

COMPANY NO. 01989106
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
LANCEHAWK LIMITED
(Adopted by special resolution passed on 10/12/21)

1 INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

the Act	means the Companies Act 2006 (as amended);
appointer	has the meaning given in Article 8.1;
Business Day	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for the transaction of normal banking business;
the Companies Acts	has the meaning given by section 2 of the Act which may, by virtue of that or any other such enactment, be cited together with the Act as the "Companies Acts" (with or without the addition of an indication of the date of any such enactment);
Control	has the meaning given in section 995 of the Income Tax Act 2007;
Conflict	has the meaning given to it in Article 16.1;
director	means a director of the Company;
Eligible director	means a director who would be entitled to vote on the matter a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

Interested Director	has the meaning given to it in Article 16.1;
ITEPA	means the Income Tax (Earnings and Pensions) Act 2003;
the 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;
Shares	means shares (of any class) in the capital of the Company;
the Trust	means the Lancehawk Limited EOT Trust established by the Trust Deed;
the Trust Deed	means the trust deed dated _____ 2021 between the Company and the Lancehawk EOT Trustee Limited, a company limited by guarantee registered in England & Wales with registered no. 13787576 (being the original trustee of that trust), which established the Trust (as amended from time to time);
the Trustee	means the trustee or trustees for the time being of the Trust (and references to the Trustee shall be construed as referring only to such person or persons acting in their capacity as trustee of that trust);

1.2 For the purpose of these Articles:

- 1.2.1 references to any statute order or regulation includes a reference to such statute as amended, modified, re-enacted or replaced from time to time;
- 1.2.2 words and phrases which are defined or referred to in or for the purposes of the Companies Acts have the same meanings in these Articles unless they are already defined within the Articles or the context otherwise requires; and
- 1.2.3 headings are for ease of reference and shall not affect the interpretation of these Articles.

2 APPLICATION OF MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company save as expressly excluded or modified by these Articles or as are inconsistent with the provisions of these Articles.
- 2.2 Articles 11(2), 13, 14(1) to (5) inclusive, 17(2) and 52 and of the Model Articles shall not apply.
- 2.3 Article 7 of the Model Articles shall be amended by:
 - 2.3.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 2.3.2 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".
- 2.4 Article 18(d) of the Model Articles shall be amended by:-
 - 2.4.1 inserting the words "with appropriate specialist knowledge" after the words "registered medical practitioner"; and
 - 2.4.2 deleting the words "may remain so" and replacing them with the words "is likely to remain so".
- 2.5 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".
- 2.6 Article 27(3) of the Model Articles shall be amended by the insertion of the words "subject to Article 17(2)," after the word "But".
- 2.7 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)," after the words "the transmittee's name".
- 2.8 Articles 31(a) to (d) (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".
- 2.9 Articles 41(3) of the Model Articles shall be amended by the addition of the words "or if a poll is demanded" after the words "if directed to do so by the meeting".

SHARE RIGHTS

3 CAPITAL RIGHTS

Any profits which the Company determines to distribute from time to time shall, subject to the approval of members of the Company in general meeting, be distributed amongst the holders of the Shares then in issue pari passu according to the number of such Shares held by them respectively as if they constituted one class of share.

4 DIVIDEND RIGHTS

Any profits which the Company determines to distribute from time to time shall, subject to the approval of members of the Company in general meeting, be distributed amongst the holders of the Shares then in issue pari passu according to the number of such Shares held by them respectively as if they constituted one class of share.

5 VOTING RIGHTS

The holders of the Shares shall be entitled to receive notice of and to attend and speak at any general meeting of the Company. Any holder of Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote and, on a poll, shall have one vote for every Share of which he is the holder.

DIRECTORS

6 APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

7 INDEPENDENT DIRECTOR

For so long as the Trustee holds Shares carrying at least 50% of the voting rights attaching to the Shares, the Trustee may by notice in writing to the Company require the appointment of director.

8 ALTERNATE DIRECTORS

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

8.1.1 exercise that director's powers; and

8.1.2 carry out that director's responsibilities,

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

8.2 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.

8.3 The notice must:

8.3.1 identify the proposed alternate; and

8.3.2 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.

9 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

9.1 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.

9.2 Except as these Articles specify otherwise, alternate directors:-

9.2.1 are deemed for all purposes to be directors;

9.2.2 are liable for their own acts and omissions;

9.2.3 are subject to the same restrictions as their appointors; and

9.2.4 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.

9.3 A person who is an alternate director but not a director:-

9.3.1 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);

9.3.2 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

9.3.3 shall not be counted as more than one director for the purposes of Articles 9.3.1 and 9.3.2 above.

9.4 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.

9.5 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.

10 TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates:

10.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

10.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

10.3 on the death of the alternate's appointor; or

10.4 when the alternate's appointor's appointment as a director terminates.

11 SECRETARY

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

DECISION MAKING BY DIRECTORS

12 CALLING A DIRECTORS' MEETING

12.1 Any director may call a directors' meeting by giving not less than 5 Business Days advance notice of such meeting (or such shorter period of notice as may be agreed in accordance with Article 12.4 below) to the other directors, or by authorising the company secretary (if any) to give such notice.

12.2 Notice of any directors meeting must indicate:-

12.2.1 the proposed date and time of the meeting;

12.2.2 where the meeting is to take place; and

12.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

12.3 Notice of a directors' meeting must be given to each director but need not be in writing.

12.4 A director may waive his entitlement to the notice specified in Article 12.1 above or consent to a shorter period of notice by giving notice to that effect to the Company either in advance or retrospectively. Where notice of waiver or consent to short notice is given after the meeting has been held, that shall not affect the validity of the meeting or of any business conducted at it.

13 QUORUM FOR DIRECTORS MEETINGS

13.1 Subject to Article 13.2 and 13.3 a meeting of the directors shall only be quorate if at least two of the directors who have been appointed are present.

- 13.2 If at a meeting of the directors a quorum is not present, the meeting shall stand adjourned to the same day and the same time in the following week. Notice of such adjourned meeting shall be given to each director. Any such meeting shall consider only those matters properly set out in the notice convening the meeting that was adjourned. At that adjourned meeting the quorum shall be two directors.
- 13.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 15 below to authorise a 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.

14 CASTING VOTE

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

15 DIRECTORS' DECLARATION OF INTERESTS

- 15.1 A director who is in any way, whether directly or indirectly interested in a proposed transaction or arrangement with the Company shall, in accordance with the Act, declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement.
- 15.2 A director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall, in accordance with the Act, declare the nature and extent of his interest to the other directors as soon as is reasonably practicable, unless the interest has already been declared under Article 15.1 above.
- 15.3 A director need not declare an interest under Articles 15.1 and/or 15.2 above (as the case may be):-
- 15.3.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - 15.3.2 of which the director is not aware, although for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware;

- 15.3.3 if, or to the extent that, the other directors are already aware of it, and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware; or
- 15.3.4 if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered by the directors or a committee of the directors.
- 15.4 Provided he has declared the nature and extent of his interest in accordance with Articles 15.1 and/or 15.2 above and the provisions of the Act, a director who is in any way, whether directly or indirectly, interested in any existing or proposed transaction or arrangements with the Company:-
- 15.4.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 15.4.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- 15.4.3 shall count in a quorum and be entitled to vote at a meeting of the directors (or of a committee of the directors) or participate in any unanimous decision in respect of such contract or proposed contract in which he is interested;
- 15.4.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 15.4.5 may be a director or other officer of, or employed by or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 15.4.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction, or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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.

- 15.5 For the purposes of this Article 15, reference to a meeting of the directors (or a committee of the directors) shall include any part of such meeting.

16 CONFLICTS OF INTEREST

- 16.1 The directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a director infringing his duty under section 175 of the Act to avoid a situation in which such director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.

- 16.2 Authorisation of a matter under Article 16.1 is effective only if:

16.2.1 the matter has been proposed to the directors by its being submitted in writing for consideration at a meeting of the directors or for the authorisation of the directors by resolution in writing and in accordance with the directors' normal procedures or in such other manner as the directors may approve;

16.2.2 any requirement as to quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director; and

16.2.3 the matter has been agreed to without the director in question and any other interested director voting or would have been agreed to if their votes had not been counted.

- 16.3 Any authorisation of a matter under Article 16.1 may:

16.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

16.3.2 impose upon the Interested Director such other terms, limits or conditions for the purposes of dealing with the Conflict and for such duration as the directors think fit;

- 16.3.3 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; and
 - 16.3.4 be terminated or varied by the directors at any time (provided that this will not affect anything done by the Interested Director prior to such termination or variation in accordance with the terms of the authorisation).
- 16.4 In authorising a Conflict the directors may decide (whether at the time of giving the authority or subsequently) that if an Interested Director obtains or has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to a third party the Interested Director is under no obligation:-
- 16.4.1 to disclose such information to the Company or to any director or other officer or employee of the Company; or
 - 16.4.2 to use or apply any such information in performing his duties as a director,
- where to do so would amount to a breach of that confidence.
- 16.5 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authority or subsequently) that the director:-
- 16.5.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
 - 16.5.2 is not given any documents or other information relating to the Conflict; and
 - 16.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- 16.6 Where the directors authorise a Conflict:-
- 16.6.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and
 - 16.6.2 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms,

limits and conditions (if any) as the directors impose in respect of its authorisation.

- 16.7 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.

DECISION MAKING BY SHAREHOLDERS

17 VOTING

- 17.1 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.
- 17.2 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 sentence at the end of that article.

18 PROXIES

- 18.1 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".
- 18.2 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.

19 NOTICES

- 19.1 Any notice, document or other information properly addressed shall be deemed served on or delivered to the intended recipient:-

- 19.1.1 in the case of a notice sent by first class prepaid post to an address in the United Kingdom, Channel Islands or Isle of Man, on the second Business Day after the day of posting;
 - 19.1.2 in the case of a notice sent elsewhere by airmail, on the fifth Business Day after posting;
 - 19.1.3 in the case of a notice delivered by hand or reputable courier, when it was given or left at the appropriate address;
 - 19.1.4 in the case of a notice sent by facsimile or electronic means, upon sending; and
 - 19.1.5 in the case of a notice posted on the Company's website, upon posting 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.
- 19.2 If notice is given in accordance with Article 19.1.3 or 19.1.4 above on a day which is not a Business Day, such notice will be deemed to have been duly served or delivered on the next following Business Day.
- 19.3 A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder first named in the Company's register of members in respect of the Share.
- 19.4 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a shareholder by sending it by prepaid first class post addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 19.5 Notice of every general meeting shall be given in any manner authorised in these Articles to:-
- 19.5.1 every shareholder or his transmittee; and
 - 19.5.2 each director who is not a shareholder.

No other person shall be entitled to receive notices of general meetings.

- 19.6 Every shareholder shall be deemed to have agreed to accept communication from the Company by electronic means (including via the Company's website) unless he shall withdraw such agreement by notice in writing. Notice under this Article 19.6 must be in writing and signed by the shareholder and delivered to the Company's registered office.
- 19.7 If the Company sends two consecutive documents to a member during any 12 month period and each of those documents is returned undelivered, or the Company receives notification that it has not been delivered, that member shall, subject to Article 19.8 below, cease to be entitled to receive notices from the Company.
- 19.8 A member who has ceased to be entitled to receive notices from the Company shall become entitled to receive notices again by sending the Company written notification of a new address to be recorded in the register of members or such other information as the Company needs for the effective use of any other form of communication permitted under these Articles.

20 INDEMNITIES

- 20.1 Subject to Article 20.1.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:-

20.1.1 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 in the actual or purported execution and/or discharge of his duties, or in relation to them, including 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

20.1.2 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 20.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

20.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

20.3 In this Article 20 companies are "**associated**" if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

21 TRANSFERS OF SHARES

21.1 No Shareholder shall be entitled to sell, transfer, charge, encumber, grant options over or otherwise dispose of any Shares or any beneficial interest in any Shares other than in accordance with the provisions of the Schedule to these Articles.

21.2 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.

21.3 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.

21.4 To enable the directors to determine whether or not there has been any transfer (or purported transfer) of Shares the directors may require:

21.4.1 any holder (or the legal representatives of a deceased holder); or

21.4.2 any person named as a transferee in a transfer lodged for registration; or

21.4.3 such other person as the directors may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the directors think fit regarding any matter which they deem relevant to that purpose.

Schedule

Share Transfers

1 INTERPRETATION

1.1 The following definitions shall apply in this:

Accepting Shareholder	has the meaning given in paragraph 5.5.
Bad Leaver	means any Departing Member other than a Departing Member who is a Good Leaver;
Buyer	has the meaning given in paragraph 5.1.
Controlling Interest	means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
Departing Member	means: <ul style="list-style-type: none">(i) a Shareholder other than the Founder who ceases to be employed or engaged by the Company; or(ii) if the Shareholder is a Family Member who has acquired Shares from an Original Shareholder (other than from the Founder) pursuant to paragraph 3, the Shareholder shall be deemed a Departing Member when the Original Shareholder (other than the Founder) from whom the Shareholder directly or indirectly acquired the Shares ceases to

be employed or engaged by the Company.

Departure Date

means the date on which a Departing Member ceases to be engaged or employed by the Company;

Fair Price

means the price per share determined in writing by the Valuers in accordance with paragraph 6.

Family Member

means in relation to any Shareholder:-

- (i) the spouse, the civil partner or the widower or widow of the individual, the parents of the individual and all the lineal descendants of the individual and for such purposes a stepchild or adopted child or illegitimate child of any person shall be deemed to be a lineal descendant of such person; or
- (ii) the trustee of a trust the principal beneficiaries of which are persons within the scope of paragraph (i) above;

Good Leaver

- (i) a Departing Member becomes a Departing Member result of:-
 - (a) retirement in accordance with his terms of employment; or
 - (b) death; or

- (c) serving (and completing) notice to terminate his employment in accordance with his terms of employment provided that following the Departure Date he or she is not going to work for or be interested in a business which is competitive with the business of the Company;
- (d) permanent incapacity through ill health or permanent disability; or
- (e) redundancy; or
- (f) dismissal by the Company (or any member of its Group) in circumstances where an employment tribunal or other court of competent jurisdiction (in respect of which there is no right of appeal) adjudicates the dismissal as unfair,
- (i) any person who the Board (at its sole discretion) determines is a Good Leaver.

Founder

Nigel Lovering

Insolvency Event

means in respect of a Shareholder, a situation where that Shareholder:-

- (i) suspends, or threatens to suspend, payment of its debts or is deemed to be

insolvent, bankrupt or unable to pay its debts as they fall due for payment;

- (ii) is subject of a bankruptcy petition order;
- (iii) has entered into any composition scheme of arrangement for the satisfaction or composition of debts or voluntary arrangement (whether formal or informal) with its creditors save for the purposes of amalgamation or reconstruction while solvent;
- (iv) has a trustee in bankruptcy, receiver, manager, interim receiver, administrator, administrative receiver, liquidator or provisional liquidator (as applicable) appointed in relation to all or any parts of its undertaking, assets or income and such appointment (if challenged by that Shareholder) is not discharged within 20 Business Days of appointment; or
- (v) is struck off the register of companies; ceases to exist or a resolution is passed for the winding up of that Shareholder unless the resolution is made for the purposes of amalgamation or reconstruction while solvent.

Offer

has the meaning given in paragraph 5.2.

Offer Notice

has the meaning given in paragraph 5.3.

Offer Shares

has the meaning given in paragraph 5.3.4.

Original Shareholder	has the meaning given in paragraph 3.1.
Proposed Sale Price	has the meaning given in paragraph 2.2.3.
Proposed Transfer	has the meaning given in paragraph 5.1.
Purchasing Shareholder	has the meaning given in paragraph 2.5.
Remaining Shareholders	has the meaning given in paragraph 2.3.
Respective Proportions	means, in relation to a party, the proportion which the number of shares held by that party in the Company bears to the total number of issued shares of the Company.
Sale Date	has the meaning given in paragraph 5.3.
Sale Price	has the meaning given in paragraph 2.3 or paragraph Error! Reference source not found. (as the context requires).
Sale Shares	has the meaning given in paragraph 2.2.
Seller	has the meaning given in paragraph 2.2.
Specified Price	has the meaning given in paragraph 5.2.
Transfer Notice	has the meaning given in paragraph 2.2.
Transfer Offer Period	has the meaning given in paragraph 2.4.
Transfer Price	shall be the price per share determined in accordance with paragraph 6.

Valuers

means an independent firm of accountants jointly appointed by the parties or, in the absence of agreement between the parties on the identity of the expert within 20 Business Days of a party serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);

2 PRE-EMPTION ON TRANSFER OF SHARES

- 2.1 Subject to paragraph 2.8 of this Schedule, except when the provisions of paragraphs 3 (permitted transfers to Family Members), 4 (Drag Along Option), 5 (Tag Along Option) 7 (Compulsory and Deemed Transfers) of this 0 applies, a Shareholder may only transfer his Shares in the Company if the Shareholder follows the steps in this paragraph 2.
- 2.2 The Shareholder (**Seller**) wishing to transfer its shares (**Sale Shares**) must give an irrevocable notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer including:
- 2.2.1 the number of Sale Shares;
 - 2.2.2 if it wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
 - 2.2.3 the price (in cash) at which it wishes to transfer the Sale Shares (**Proposed Sale Price**).
- 2.3 If no Proposed Sale Price is stated in the Transfer Notice and/or the Board does not agree that the Sale Shares should be sold for the Proposed Sale Price and the Seller and the Board are unable to agree within 20 Business Days of receipt of the Transfer Notice the a price per Share at which the Sale Shares should be sold (**Sale Price**), the Board shall instruct the Valuers to determine the Fair Price in accordance with paragraph 6 of this 0 and the Sale Price shall be such Fair Price as is determined by the Valuers.

- 2.4 Upon receipt of the Transfer Notice, the Board shall, as soon as reasonably practicable, offer the Sale Shares to the remaining Shareholders (being all the Shareholders other than the Seller) (**Remaining Shareholders**), inviting those Shareholders to state by notice in writing to the Company within 5 Business Days of the offer by the Board (the **Transfer Offer Period**), whether they are willing to purchase, at the Sale Price, such number of Sale Shares as corresponds to the proportion of other Shares held by them respectively.
- 2.5 Each Remaining Shareholder who wishes to purchase the shares offered to him in accordance with paragraph 2.4 above (a **Purchasing Shareholder**) may within the Transfer Offer Period, serve notice on the Board specifying how many Sale Shares he wishes to purchase.
- 2.6 Any Sale Shares not accepted pursuant to paragraph 2.4 may be transferred to such person as the Board (acting as a majority and disregarding a directors appointed by the Seller) shall determine (which may include the Company).
- 2.7 Following completion of the procedure in respect of the Sale Shares set out in paragraphs 2.1 to 2.6:
- 2.7.1 the Board shall specify to whom the Seller is to transfer his Shares (**Allocated Buyers**) and in what proportions (**Allocation Notice**); and
- 2.7.2 the Seller shall immediately upon request from the Board transfer the Sale Shares to the Allocated Buyers as required and in accordance with the Allocation Notice free from any lien, charge or encumbrance and shall execute and deliver to the Board stock transfer forms relating to the Sale Shares as required by the Board against receipt of the Sale Price which the Board may receive from and transfer on behalf of the Purchasing Shareholders and if the Seller makes default in so doing, one of the directors (provided he is not the Seller) or some other person duly nominated by a resolution of the Board for that purpose, shall immediately be deemed to be the duly appointed attorney of the Seller with full power to execute, complete and deliver in the name and on behalf of the Seller transfers of the relevant Sale Shares to the Allocated Buyers (as the case may be) (or such other document as may be reasonably necessary for the purposes of transferring the Sale Shares in accordance with this paragraph 2) and the Board may receive and give a good discharge for the

purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Allocated Buyer(s) (as the case may be) in the register of members as the holder or holders by transfer of the Shares so purchased by him or them. The Board shall pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Seller until he shall deliver up his certificate or certificates for the relevant Shares to the Company upon which he shall be paid the purchase money.

3 PERMITTED TRANSFERS TO FAMILY MEMBERS

- 3.1 Subject to paragraph 3.2, a Shareholder (**Original Shareholder**) may at any time transfer all (or part) of their Shares to a Family Member without being required to comply with the pre-emption procedure set in paragraph 2 above provided that if a Family Member ceases, for whatever reason, to be a Family Member of such Shareholder, the Family Member must, not later than the date five Business Days after the date on which it so ceases, transfer all (but not some only) of its Shares back to the original Shareholder or to another Family Member of the original Shareholder.
- 3.2 The Family Member who receives Shares pursuant to the operation of paragraph 3.1 of this Schedule shall be a Shareholder for the purposes of these Articles save that it shall not have the right to transfer its Shares to a Family Member as though it were an Original Shareholder.
- 3.3 The Directors may refuse to register any transfer of Shares in accordance with paragraph 3.1 if, in their sole opinion, it is in the best interests of the Company to do so.

4 DRAG ALONG OPTION

- 4.1 If the holders of more than 50% of the Shares in the issued share capital of the Company (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their Shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this paragraph 4 (**Drag Along Option**).

- 4.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 4.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this paragraph 6 on the same terms as the Selling Shareholders;
 - 4.2.2 the person to whom the Called Shares are to be transferred;
 - 4.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - 4.2.4 the proposed date of the transfer.
- 4.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 60 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.
- 4.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this paragraph 4.
- 4.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers Shareholders' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders.
- 4.6 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in paragraph 2, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 4.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company.
- 4.8 On the Completion Date either:-

4.8.1 the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to paragraph 4.2.3 to the extent that the Proposed Buyer has put the Company in the requisite funds, in which case:-

4.8.1.1 the Company's receipt for the price shall be a good discharge to the Proposed Buyer; and

4.8.1.2 the Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest; or

4.8.1.3 the Proposed Buyer shall pay the Called the Shareholders, the amounts due pursuant to paragraph 4.2.3.

4.9 To the extent that the Proposed Buyer has not, on the Completion Date:-

4.9.1 put the Company in funds to pay the purchase price due in respect of the Called Shares (subject to there being no element of deferred consideration payable in relation to the sale of the Sellers' Shares); or

4.9.2 paid to the Called Shareholders' the purchase price due in respect of the Called Shares (subject to there being no element of deferred consideration payable in relation to the sale of the Sellers' Shares),

the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this paragraph 3 in respect of their Shares.

4.10 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with paragraph 4.7) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person.

Failure to produce a share certificate shall not impede the registration of shares under this paragraph 4.

5 TAG ALONG OPTION

- 5.1 The provisions of paragraph 5.2 to paragraph 5.3.3 shall apply if, in one or a series of related transactions, one or more Sellers (as defined in paragraph 2.2 of this Schedule) propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person acting in concert with the Buyer, acquiring a Controlling Interest in the Company.
- 5.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person acting in concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 3 months preceding the date of the Proposed Transfer (**Specified Price**).
- 5.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 5.3.1 the identity of the Buyer;
 - 5.3.2 the Specified Price and other terms and conditions of payment;
 - 5.3.3 the Sale Date; and
 - 5.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 5.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with paragraph 5.2 and paragraph 5.3, 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.
- 5.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 20 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

- 5.6 The Proposed Transfer is subject to the pre-emption provisions of paragraph 2, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

6 VALUATION

- 6.1 The Valuers shall be requested to determine the Fair Price within 15 Business Days of their appointment and to notify the Company and the parties in writing of their determination.

- 6.2 The Fair Price for any shares shall be the price per share determined in writing by the Valuers on the following bases and assumptions:

6.2.1 valuing each of the shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the shares;

6.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

6.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;

6.2.4 the shares are sold free of all Encumbrances;

6.2.5 the sale is taking place on the date the Valuers were requested to determine the Fair Price; and

6.2.6 to take account of any other factors that the Valuers reasonably believe should be taken into account.

- 6.3 The parties are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the parties may reasonably require.

- 6.4 To the extent not provided for by this paragraph, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 6.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties in the absence of fraud.
- 6.6 The costs of obtaining the Valuers' valuation shall be borne by the parties in their Respective Proportions or in such other proportions as the Valuers direct.

7 COMPULSORY AND DEEMED TRANSFERS

- 7.1 A Departing Member will, unless otherwise determined by the Board (acting as a majority and excluding any director appointed by or who is the Departing Member), be required on the Departure Date to serve a Transfer Notice in relation to all Shares that are held by that Departing Member and if a Transfer Notice is required to be given in accordance with this paragraph 7.1 is not duly given within a period of 5 Business Days such Transfer Notice shall unless otherwise determined by the Board be deemed to have been given at the expiry of the said period and the provisions relating to Transfer Notices shall take effect accordingly unless a Board (acting as a majority and excluding any Director appointed by or who is the relevant Departing Member) elects otherwise.
- 7.2 If the Board elects, pursuant to paragraph 7.1 above, to allow the Departing Member to retain its Shares following the Departure Date, the Board may require, at any time in the eighteen month period following the Departure Date, that Departing Member to serve a Transfer Notice in relation in relation to all Shares that are held by that Departing Member and if a Transfer Notice is required to be given in accordance with this paragraph 7.2 is not duly given within a period of 5 Business Days such Transfer Notice shall unless otherwise determined by the Board be deemed to have been given at the expiry of the said period and the provisions relating to Transfer Notices shall take effect accordingly unless a Board (acting as a majority and excluding any Director appointed by the relevant Departing Member) elects otherwise.
- 7.3 If a Transfer Notice is given or deemed to have been given pursuant to paragraph 7.1 or 7.2 by a Departing Member then the Transfer Price per Share shall (unless otherwise agreed by the Board) be such price for the Shares as is determined in accordance with paragraph 7.7 of this Schedule;

- 7.4 Where any Transfer Notice is given or deemed to have been given in accordance with this paragraph 7, the Transfer Notice shall be treated as having specified:-
- 7.4.1 that all the Shares registered in the name of the Departing Member (as the case may be) shall be included for transfer;
- 7.4.2 that the Transfer Price is as determined in accordance with paragraph 7.3.
- 7.5 Each of the Departing Member's Shares shall be offered for sale in accordance with the terms of paragraph 2.4 to 2.6 of this Schedule and the terms of paragraph 2.7 shall apply upon completion of the procedures set out in paragraphs 2.4 to 2.6 of this Schedule.
- 7.6 In any case where a Shareholder (or his personal representative) has been required to give or has been deemed to have given a Transfer Notice pursuant to the provisions of this paragraph 7 and subsequently becomes the holder of further Shares by virtue of the holding of any Shares comprised in such Transfer Notice (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise) a majority of the directors may at any time thereafter determine in their absolute discretion that he (or his personal representatives as appropriate) shall be deemed to have served a Transfer Notice in respect of such further Shares.
- 7.7 If:
- 7.7.1 a Transfer Notice is given or deemed to be given pursuant to paragraph 7.1 or paragraph 7.2 of this Schedule by a Departing Member who is a Good Leaver, then the Transfer Price shall in respect of the Shares the subject of the Transfer Notice be the Fair Price for the Shares, such amount to be agreed between the Departing Member and the Board (acting reasonably and in good faith accounting for the principles in paragraph 6.2 of this Schedule) or in the absence of agreement within 15 Business Days, as determined by the Valuers appointed by the Board in accordance with paragraph 6 of this Schedule;
- 7.7.2 a Transfer Notice is given or deemed to be given pursuant to paragraph 7.1 or paragraph 7.2 of this Schedule by a Departing Member who is a Bad Leaver then the Transfer Price per Share shall be the lower of:-
- 7.7.2.1 the issue price per Share which the Departing Member paid for each such Share; and

7.7.2.2 the Fair Price.

7.8 The terms of this paragraph 7 shall not apply to the Founder.

