Date; and
 - (d) the number of shares proposed to be purchased by the Buyer (**Offer Shares**).
- 20.4 If the Buyer fails to make the Offer in accordance with article 20.2 and article 20.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 20.5 If the Offer is accepted by the Non-selling Shareholders in writing within 7 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder.
- 20.6 The Proposed Transfer in respect of which the Offer Notice has been duly served and the purchase of the Offer Shares shall not be subject to the pre-emption provisions of article 18.

DECISION MAKING BY SHAREHOLDERS

21. Reserved matters

The Company shall not, without the prior written approval of a Shareholder Majority, carry out any of the following matters:

- 21.1 making any disposal of the Company, its business or property owned or leased by it; and
- 21.2 presenting any decision to put the Company into administration, voluntary arrangement or deal with creditors.

22. Poll votes

- 22.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

- 22.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

23. Proxies

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

ADMINISTRATIVE ARRANGEMENTS

24. Means of communication to be used

- 24.1 Subject to article 24.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - (b) if sent by fax, at the time of transmission; or
 - (c) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - (d) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
 - (e) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
 - (f) if deemed receipt under the previous paragraphs of this article 24.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 24.2 To prove service, it is sufficient to prove that:
- (a) if delivered by hand the notice was delivered to the correct address; or
 - (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or

- (c) if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

25. Indemnity

25.1 Subject to article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

- (b) the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

25.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant officer" means any director or other officer [or former director or other officer] of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

26. Insurance

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

26.2 In this article:

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