

Company number: 02944647

The Companies Act 2006

Company limited by shares

SECURITY 2000 LIMITED

MONDAY



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24/02/2020

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COMPANIES HOUSE

**Resolution in writing of the eligible members of the company
passed in accordance with section 288 of the Companies Act 2006**

We, the undersigned, being the required majority of eligible members **resolve** as follows:

Special Resolution

THAT the regulations set forth in the printed document attached to this resolution, and for the purpose of identification marked with an 'A' are hereby approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, all the existing Articles thereof

Dated: 21 FEBRUARY 2020

Name: Deborah Redmore

Name: Richard Rees

Company number: 02944647

SECURITY 2000 LIMITED

Dear member

This notice explains how the attached written resolution will be passed.

How to agree to the resolution:

The written resolution must be agreed to by members representing 75% of the total voting rights because it is a special resolution.

You signify your agreement to the resolution by signing the enclosed copy of the written resolution and returning it to the company.

You may also signify your agreement to the resolution by sending an email to the company at [office@security2000.co.uk] in which you:

- set out the text of the resolution;
- state that you agree to the resolution being passed; and
- set out your full name and the number of shares which you hold in the company.

Please note that once you have signified your agreement to the written resolution you may not later change your mind and revoke your consent.

The resolution are passed on the date that the company receives from the required majority of eligible members their agreement to the passing of the resolution.

Time period for passing the resolutions:

Your agreement to the resolutions must be received by the company no later than 20/03/2020] (being 28 days after the date of this notice).

If your agreement to the resolutions is received by the company after this date it will be ineffective.

Unless you provide consent by email, as set out above, you should return the signed resolutions to the company by this date by post or by scanning and sending them to the company by email to [office@security2000.co.uk] or by faxing it to [N/A].

Dated: 21 FEBRUARY 2020


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Director/company secretary

“A”

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF
SECURITY 2000 LIMITED**

Company Number: 02944647

(Adopted by special resolution passed on 21 February 2020)

AGREED TERMS

1. INTERPRETATION

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

Act: the Companies Act 2006;

Appointor: has the meaning given in Article 12.1;

Articles: the Company's articles of association for the time being in force;

Business Day: 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 business;

Conflict: has the meaning given in Article 9.1;

Connected Person: means in the case of an individual Shareholder a parent, spouse, civil or long term partner, child or grandchild (including step or adopted children) and in the case of a corporate Shareholder a group company.

group company: means a holding company or subsidiary of a company or any other subsidiary of the holding company of a company (and for these purposes the expressions “holding company” and “subsidiary” shall have the meanings given to them in section 1159 of the Companies Act 2006)

Independent Valuer: means an independent valuer experienced in the valuation of private companies agreed between the respective parties or, failing such agreement within 14 days of the expiry of the time provided in the relevant Article for agreeing a price or value (as applicable), nominated at the request of any of the relevant parties by the President for the time being of the Institute of Chartered Accountants in England and Wales

Interested Director: has the meaning given in Article 9.1;

option the option referred to in Article 24.1;

option event an event giving rise to an option as referred to in Article 24.1;

option event date: the date on which the option event occurred or, if later, the date on which all the option shareholders were notified of the occurrence of the option event pursuant to Article 24.3;

option price: the purchase price for the option shares as referred to in Article 25

option shareholders: those shareholders with the benefit of the option as referred to in referred to in Article 24.2;

option shares: shares subject to an option;

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

permitted transfer: has the meaning given to it in Article 23.1;

permitted transferee: means any person who for the time being holds shares as a permitted transferee (whether directly or by means of a series of permitted transfers) of such original Shareholder;

security interest: any interest or equity of any person (including any right to acquire or any option or right of pre-emption) or any mortgage charge pledge lien or assignment or any other encumbrance priority or security interest or arrangement of whatsoever nature in or over the relevant property other than liens arising by operation of law;

Shareholders: the holders of Shares of whatever class in the share capital of the Company from time to time, and ‘**Shareholder**’ shall mean any one of them;

Shares: shares of whatever class held in the share capital of the Company from time to time;

Writing or written: does not include faxes or other electronic form.

- 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 but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 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 Any phrase introduced by the terms **"including", "include", "in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the Articles of Association of the Company to the exclusion of any other Articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Articles 6 to 9 (inclusive), 11 to 14 (inclusive), 44(2), 52 and 53 (inclusive) of the Model Articles shall not apply to the Company.
- 2.3 Article 20 of the Model Articles shall be amended by the insertion of the words **"(including alternate directors)"** before the words **"properly incur"**.
- 2.4 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"**.
- 2.5 Article 27(3) of the Model Articles shall be amended by the insertion of the words **"subject to Article 11.1"** after the word **"But"**.
- 2.6 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"**.
- 2.7 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

3. DIRECTORS' MEETINGS

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with Article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors shall be decided by a majority of votes. Where there is only one director such decision is taken when that director comes to a view on the matter.

3.4 On a show of hands every director who is present in person or through appointment of an alternate shall have one vote, unless the alternate is himself a director entitled to vote in which case he shall have one vote in his own capacity as director and one vote as alternate.

4. UNANIMOUS DECISIONS OF DIRECTORS OTHER THAN AT MEETINGS

4.1 A decision of the directors is taken in accordance with this Article when all directors entitled to vote indicate to each other by any means that they share a common view on a matter.

4.2 Such a decision may take the form of a resolution in writing, where each such director has signed one or more copies of it, or to which each such director has otherwise indicated agreement in writing.

5. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any minimum. No qualification for directors to own Shares shall be required. Where there is only one director that director shall have authority to exercise all the powers and discretions of the directors expressed in the Model Articles and these Articles to be vested in the directors generally.

6. CALLING A DIRECTORS' MEETING

6.1 Any director may call a meeting of directors by giving not less than 14 days' notice of the meeting (or such shorter period of notice as may be agreed with the consent of all the directors) to each director or by authorising the Company secretary (if any) to give such notice.

6.2 Notice of any directors' meeting must be accompanied by:

(a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and

(b) copies of any papers to be discussed at the meeting.

6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7. QUORUM FOR DIRECTORS' MEETINGS

7.1 The quorum at any meeting of the directors shall be [two] directors, however if there is only one director in office, the quorum for such meeting shall be one director.

7.2 No business shall be conducted at any meeting of the directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be dissolved.

- 7.3 When the Company has only two directors and the board of directors is considering whether to authorise a Conflict pursuant to Article 9, the quorum for those purposes shall be one (but the director having the Conflict shall not vote or count towards the quorum).

8. CHAIRING OF DIRECTORS' MEETINGS

- 8.1 The Directors will appoint a chairman.
- 8.2 If the number of votes for or against a proposal at a meeting of directors are equal, the chairman shall not have a second or casting vote.
- 8.3 If the chairman for the time being is unable to attend any meeting of the board of directors, the directors then present shall be entitled to appoint another director to act as chairman at the meeting.

9. DIRECTORS' INTERESTS

- 9.1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (the "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest ("**Conflict**").
- 9.2 Any authorisation under this Article will be effective only if:
- (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 9.3 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 9.4 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company (including any proposed lending to a borrower from the Company) shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act. A director need not declare an interest:-
- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest, or
 - (b) 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, or

- (c) if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered at a board meeting.

9.5 Subject to sections 182(5) and 182(6) of the Act, 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 (including any proposed lending to a borrower from the Company) shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 9.4.

9.6 Subject, where applicable, to any terms and conditions imposed by the directors, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company (including any proposed lending to a borrower from the Company):

- (a) may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be entitled to be counted in the quorum and to vote in respect of any proposed decision of the directors in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested; and
- (c) 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 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.

9.7 Any authorisation of a Conflict under this Article 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 so authorised,
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, and
- (c) be terminated or varied by the directors at any time

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

9.8 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

- (a) disclose such information to the directors or to any director or other officer or employee of the Company, or

- (b) 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.

9.9 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:

- (a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,
- (b) is not given any documents or other information relating to the Conflict, and
- (c) 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.

9.10 Where the directors authorise a Conflict:

- (a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict and insofar as he does not do so their authorisation will no longer be valid, and
- (b) 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 director impose in respect of its authorisation and provided that the conflicted director is not in breach of his duties set out in s171 to 177 of the Act otherwise than by reason of the mere existence of the conflict.

10. PAYMENTS TO DIRECTORS

A director shall be entitled to such director's fees for services to the Company as a director as the directors may decide.

11. APPOINTMENT AND REMOVAL 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 holder of Shares to have died or to have a bankruptcy order made against him (as the case may be) shall 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.

12. ALTERNATE DIRECTORS

12.1 Any director (in this Article, the "**Appointor**") may appoint any person (whether or not a director) (except for an existing director representing another class of Shares) to be an alternate director to exercise that director's powers and carry out that director's responsibilities in relation to the taking of decisions by the directors in the absence of the alternate's Appointor. A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of Shares but not otherwise.

12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors.

- 12.3 The notice must identify the proposed alternate and in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 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 the committee of the Company directors of which his Appointor is a Shareholder.
- 12.6 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); and
 - (b) may participate in a unanimous decision of the directors (but only if his Appointor is eligible to attend and vote in relation to that decision, and does not himself participate).
- 12.7 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 eligible to be counted in the quorum and vote in relation to that decision).
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 12.9 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; or
 - (b) when the alternate director's Appointor ceases to be a director for whatever reason.

SHARE CAPITAL

13. AUTHORISED SHARE CAPITAL

- 13.1 Without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 13.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such Shares.
- 13.3 No variation of the rights attaching to any class of Shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of Shares. Where a special resolution to vary the rights attaching to a class of Shares is proposed at a separate general meeting of that class of Shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this Article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 13.4 Each of the following shall be deemed to constitute a variation of the rights attached to each class of Shares:
 - (a) any alteration in the Articles;
 - (b) any reduction, subdivision, consolidation, redenomination, purchase or redemption by the Company of its own Shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and
 - (c) any resolution to put the Company into liquidation.

14. ISSUES OF SHARES: AUTHORITY

- 14.1 In accordance with section 551 of the Companies Act 2006 ("**2006 Act**"), the directors are generally and unconditionally authorised to allot any class of share in the Company without limit provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date of adoption of these Articles and the directors may after that period allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 551) be renewed, revoked or varied by Ordinary Resolution of the Company in general meeting.
- 14.2 In accordance with section 567 of the Act, sections 561 and 562 of the Act are excluded.

15. UNISSUED SHARES

- 15.1 Unless otherwise determined by special resolution, if the company proposes to allot any Shares (other than any Shares to be held under an employees' share scheme), those Shares shall not be allotted to any person unless the Company has first offered them to all existing shareholders on the date of the offer on the same terms, and at the same price, as those Shares are being to other persons on a pari passu and pro rata basis to

the number of shares of the same class as the Shares being offered held by those holders (as nearly as possible without involving fractions). The offer:

- (a) Shall be in writing, shall be open for acceptance for a period of 20 business days from the date of the offer and shall give details of the number and subscription price of the relevant Shares, and
- (b) Shall stipulate that any existing shareholder who wishes to subscribe for a number of Shares in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess Shares (“Excess Shares”) for which he wishes to subscribe.

- 15.2 Any Shares not accepted by Shareholders pursuant to the offer made to them in accordance with Article 15.1 shall be used for satisfying any requests for Excess Shares made pursuant to Article 15.1. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to the existing Shareholders in accordance with Article 15.1 (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Shares remaining shall be offered to any other person as the director may determine, at the same price and on the same terms as the offer to the existing Shareholders.
- 15.3 Any Shares not allotted to Shareholders in accordance with Articles 15.1 and 15.2 and to section 551 of the Act, shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and condition they think proper.
- 15.4 No Share of any class, or any right to subscribe for or to convert any security into a Share, shall be allotted or granted otherwise than to the holder of a Share of that same class.
- 15.5 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) where the consent to that allotment has been obtained from Shareholders as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.

DECISION MAKING BY SHAREHOLDERS

16. QUORUM FOR GENERAL MEETINGS

- 16.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall (for such time as there are sufficient number of Shareholders in the Company) be two persons present in person or by proxy.
- 16.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

17. VOTING

At a general meeting, on a show of hands every Shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a Shareholder entitled to vote in which case he shall have one vote in his own capacity as Shareholder and one

vote as proxy; on a poll every Shareholder present in person or by proxy shall have one vote for each Share of which he is the holder and for which he is proxy; and on a vote on a written resolution every Shareholder has one vote for each Share of which he is the holder.

18. POLLS

- 18.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 18.2 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.

19. PROXIES

- 19.1 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 general meeting (or adjourned meeting) to which they relate".
- 19.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that Article.

ADMINISTRATIVE ARRANGEMENTS

20 MEANS OF COMMUNICATION TO BE USED

- 20.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post or recorded delivery to an address in the United Kingdom, 48 hours after it was posted;
 - (b) if sent by commercial courier addressed to the intended recipient, at the time of signature of the courier delivery receipt;
 - (c) if properly addressed and delivered by hand, at the time of delivery
- 20.2 No notice, document or other information served on, or delivered to, an intended recipient under the Articles may be served or delivered in electronic form or by fax, or by means of a website.
- 20.3 In proving that any notice, document or information was delivered by post it shall be sufficient to prove that the envelope containing such notice, documents or information was properly addressed and posted to the address of the recipient so provided for such purposes.

21. INDEMNITY AND INSURANCE

21.1 Subject to Article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer of the Company 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 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 21.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

21.2 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.

21.3 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.

21.4 In this Article:

- (a) a "relevant officer" means any director or company secretary of the Company; and
- (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.

22. TRANSFER OF SHARES

22.1 Save where Article 23 or Article 28 applies, no Shareholder shall transfer or create or dispose of any legal or beneficial interest (including any security interest) in or over any of its Shares except in accordance with the procedure for the transfer of Shares contained in these Articles.

22.2 Save where Article 23 or Article 28 applies, any Shareholder wishing to transfer its shares shall first give the Company and the other Shareholders written notice of its intention so to do (which notice shall be an option event for the purposes of the option procedure set out in Article 26) stating:

- (a) the name and address of the proposed transferee (if applicable) and the price per share; and
- (b) whether the transfer is conditional upon all (and not part only) of its shares being sold ("**a Total Transfer Condition**")

PROVIDED ALWAYS THAT any such notice shall not be effective unless:

- (c) where given by a Shareholder, equivalent notice is given concurrently by each of its ees for the time being holding Shares;
- (d) where given by a permitted transferee, equivalent notice is given concurrently by the Shareholder by whom the relevant permitted transfer was made to that permitted transferee and each of that Shareholder's other permitted transferees for the time being holding Shares.

22.3 The board shall in such capacity decline to register any transfer which would otherwise be permitted hereunder if:-

- (a) it is a transfer of a Share on which the Company has a lien; and
- (b) it is to a person of whom all the holders of Shares do not unanimously approve such approval not to be unreasonably withheld or delayed

22.4 Subject to Article 22.3 the directors shall register the transfer of any Share made in accordance with these Articles. The directors may refuse to register the transfer of a Share made otherwise than in accordance with these Articles, and, if they do so, the instrument of transfer must be returned to the transferee with a notice of refusal giving reasons for such refusal as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged for registration, unless the directors suspect that the proposed transfer may be fraudulent.

23. PERMITTED TRANSFERS

23.1 For the purposes of this Article 23 the following categories of transfer by a Shareholder and/or its permitted transferees shall be "**permitted transfers**":-

- (a) a transfer to any Connected Person of the relevant Shareholder;
- (b) a transfer to trustees of a trust the sole beneficiaries of which are Connected Persons of the relevant Shareholder and / or the relevant Shareholder PROVIDED THAT no power of control over the voting powers conferred by any shares the subject of such trust is capable of being exercised by or subject to the consent of any person other than the trustees or the relevant original shareholder or the Connected Persons of the relevant Shareholder (a "**Family Trust**");
- (c) in the case of a permitted transferee holding shares as a result of a transfer pursuant to Article 23.1 (a) from a Shareholder a transfer to that Shareholder or to any Connected Person of that Shareholder;
- (d) in the case of trustees of a Family Trust a transfer to new trustees of that Family Trust

23.2 Subject to Article 22.3 a Shareholder may make a permitted transfer of all or part of the Shareholders' Shares at any time PROVIDED ALWAYS that:

- (a) any permitted transferee shall not be permitted to attend general meetings of the Company but shall appoint the Shareholder whose Shares have been transferred

(the “Transferor Shareholder”) as its proxy to vote at such general meetings in any way that the Transferor Shareholder thinks fit;

- (b) in the event that a permitted transferee who is the spouse, civil or long term partner of the Transferor Shareholder ceases to be the spouse, civil or long term partner of that Transferor Shareholder or which is a group company of the Transferor Shareholder ceases to be a group company of the Transferor Shareholder, immediately prior to such event, the spouse, civil or long term partner shall transfer all the shares held by such permitted transferee back to the Transferor Shareholder or to any other person to whom that Transferor Shareholder may transfer Shares pursuant to this Article 23 as that Transferor Shareholder shall direct; and
- (c) in the event that any Family Trust, the trustees of which hold shares as permitted transferees ceases to be a Family Trust the trustees of such Family Trust shall, immediately prior to such event, transfer the relevant shares back to the Transferor Shareholder or to any other person to whom that Transferor Shareholder may transfer shares pursuant to this Article 23 as that Transferor shall direct;
- (d) no transfer shall be made if it would result in the relevant Transferor Shareholder no longer holding any Shares

24. CALL OPTION

24.1 An option event shall mean:-

- (a) the death of any member or the mental or physical incapacity of any member where such incapacity continues for 6 consecutive months or exists for 6 months in any 12 month period;
- (b) the bankruptcy of any member or the taking of any legislative provisions from time to time in force for the relief of insolvent debtors or the making of any arrangement or composition with creditors;
- (c) the attempt by a Shareholder to transfer create or dispose of any interest in or over any of their shares in breach of the provisions of Article 22.1;
- (d) the service by a Shareholder of a written notice pursuant to Article 22.2;
- (e) following a permitted transfer (or series of permitted transfers) the occurrence of any of the events referred to in Articles 24.1(a) to 24.1(e) above in relation to the Shareholder who made the original permitted transfer

24.2 Upon the occurrence of an option event an option shall arise in favour of any and all shareholders other than the holder of the option shares and in accordance with the provisions of Article 26 and in respect of all those shares:-

- (a) where the option event is one referred to in Articles 24.1(d) or 24.1(e) or 24.1(f) held by the member (and their permitted transferees) who shall have served written notice pursuant to Article 22.2 or who shall have attempted to transfer create or dispose of any interest in or over such shares (or any of them) in breach of the provisions of Article 22.1;

- (b) where the option event is one referred to in Articles 24.1(a) to 24.1(c) held by the member or their personal representatives (and their permitted transferees) suffering the option event;
 - (c) where the option event is one referred to in Article 24.1(f) held by the permitted transferee.
- 24.3 If any Shareholder becomes aware of any option event having occurred in respect of any Shareholder (including, for the avoidance of doubt, itself), he shall immediately notify the Company and each other Shareholder in writing.
- 24.4 Each option shareholder shall be entitled to purchase such proportion of the option shares as the number of shares held by such option shareholder bears to the aggregate number of shares held by all the option shareholders

25. OPTION PRICE

25.1 The option price shall be:-

- (a) such amount per share as shall be agreed between the option shareholders and the holder of the option shares; or
 - (b) failing such agreement within 90 days of the option event date (the "**Valuation Period**") such amount per share as shall be certified to be the fair value of the option shares by an Independent Valuer
- 25.2 The Independent Valuer (who shall act as an expert and not as an arbitrator) shall certify the fair value of the option shares as at the date on which the option event occurred on the following assumptions and bases:-
- (a) valuing the option shares on the basis of an arm's length sale between a willing seller and a willing purchaser;
 - (b) if the Company is then carrying on business as a going concern on the assumption that it will continue to do so;
 - (c) having regard to all material relevant circumstances including the circumstances under which the option shall have arisen;
 - (d) that the option shares are capable of being transferred without restriction;
 - (e) valuing the option shares as a rateable proportion of the total value of all the issued shares which value shall not be discounted or enhanced by reference to the number of option shares
- 25.3 The option price shall be a sum equal to the fair value of the option shares determined as aforesaid divided by the number of the option shares
- 25.4 The certificate of the Independent Valuer (whose fees shall be borne as he shall decide) shall be in writing and shall in the absence of manifest error be final and binding

- 25.5 The Shareholders shall use their reasonable endeavours to procure that the Independent Valuer determines the option price within 21 days of being requested to do so

26. OPTION PROCEDURE

- 26.1 Within 30 working days of agreement of the option price or the certificate of the Independent Valuer the board may (at its discretion but only insofar as in the board's opinion the cash resources of the Company can conveniently and properly be used for the purpose and also insofar as the Company is so permitted by law and provided that any appropriate clearances have been obtained from HMRC to the effect that any such purchase by the Company would not constitute a "distribution" for tax purposes) take all such steps as may be necessary to procure the Company to purchase at the option price the option shares
- 26.2 If the Company does not take up its rights under Article 26.1 the board shall within 5 working days of the end of the 30 day period referred to in Article 26.1 notify each option shareholder of his entitlement and the option price. If an option shareholder wishes to purchase all (but not part only) of his entitlement to the option shares he shall within 30 days of such notice from the board give the holder of the option shares appropriate written notice.
- 26.3 Subject to Article 26.6 upon receipt by the holder of the option shares of such notification a contract for sale shall be deemed to have been made on such date between the relevant option shareholder and the holder of the option shares upon terms that the option shares the subject of such contract shall be sold with all rights and free of all security interests with the sale and purchase being completed and the option price being paid in full within 30 days.
- 26.4 Subject to Article 26.6, upon payment in full of the option price (or payment of the first instalment pursuant to Article 26.8) the holder of the option shares shall be bound to execute a transfer of the relevant option shares to the option shareholder and if he shall make default in so doing the Company may receive and give good discharge for the purchase money on behalf of the holder and shall authorise some person (who shall be deemed to be the attorney of the holder of the option shares for that purpose) to execute in favour of the relevant Shareholder a transfer of the relevant option shares.
- 26.5 If any option shareholder fails to notify his willingness to purchase its entitlement of option shares in accordance with Article 26.2 or fails to complete the purchase in accordance with Article 26.4, then the holder of the option shares shall immediately give written notice to the option shareholders (except any option shareholder who has failed to notify his willingness to purchase or to complete the purchase) of such failure to give notice or purchase (if applicable) and the number of unsold option shares ("Excess Shares") and, each such option shareholder shall be entitled to give notice that it wishes to purchase all or any of such Excess Shares within seven days of receipt of the said notice from the holder and if any of such option shareholders shall give such notice the provisions of Articles 26.3 and 26.4 above shall apply *mutatis mutandis*, save that if notices are received from such option shareholders for more than the total number of Excess Shares then the Excess Shares shall be allocated to those option shareholders who have applied for them in proportion (as nearly as possible but without allocating to any such option shareholder more Excess Shares than the maximum number applied for by him) to the number of shares then held by them respectively.

26.6 (a) Notwithstanding the above provisions, if the option event which gave rise to the option procedure set out above was the service by the holder of a written notice pursuant to Article 22.2 and such notice contained a Total Transfer Condition then unless purchasers are found pursuant to the provisions set out above for all of the option shares then the holder of the option shares shall not be obliged to transfer any of the option shares in accordance with the above provisions of this Article 26, and shall instead be entitled to transfer such option shares in accordance with Article 26.7, provided that such transfer shall be a transfer of all (and not some only) of the option shares.

(b) For the avoidance of doubt, if the option event which gave rise to the option procedure set out above was the service by the holder of a written notice pursuant to Article 24.2 and such notice contained a Total Transfer Condition then, if purchasers have been found pursuant to the provisions set out above for all of the option shares then the sale and purchase of such option shares shall be completed within 30 days of the expiry of the Option Period during which there ceased to be any option shares in respect of which an offer to purchase has not been made, and the provisions of Articles 26.1, 26.3, 26.4 and 26.5 shall be construed accordingly.

26.7 If after the application of the above provisions of this Article 26 there are any option shares unsold, the holder shall be entitled, subject to Article 27, within 90 days of the expiry of the Option Period to sell all such option shares to any person or persons approved in writing by the option shareholders, such consent not to be unreasonably withheld or delayed provided that no such transfer shall be made in respect of any option which has arisen prior to the fifth anniversary of the adoption of these Articles.

26.8 (a) Save as provided in Article 26.8(b) each option shareholder shall be entitled in the written notifications referred to in Articles 26.1 and 26.6 to indicate that he wishes to pay the option price by 6 equal instalments the first of which shall be payable in accordance with Article 26.3 and the remainder of which shall be paid at subsequent 6 monthly intervals PROVIDED THAT if an option shareholder fails to pay an instalment on the due date the original holder (or his personal representatives) shall be entitled by written notice to demand immediate payment of all unpaid instalments and/or to require the defaulting option shareholder against repayment of all monies paid in respect of the option price to execute a transfer of the relevant shares back to the original holder and the provisions of Article 26.2 shall apply *mutatis mutandis*.

(b)(i) The outstanding balance of any part of the option price remaining unpaid shall bear interest at the rate of 2 per cent above the base rate of the Bank of England from time to time in force to be payable on the due date of each instalment and to accrue on a day to day basis.

(ii) If an option shareholder fails to pay an instalment on the due date, it shall pay interest on that amount from the time of default up to the earlier of the time of actual payment (as well after as before judgment) or transfer back pursuant to Article 26.8(a) interest at the rate per annum which is 2 per cent above the rate provided in Article 26.8(b)(i).

27. REVISED PRICE

27.1 If pursuant to the provisions of Article 26.6 or 26.7 the holder of the option shares proposes to sell all or the remaining option shares to any person or persons at a price which is less than the option price ("the Revised Price") he shall first re-offer such

option shares for sale to the option shareholders who shall be entitled to purchase them in the proportions referred to in Article 26.2 at the Revised Price in accordance with the following provisions:-

- (a) any such offer shall be by written notice and each option shareholder shall within 30 days of receipt of such notice inform the holder of the option shares whether he is prepared to purchase all of his entitlement (but not part only) of the option shares at the Revised Price specified in the notice;
- (b) if an option shareholder notifies the holder of the option shares of his willingness to purchase all of his entitlement of the option shares at the Revised Price a contract for sale and purchase thereof shall be deemed to be made between the holder of the option shares and the option shareholder on the date such notification is received by the holder of the option shares and the provisions of Articles 26.3 and 26.4 shall apply *mutatis mutandis* to such contract

27.2 If an option shareholder fails to notify his willingness to purchase his entitlement of option shares at the Revised Price or fails to complete such purchase after notifying such willingness then the provisions of Articles 26.4 and 26.5 shall apply *mutatis mutandis* save that all reference therein to the option price shall be construed as the Revised Price.

28. DRAG ALONG

28.1 If the holders of not less than [75]% of the Shares in issue for the time being ("**Selling Shareholders**") wish to transfer all of their interest in Shares ("**Sellers' Shares**") to a bona fide arm's length purchaser ("**Proposed Buyer**"), the Selling Shareholders may require all the other holders of Shares ("**Called Shareholders**") to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article 28 ("**Drag Along Option**").

28.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect ("**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:

- (a) the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to this Article 28;
- (b) the person to whom the Called Shares are to be transferred;
- (c) the consideration payable for the Called Shares calculated in accordance with article 28.4 (or such other consideration as may have been otherwise agreed between the Selling Shareholders and the Called Shareholders (or any of them) prior to the service of the Drag Along Notice), which shall be paid in the same manner and at the same time as such purchase price shall be paid to the Selling Shareholders, provided always that the Selling Shareholders may in their absolute discretion determine that any deferred or contingent consideration which is or may be payable to any Called Shareholder(s) following completion of the proposed transfer, or any non-cash consideration payable to any Called Shareholder(s), may instead be satisfied either wholly or partly by the payment to such Called Shareholder(s) of an equivalent amount in cash on completion of such transfer and the equivalent cash value of any such consideration shall be agreed between the Selling Shareholders and the Called Shareholders (or any of them) or, in the absence of agreement, determined by an Expert using the same process as set out in Article 18 ("**Fair Value**"); and

(d) the proposed date of the transfer.

- 28.3 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 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.
- 28.4 Subject to any other agreement to the contrary entered into prior to the date of the Drag Along Notice between the Selling Shareholders and the Called Shareholders (or any of them), the Called Shareholders shall sell each Called Share for the amount to which they would be entitled to receive if the total consideration proposed to be paid by the third party purchaser were distributed to the holders of the Called Shares and the Sellers' Shares pro rata in accordance with their respective shareholdings.
- 28.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.
- 28.6 Within 5 days of the Company confirming to the Called Shareholders that the Proposed Buyer has put the Company in the requisite funds and that completion of the sale of the shares is conditional only upon delivery of a duly executed stock transfer form for the Called Shares together with the relevant share certificate (or a suitable indemnity for any lost share certificate), the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company and upon receipt, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to article 28.4. The Company's receipt for such part of the price as is payable to any Called Shareholder(s) in cash on completion of the transfer of shares to the Proposed Buyer shall be a good discharge to the Proposed Buyer. Pending such payment, the Company shall hold such amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest. The Company shall further procure, that any part of the purchase price payable to the Called Shareholder(s) on completion of the transfer of the shares by the Proposed Buyer or otherwise to be satisfied in non-cash consideration shall be held on trust for the Called Shareholder(s) pending compliance with the terms of this Article 28.6.
- 28.7 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 28.
- 28.8 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or on the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New

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Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 28 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.