

Company number 03200910

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

CLOSEWOOD LIMITED (Company)

22 June

2016 (Circulation Date)

Under Chapter 2 of Part 13 of the Companies Act 2006, the sole director of the Company proposes that Resolutions 1 and 2 below are passed as special resolutions (together Special Resolutions)

SPECIAL RESOLUTIONS

1 Reclassification of shares

THAT, the 5 A ordinary shares and the 1 B ordinary share of £1 each in the capital of the Company held by Dean Kirby be reclassified as ordinary shares of £1 each

2 Articles

THAT, the articles of association in the form attached to this resolution be adopted as the articles of association of the Company, to the exclusion of and in substitution for the existing articles of association

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Special Resolutions

The undersigned, a person entitled to vote on the above resolutions on the Circulation Date, hereby irrevocably agrees to the Special Resolutions

Signed by DEAN KIRBY

Date

Signed by SIMON ANDERTON

Date

Signed by EMMA ANDERTON

Date

[Signature]

22nd June 2016

[Signature]

22/6/16

E Anderton

22/6/16

SATURDAY



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COMPANIES HOUSE

NOTES

1 You can choose to agree to all of the Special Resolutions or none of them but you cannot agree to only some of the resolutions. If you agree to all of the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods:

- **By hand** delivering the signed copy to the Directors at Unit 1 Downley Business Park, 12 Downley Road, Havant, Hampshire, PO9 2NJ
- **Post** returning the signed copy by post to the Directors at Unit 1 Downley Business Park, 12 Downley Road, Havant, Hampshire, PO9 2NJ

If you do not agree to all of the resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.

2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement.

3 Unless within 28 days of the Circulation Date, sufficient agreement is received for the resolutions to pass, they will lapse. If you agree to the resolutions, please ensure that your agreement reaches us before or during this date.

4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CLOSEWOOD LIMITED (Company)

(Adopted by special resolution passed on **22 June** 2016)

INTRODUCTION

1 Interpretation

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

Act	the Companies Act 2006,
acting in concert	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended),
Adoption Date	the date of adoption of these Articles,
Articles	the Company's articles of association for the time being in force,
Available Profits	profits available for distribution within the meaning of part 23 of the Act,
Bad Leaver	an Employee who becomes a Departing Employee in circumstances where he is neither a Good Leaver nor an Early Leaver,
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business,
Cash Consideration	has the meaning given in the SPA,
Chairman	has the meaning given to it in <i>article 4.2</i> ,
Company's Lien	has the meaning given to it in <i>article 20.1</i> ,
connected	has the meaning given in section 252 of the Act,
Controlling Interest	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010,
Deemed Transfer Notice	a Transfer Notice which is deemed to have been

	served by any of the provisions of these Articles,
Departing Employee	an Employee who ceases to be a director or employee of any Group Company and who does not continue as, or become, a director or employee of, or consultant to, any Group Company,
Directors	the directors of the Company from time to time,
Disposal	the disposal by the Company of all, or a substantial part of, its business and assets,
Early Leaver	In the case of Dean Kirby only, where he serves a Transfer Notice under clause 12 prior to the repayment in full by the Company of all amounts owing by it to Simon Anderton and Emma Anderton under the SPA,
Eligible Director	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter),
Employee	an individual who is, or has been, a director and/or an employee of, any Group Company,
Employee Trust	a trust, the terms of which are approved by the Founders (acting unanimously), whose beneficiaries are the bona fide employees of the Group,
Fair Value	has the meaning given in <i>article 13 2</i> ,
Financial Year	an accounting reference period (as defined in section 391 of the Act) of the Company,
Founders	Simon Anderton, Emma Anderton and Dean Kirby,
Founder Consent	the prior consent in writing of all of the Founders,
Good Leaver	<p>an Employee who becomes a Departing Employee (other than an Early Leaver) by reason of</p> <p>(a) death,</p> <p>(b) permanent disability or permanent incapacity through ill-health,</p> <p>(c) retirement at normal retirement age,</p> <p>(d) ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company, or</p>

	(e) dismissal by the Company (or other Group Company) which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful or constructive,
Group	the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and Group Company shall be construed accordingly,
holding company	has the meaning given in article 1 10,
Independent Expert	the auditors or accountants (as the case may be) for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 Business Days of the expiry of the 10 Business Day period referred to in <i>article 13 1</i> , an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator),
Founder Consent	the prior consent in writing of all of the Founders,
Issue Price	in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium,
Lien Enforcement Notice	means a notice in writing which complies with the requirements of <i>article 21 2</i> ,
Member of the Same Group	as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company,
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (<i>SI 2008/3229</i>), as amended prior to the Adoption Date,
Ordinary Shares	the ordinary shares of £1 each in the capital of the Company,
Permitted Transfer	a transfer of Shares made in accordance with <i>article 11</i> ,

Relevant Securities

any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than

(a) the grant of any options under a Share Option Plan (and the issue of Shares on the exercise of any such options),

(b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles [and/or the Investment Agreement], and

(c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Investor Consent,

Relevant Shares

in relation to an Employee means all Shares held by

(a) the Employee in question, and

(b) any Permitted Transferee of that Employee (other than those Shares held by those persons that the board of Directors declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of his/her relationship with the Employee) ,

and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice,

Restricted Shares

has the meaning given in *article 14 6*,

Sale Shares

has the meaning given in *article 12 2 1*,

Seller

has the meaning given in *article 12 2*,

Shareholder

a holder for the time being of any Share or Shares, but excluding any member holding Shares in treasury,

Share Option Scheme

any share option scheme of the Company which the Founders identify in writing as being a Share Option Scheme for the purposes of these Articles,

Shares

shares (of any class) in the capital of the Company and Share shall be construed accordingly,

SPA the sale and purchase agreement made on the Adoption Date between the Founders and the Company's holding company, the Closewood Group Limited,

subsidiary has the meaning given in article 1 10,

Termination Date (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,

(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,

(c) where an Employee dies, the date of his death,

(d) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated, or

(e) in any other case, the date on which the employment or holding of office is terminated,

Transfer Notice has the meaning given in article 12 2,

Transfer Price has the meaning given in article 13,

1 2 Headings in these Articles shall not affect the interpretation of these Articles

1 3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular

1 4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders

1 5 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 Adoption Date)

1 6 A reference in these Articles to

1 6 1 an **Article** is a reference to the relevant numbered article of these Articles, and

1 6 2 a **model article** is a reference to the relevant article,

unless expressly provided otherwise

- 1 7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made under that statute or statutory provision.
- 1 8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1 9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1 10 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of
- 1 10 1 another person (or its nominee), by way of security or in connection with the taking of security, or
- 1 10 2 its nominee

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.

DIRECTORS

3 **Proceedings of directors**

- 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 3 2* (subject to *article 3 3* and *article 3 4*). All decisions of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions shall be decided by a majority of votes.
- 3 2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter and therefore does not have to be taken at a meeting of Directors.
- 3 3 A decision taken in accordance with *article 3 2* may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 3 4 A decision may not be taken in accordance with *article 3 2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with *article 3 6* and *article 3 7*.

3 5 Meetings of the Directors shall take place at least 12 times in each year, with a period of not more than 5 weeks between any two meetings. Any Director may call a meeting of the Directors. At least 10 Business Days' advance notice of each such meeting shall be given to each Director (except with the prior consent in writing of all Directors, when meetings of the Directors may take place less frequently or on shorter notice)

3 6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be three Eligible Directors, which must include each of the Founders for as long as they hold office, unless

3 6 1 a Founder has, in respect of any particular meeting (or part of a meeting), otherwise agreed ahead of such meeting, or

3 6 2 a Founder is not, in respect of any particular meeting (or part of a meeting), an Eligible Director,

If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then provided that two Eligible Directors are in attendance, the meeting shall proceed.

3 7 For the purposes of any meeting (or part of a meeting) held pursuant to *article 6* to authorise a Conflict (as defined in *article 6 1*), 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.

3 8 If, on a resolution of Directors, there is an equality of votes, the Chairman (or other chairman of the meeting) shall not have a second or casting vote.

4 Founder Directors and Chairman

4 1 The Founders may, acting unanimously, appoint any person as chairman of the board of Directors (Chairman) and may, with Founder Consent, remove and replace any such Chairman. If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

5 Transactions or other arrangements with the Company

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

5 1 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,

5 1 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect

of such existing or proposed transaction or arrangement in which he is interested,

5 1 3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,

5 1 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,

5 1 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

5 1 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) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

6 Directors' conflicts

6 1 The Directors may, in accordance with the requirements set out in this *article 6*, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an Interested Director) breaching his duty under section 175 of the Act to avoid conflicts of interest (Conflict)

6 2 Any authorisation under this *article 6* will be effective only if

6 2 1 to the extent permitted by the Act, 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,

6 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

6 2 3 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

6 3 Any authorisation of a Conflict under this *article 6* may (whether at the time of giving the authorisation or subsequently)

6 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

- 6 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,
 - 6 3 3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict,
 - 6 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,
 - 6 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
 - 6 3 6 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
- 6 4 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
- 6 5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 6 6 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

7 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

SHARES AND DISTRIBUTIONS

8 Dividends

- 8 1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this *article* 8

8 2 Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Shares (pari passu as if they constituted Shares of the same class) pro rata to their respective holdings of Shares

8 3 Subject to the Act, the Directors may pay interim dividends provided that

8 3 1 the Available Profits of the Company justify the payment, and

8 3 2 the Company obtains Founder Consent to any such interim dividend

8 4 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash

8 5 The Company shall procure that the profits of any other Group Company available for distribution shall from time to time (and to the extent lawful), be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company) to the extent necessary to permit lawful and prompt payment by the Company's holding company, The Closewood Group Limited, of the amounts due under the SPA

8 6 Notwithstanding any other provision of this article 8, no dividend may be paid to the Company in respect of any Shares held in treasury

9 Pre-emption rights on the issue of further shares

9 1 Except as permitted by these Articles, the Directors shall not, save with Founder Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares

9 2 Subject to the remaining provisions of this article 9, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to

9 2 1 offer or allot,

9 2 2 grant rights to subscribe for or to convert any security into, and

9 2 3 otherwise deal in, or dispose of,

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

9 3 If the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Shares (each an Offeree) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders (as nearly as possible without involving fractions) and on the same

terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person

9.4 An offer made under *article 9.3* shall

9.4.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered,

9.4.2 remain open for a period of at least 10 Business Days from the date of service of the offer, and

9.4.3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under *article 9.3* shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe

9.5 If, on the expiry of an offer made in accordance with *article 9.3*, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement

9.6 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *article 9.3* shall be used to satisfy any requests for Excess Securities made pursuant to *article 9.4.3*. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him)

9.7 If, after completion of the allotments referred to in *articles 9.5* and *9.6* not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, be offered to any other person(s) as the Directors may, with Founder Consent, determine, at the same price and on the same terms as the offer to the Shareholders

9.8 Nothing in this *article 9* shall prevent the Company from allotting Shares up to 10% of the issued share capital of the Company pursuant to an employee share option scheme

9.9 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

10 **Transfers of shares: general**

10.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share

- 10.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to *article 10.5*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 10.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with Founder Consent to the contrary, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 10.4 Any transfer of a Share by way of sale which is required to be made under *article 14*, *article 15* or *article 16* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 10.5 The Directors may (and shall, if requested by the Founders), as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the Founders agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors (acting with Founder Consent) may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this *article 10.5*, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 10.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by the Founders, require
- 10.6.1 any holder (or the legal representatives of a deceased holder), or
- 10.6.2 any person named as a transferee in a transfer lodged for registration, or
- 10.6.3 such other person as the Directors or Founders may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors or Founders think fit regarding any matter which they deem relevant to that purpose.
- 10.7 If any such information or evidence referred to in *article 10.6* is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then, unless otherwise directed in writing by the Founders
- 10.7.1 the relevant Shares shall cease to confer on the holder of them any rights.

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
- (b) to receive dividends or other distributions otherwise attaching to those Shares, or
- (c) to participate in any future issue of Shares issued in respect of those Shares, and

10 7 2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice)

The Directors may (with Founder Consent) reinstate the rights referred to in *article 10 7 1* at any time and, in any event, such rights shall be reinstated

10 8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that

10 8 1 it does not contain a Minimum Transfer Condition, and

10 8 2 the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice)

10 9 Any Transfer Notice (but not an Offer Notice (as defined in *article 15*) or a Drag Along Notice (as defined in *article 16*)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall (save with Founder Consent to the contrary) automatically be revoked by the service of a Deemed Transfer Notice

10 10 Dean Kirby may not, save with the prior written consent of the other Founders, serve a Transfer Notice under *article 12 2* until such time as the Company has paid all amounts outstanding under the SPA

11 Permitted transfers of shares

11 1 A transfer of any Shares approved by the Directors (acting with Founder Consent) may be made without any price or other restriction and any such transfer shall be registered by the Directors

12 Pre-emption rights on the transfer of shares

12 1 Except where expressly stated otherwise, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *article 12*

12 2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying

12 2 1 subject to *article 10 8 2*, the number of Shares he wishes to transfer (**Sale Shares**),

- 12 2 2 the name of the proposed transferee, if any,
 - 12 2 3 subject to *article 14 4*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**), and
 - 12 2 4 subject to *article 10 8 1*, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**)
- 12 3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice
- 12 4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 12 5 As soon as practicable following the later of
- 12 5 1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), and
 - 12 5 2 the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with *article 12 3*) offer the Sale Shares to the Shareholders, excluding the Seller, (Continuing Shareholders) for sale in the manner set out in the remaining provisions of this *article 12* at the Transfer Price Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered
- 12 6 An offer of Sale Shares made in accordance with *article 12 5* shall remain open for acceptance for a period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive)
- 12 7 The Directors shall offer the Sale Shares to the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the First Offer Period) for the maximum number of Sale Shares they wish to buy
- 12 8 If
- 12 8 1 at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares offered held by all Continuing Shareholders (Proportionate Entitlement) Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors (acting with Founder Consent)) No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy, and

12.8.2 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the balance (the Initial Surplus Shares) shall be dealt with in accordance with article 12.9

12.9 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Continuing Shareholders who have applied for more than their Proportionate Entitlement inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the Second Offer Period) for the maximum number of Initial Surplus Shares they wish to buy

12.10 If

12.10.1 at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Second Offer Shareholders bears to the total number of Shares of the class held by all Second Offer Shareholders. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors (acting with Founder Consent)). No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

12.10.2 at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the balance (the **Second Surplus Shares**) shall, subject to article 12.15, be offered to any other person in accordance with article 12.16

12.11 Where the Transfer Notice contains a Minimum Transfer Condition

12.11.1 any allocation made under *this article 12* shall be conditional on the fulfilment of the Minimum Transfer Condition, and

12.11.2 if the total number of Sale Shares applied for under this article 12 is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

12.12 Where either

12.12.1 the Transfer Notice does not contain a Minimum Transfer Condition, or

12.12.2 allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under *the preceding articles of this article 12*, give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and each

Shareholder to whom Sale Shares have been allocated (each an Applicant) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice)

12 13 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice

12 14 If the Seller fails to comply with *article 12 13*

12 14 1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller

(a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,

(b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and

(c) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and

12 14 2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

12 15 Where a Transfer Notice lapses pursuant to *article 12 11* or an Allocation Notice does not relate to all the Sale Shares, then the Seller may, subject to *article 12 16*, at any time during the 20 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Initial Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this *article 12 15* shall continue to be subject to any Minimum Transfer Condition

12 16 The Seller's right to transfer Shares under *article 12 15* does not apply if the Directors reasonably consider that

12 16 1 the transferee is a person (or a nominee for a person) whom the continuing Founders determine to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company,

12 16 2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or

12.16.3 the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in article 12.16.1

13 Valuation

13.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the continuing Founders, or in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share

13.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions

13.2.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served),

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

13.2.3 that the Sale Shares are capable of being transferred without restriction,

13.2.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent, and

13.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account

13.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit

13.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose

13.5 The parties are entitled to make submissions to the Independent Expert including oral submissions and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision

13.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)

13.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the

Company Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller

- 13 8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless

13 8 1 the Seller withdraws the relevant Transfer Notice in accordance with *these articles*, or

13 8 2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost

14 **Compulsory transfers**

- 14 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors (acting with Founder Consent) may determine

- 14 2 A person entitled to a Share in consequence of the death or incapacity of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors (acting with Founder Consent) may determine

- 14 3 If a Shareholder (Defaulting Shareholder)

14 3 1 is in material breach of the Shareholders Agreement or Articles and fails to remedy such breach within 5 Business Days of written notification by the Company to do so, or

14 3 2 becomes a Departing Employee,

a Transfer Notice shall, unless the Directors (with Founder Consent) otherwise direct in writing in respect of any Shares held by the Defaulting Shareholder prior to or within 10 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Shares held by the Defaulting Shareholder (a Compulsory Shareholder Transfer) and any Transfer Notice served in respect of any of Shares held by the Defaulting Shareholder before the date that the Defaulting Shareholder becomes commits the breach or becomes a Departing Employee (as the case may be) shall automatically lapse

- 14 4 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Shareholder Transfer shall, where the Departing Employee is

14 4 1 a Bad Leaver or an Early Leaver, be restricted to a maximum of the lower of

(a) the aggregate Issue Price of such Sale Shares, and

- (b) such proportion of the aggregate Fair Value of the Sale Shares as reflects the proportion of the Cash Consideration actually paid to Simon Anderton and Emma Anderton by the Company under the terms of the SPA, and

14.4.2 a Good Leaver, be the aggregate Fair Value of such Sale Shares

14.5 Notwithstanding the provisions of article 14.4, the Founders may (acting unanimously), by notice in writing served on the Company and the relevant Seller(s), direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to article 14.4

14.6 Forthwith upon a Transfer Notice being deemed to be served under articles 14.1 to 14.3 inclusive, the Shares subject to the relevant Deemed Transfer Notice (Restricted Shares) shall cease to confer on the holder of them any rights

14.6.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,

14.6.2 to receive dividends or other distributions otherwise attaching to those Shares, or

14.6.3 to participate in any future issue of Shares

The Directors may (with Founder Consent) reinstate the rights referred to in this article 14.6 at any time and, in any event, such rights shall be reinstated [in respect of any Shares transferred pursuant to articles 14.1 to 14.3 inclusive on completion of such transfer

15 **Mandatory offer on change of control**

15.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 14 or 16, but after the operation of the pre-emption procedure set out in article 12), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 15 shall apply

15.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the Offer) to the other shareholders (the **Offeree**) on the date of the Offer, to buy all of the Shares held by the Offeree on the date of the Offer for a consideration in cash per Share (the **Offer Price**) which is equal to the highest price per Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Shares in connection with the Proposed Transfer or any transaction in the two calendar months preceding the date of completion of the Proposed Transfer

15.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 10 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall specify

- 15 3 1 the identity of the Buyer (and any person(s) acting in concert with the Buyer),
 - 15 3 2 the Offer Price and any other terms and conditions of the Offer,
 - 15 3 3 the Sale Date, and
 - 15 3 1 the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer
- 15 4 The completion of the Proposed Transfer shall be conditional in all respects on
 - 15 4 1 the making of an Offer in accordance with this *article 15*, and
 - 15 4 2 the completion of the transfer of any Shares by the Offeree within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this *article 15 4*
- 15 5 The Proposed Transfer is, but the purchase of Shares from the Offeree pursuant to an Offer made under this *article 15* shall not be, subject to the pre-emption provisions of *article 12*
- 16 **Drag along**
- 16 1 If the holders of 52% by nominal value of the Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this *article 16*
- 16 2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify
 - 16 2 1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this *article 16*,
 - 16 2 2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),
 - 16 2 3 the consideration payable for the Called Shares calculated in accordance with *article 16 4*,
 - 16 2 4 the proposed date of completion of transfer of the Called Shares
- 16 3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 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

- 16.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that which is equal to the highest price per Share offered, paid or to be paid by the Buyer
- 16.5 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless
- 16.5.1 all of the Called Shareholders and the Selling Shareholders otherwise agree, or
- 16.5.2 that date is less than 5 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 5 Business Days after the date of service of the Drag Along Notice
- 16.6 Within 5 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 5 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to *article 16.4* to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to *article 16.4* shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *article 16.4* in trust for the Called Shareholders without any obligation to pay interest
- 16.7 To the extent that the Proposed Buyer has not, on the expiration of the 5 Business Day period, put the Company in funds to pay the amounts due pursuant to *article 16.4*, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this *article 16* in respect of their Shares
- 16.8 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this *article 16*
- 16.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to

acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to a Share Option Scheme (a New Shareholder), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 16 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 16.9 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.

- 16.10 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall be subject to the pre-emption provisions of article 12.
- 16.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

DECISION-MAKING BY SHAREHOLDERS

17 General meetings

- 17.1 No business other than, subject to article 17.2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 17.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.
- 17.3 The quorum for any general meeting (or, where specified below, part of a meeting) of the Directors shall be three, which must include each of the Founders, unless a Founder has, in respect of any particular meeting (or part of a meeting), otherwise agreed ahead of such meeting. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then provided that two Shareholders are in attendance, the meeting shall proceed.

18 Voting

- 18.1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

18 2 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

19 **Purchase of own shares**

19 1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of

19 1 1 £15,000, and

19 1 2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year

20 **Company's Lien over Shares**

20 1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future

20 2 The Company's Lien over a share

20 2 1 takes priority over any third party's interest in that Share, and

20 2 2 extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

20 3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part

21 **Enforcement of the Company's Lien**

21 1 Subject to the provisions of this article 21, if

21 1 1 a Lien Enforcement Notice has been given in respect of a Share, and

21 1 2 the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide

21 2 A Lien Enforcement Notice

21 2 1 may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed,

21 2 2 must specify the Share concerned,

- 21 2 3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
 - 21 2 4 must be addressed either to the holder of the Share or to a transferee of that holder, and
 - 21 2 5 must state the Company's intention to sell the Share if the notice is not complied with
- 21 3 Where Shares are sold under this *article* 21
 - 21 3 1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
 - 21 3 2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- 21 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied
 - 21 4 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and
 - 21 4 2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice
- 21 5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date
 - 21 5 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
 - 21 5 2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

ADMINISTRATIVE ARRANGEMENTS

22 Indemnity and insurance

- 22 1 Subject to *article* 22 2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled
 - 22 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 thereto including (in each case) any liability incurred by him in defending

any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs, and

22.1.2 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 22.1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

22.2 This *article 22* 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

22.3 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

22.4 In this *article 22*

22.4.1 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 (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company), and

22.4.2 Relevant Officer means any director or other officer of any Group Company