

**DATED**

23 February

**2024**

Signed, Matt Ellis, Managing Director.

A handwritten signature in black ink, appearing to read 'Matt Ellis', is positioned below the text 'Signed, Matt Ellis, Managing Director.'

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## **Broadcast Media Services Limited**

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**ARTICLES OF ASSOCIATION**

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**Company number 03946386**

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**BROADCAST MEDIA SERVICES LIMITED**

**(Adopted by special resolution passed on 23 February 2024)**

## **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 from time to time).

**appointor:** has the meaning given in article 10.1.

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

**Bankruptcy Event:** a bankruptcy petition being presented for the bankruptcy of a Shareholder, or an arrangement or composition being proposed by a Shareholder with any of his creditors, or where a Shareholder otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors.

**Board:** the board of directors from time to time of the Company.

**Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

**Completion Date:** mean as set out at article 23.5.

**Conflict:** has the meaning given in article 6.1.

**Controlling Interest:** means an interest in shares giving the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

**Deed of Adherence:** a deed of adherence to any contractual agreement in place from time to time between the Shareholders in the form required by the Board acting with Shareholder Consent.

**Deemed Transfer Notice:** a Transfer Notice that is deemed to have been served under article 21.1.

**eligible director:** a director who would be entitled to vote on the matter at a meeting of the Board (but excluding any director whose vote is not to be counted in respect of the particular matter).

**Encumbrance:** any interest or equity of any person (including any right to acquire, option, right of pre-emption, any agreement in respect of voting rights or commitment to give or create voting rights) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement.

**Excluded Shareholder:** each Shareholder whose proposed course of action is the subject of the relevant Shareholder Consent.

**Fair Value:** in relation to a Share, as determined in accordance with article 22.

**F Shares:** means the F Shares of £1.00 each in the capital of the Company having the rights set out in these Articles.

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

**Ordinary Shares:** the Ordinary Shares of £1.00 each in the capital of the Company from time to time, having the rights set out in these Articles.

**R Shares:** the R Shares of £1.00 each in the capital of the Company having the rights set out in these Articles.

**Sale Shares:** means as set out at article 20.1.1.

**Seller:** means as set out at article 20.1.

**Shareholder:** a holder of Shares (a reference to the “**Shareholders**” is to every Shareholder).

**Shareholders Agreement:** the shareholders agreement entered into between the Shareholders and the Company dated 2024, or such other subsequent agreement which the Shareholders enter into following the date of these Articles.

**Shareholder Consent:** the prior written consent of all those Shareholders for the time being who hold Voting Shares in the Company (excluding, where relevant, any Shares held by an Excluded Shareholder).

**Shares:** shares (of any class) in the capital of the Company from time to time.

**S Shares:** the S Shares of £1.00 each in the capital of the Company having the rights set out in these Articles.

**Surplus Shares:** means as set out at article 20.6.

**Transfer Notice:** has the meaning given in article 20.1.

**Transfer Price:** the price per Sale Share determined in accordance with article 20.

**Valuer:** the auditors 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, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).

**Voting Rights:** those Shares issued in the capital of the Company that entitle the holder to attend and vote at general meetings.

- 1.2 Unless otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.5 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.6 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.7 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.8 A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time.
- 1.9 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.
- 1.10 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.11 Unless expressly provided, a reference to writing or written excludes fax but not email.
- 1.12 The Model Articles shall apply to the Company, except insofar as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.13 Model Articles 7(1), 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 26.5, 38, 39, 44(2), 49, 52 and 53 shall not apply to the Company.
- 1.14 Model Article 7(2) shall be amended by:
  - 1.14.1 the insertion of the words "for the time being" at the end of article 7(2)(a);

- 1.14.2 the insertion in Model Article 7(2) of the words "(for so long as they remain the sole director)" after the words "and the director may"; and
- 1.14.3 the insertion of the words at the end of Model Article 7(2) "A sole director shall be entitled to exercise all powers and discretions conferred on the directors by the Act or the Articles and nothing in these Articles is to be construed as requiring the Company to have more than one director".
- 1.15 Model Article 20 shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.16 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.17 Model Article 27(3) shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.18 Model Article 29 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 Model Article 28(2)," after the words "the transmittee's name".
- 1.19 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## Directors

### **2. Unanimous Decisions**

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 A decision taken in accordance with article 2.1 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.
- 2.3 Subject to article 2.4, a decision may not be taken in accordance with article 2.2 if the eligible directors would not have formed a quorum at such a meeting.
- 2.4 If at any time the Company only has one director, article 2.1 does not apply and that director may (until such time as they cease to be the only director) take decisions without regard to any of the provisions of these Articles relating to directors' decision-making.

### **3. Calling a Directors' Meeting**

- 3.1 Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 3.2 Notice of any directors' meeting must indicate:
  - 3.2.1 its proposed date and time;
  - 3.2.2 where it is to take place; and
  - 3.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 3.3 Notice of a directors' meeting shall be given to each director in writing.

### **4. Quorum for Directors' Meetings**

- 4.1 The quorum for the transaction of business at a meeting of directors is any two eligible directors, unless there is only one director in office for the time being, in which case that director shall form a quorum.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 6 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

### **5. Transactions or Other Arrangements With the Company**

- 5.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided they have declared the nature and extent of their interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
  - 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 directors) in respect of such existing or proposed transaction or arrangement in which they are 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 they are interested;
- 5.1.4 may act by themselves, or their firm in a professional capacity for the Company (otherwise than as auditor) and they, or their firm shall be entitled to remuneration for professional services as if they 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, unless they agree otherwise, be accountable to the Company for any benefit which they (or a person connected with them (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of their duty under section 176 of the Act.

## 6. **Directors' Conflicts of Interest**

- 6.1 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 (an **Interested Director**) breaching their 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 or in such other manner as the directors may determine;
  - 6.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other Interested Director; and
  - 6.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other Interested Director's vote had not been counted.
- 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 on 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 their involvement in the Conflict and otherwise than through their position as a director of the Company) information that is confidential to a third party, they 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 themselves 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 themselves 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 they derive from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

**7. Records of Decisions to be Kept**

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

**8. Number of Directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one.

**9. Appointment of Directors**

In any case where, as a result of death or bankruptcy or otherwise, the Company has no Shareholders and no directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against them or otherwise ceased to be a Shareholder (as the case may be) has 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.

**10. Appointment and Removal of Alternate Directors**

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

10.1.1 exercise that director's powers; and

10.1.2 carry out that director's responsibilities,

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

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

10.3 The notice must:

10.3.1 identify the proposed alternate; and

10.3.2 in case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

**11. Rights and Responsibilities of Alternate Directors**

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

11.2 Except as the Articles specify otherwise, alternate directors:

11.2.1 are deemed for all purposes to be directors;

11.2.2 are liable for their own acts and omissions;

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

11.2.4 are not deemed to be agents of or for their appointors

and, in particular, each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which their appointor is a member.

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

11.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

11.3.2 may participate in a unanimous decision of the directors (but only if their appointor is an eligible director in relation to that decision, but does not participate); and

11.3.3 shall not be counted as more than one director for the purposes of article 11.3.1 and article 11.3.2.

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

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

## **12. Termination of Alternate Directorship**

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

12.1.1 where the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate on that specified date;

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

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

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

### **13. Secretary**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and on 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.

### Share transfers

### **14. Share Capital**

14.1 The share capital of the Company at the date of adoption of these Articles shall be £173 divided into:

14.1.1 Ordinary Shares;

14.1.2 F Shares;

14.1.3 R Shares; and

14.1.4 S Shares,

having the benefit of and being subject to the burden of the rights and restrictions contained in these Articles.

### **15. Voting**

Only the holders of the Ordinary Shares shall have the right to receive notice, to attend at and to vote at any general meeting of the Company (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any written resolution of the Shareholders.

### **16. Dividends**

No dividend may be declared or paid otherwise than in accordance with the Shareholders Agreement.

### **17. Capital**

17.1 In the event of a winding up of the Company or other return of capital, the assets of the Company remaining after payment of its debts and liabilities (exclusive of costs, charges and expenses of such winding up), shall be applied in the following order:

17.1.1 in paying to the holders of the Ordinary Shares, F Shares, R Shares and S Shares the capital paid up on such shares; and

17.1.2 in distributing the remaining Company assets (if any) amongst the holders of the Ordinary Shares, F Shares, R Shares and S Shares as if they constituted one class.

## **18. Purchase of Own Shares**

18.1 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:

18.1.1 £15,000; and

18.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year of the Company.

## **19. Share Transfers**

19.1 No Shareholder shall create any Encumbrance over, transfer or otherwise dispose of or give any person any rights in or over any Share or any interest in any Share, except as permitted or required by the Articles or with Shareholder Consent.

19.2 Subject to article 20.15, the Board shall register any duly stamped transfer made in accordance with the Articles, unless they suspect that the proposed transfer may be fraudulent.

19.3 To enable the Board to determine whether or not there has been a transfer of Shares in the Company in breach of these Articles, the directors may from time to time require any Shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a Shareholder fails to provide information or evidence in respect of any Shares registered in their name to the reasonable satisfaction of the directors within 20 days of their request or, as a result of the information and evidence provided the directors are reasonably satisfied that a breach has occurred, then the directors may serve a notice on the Shareholder stating that the Shareholder shall not, in relation to those Shares, be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of Shares of that class, or to vote on a written resolution of the Shareholders or to receive dividends on the Shares. Such directors may reinstate these rights at any time.

19.4 Any transfer of Shares by way of a sale under these Articles shall be deemed to include a warranty that the transferor sells the Shares with full title guarantee.

## **20. Pre-emption Rights on the Transfer of Shares**

20.1 Except where the provisions of article 21 (**Compulsory Transfers**), article 23 (**Drag Along**) and article 24 (**Tag Along**) apply, a Shareholder (**Seller**) wishing to transfer Shares must give

notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer, including:

- 20.1.1 the number of Shares to be transferred (**Sale Shares**);
  - 20.1.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
  - 20.1.3 the price (in cash) at which the Seller wishes to sell the Sale Shares (**Proposed Sale Price**) (which will be deemed to be Fair Value if the Seller is not proposing to sell the Sale Shares to a third party).
- 20.2 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company as the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 20.3 Once given, a Transfer Notice may only be withdrawn by the Seller 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. In such case, the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.
- 20.4 The Transfer Price for each Sale Share the subject of a Transfer Notice or Deemed Transfer Notice which is an Ordinary Share shall, unless expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the Board or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 22. The Transfer Price for each Sale Share the subject of a Transfer Notice or Deemed Transfer Notice which is a F Share, R Share or S Share shall be the nominal value of such Share.
- 20.5 As soon as practicable following the determination of the Transfer Price, the Board shall (unless the Transfer Notice is withdrawn in accordance with article 20.3) offer the Sale Shares for sale in the following order of priority:
- 20.5.1 first, to the Company for the purposes of a buy back either in one sale or in tranches over a period of no more than 3 years;
  - 20.5.2 second, to the holders, from time to time, of Ordinary Shares (excluding any holder of Ordinary Shares whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (**Offerees**).
- 20.6 Subject always to compliance with the Act, an offer of Sale Shares made in accordance with article 20.5.1 shall remain open for acceptance by the Company for a period of 20 Business Days. Any Sale Shares not allocated within that period (**Surplus Shares**) shall be offered to the Offerees inviting them to apply to the Company in writing within the period

from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Surplus Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

20.7 If:

20.7.1 at the end of the Offer Period, the total number of Surplus Shares applied for is equal to or exceeds the number of Surplus Shares, the Board shall allocate the Surplus Shares to each Offeree who has applied for Surplus Shares in the proportion which the Offeree's existing holding of Shares bears to the total number of Shares held by Offerees (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (unless rounding in this way would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Offerees shall be determined by the directors). No allocation shall be made to a Shareholder of more than the maximum number of Surplus Shares which that Shareholder has expressed willingness to buy;

20.7.2 not all Surplus Shares are allocated following allocations in accordance with article 20.7.1, but there are applications for Surplus Shares that have not been satisfied, the directors shall allocate the remaining Surplus Shares to such applicants in accordance with the procedure set out in article 20.7.1. The procedure set out in this article 20.7.2 shall apply on any number of consecutive occasions until either all Surplus Shares have been allocated or all applications for Surplus Shares have been satisfied; and

20.7.3 at the end of the Offer Period, the Company has not received applications in respect of all the Surplus Shares, the directors shall allocate the Surplus Shares to the Offerees in accordance with their applications.

20.8 The Board shall, when no further offers or allocations are required to be made under article 20.6 or article 20.7, give notice in writing (an **Allocation Notice**) of:

20.8.1 the number of Surplus Shares accepted to be repurchased by the Company in accordance with article 20.6 (if any); and/or

20.8.2 the allocations of the Surplus Shares (if any) to each Shareholder to whom Surplus Shares have been allocated (each an **Applicant**).

- 20.9 The Allocation Notice shall specify the number of Sale Shares allocated to be repurchased by the Company and the number of Surplus Shares allocated to each Applicant and the place and time for completion (which shall be at least 10 Business Days, but not more than 40 Business Days, after the date of the Allocation Notice).
- 20.10 On the date specified for completion in the Allocation Notice the Seller shall, against receipt of payment from the Company and/or each Applicant (as relevant), execute and deliver:
- 20.10.1 any such documents as the directors may reasonably require in order to comply with the requirements of the Act for a repurchase of own shares by the Company; and/or
  - 20.10.2 an instrument of transfer of the Surplus Shares allocated to each Applicant, in accordance with any requirements specified in the Allocation Notice, and such other documents as the Applicants or the directors may reasonably require to show good title to such number of Surplus Shares being transferred, or to enable each Applicant to be registered as the holder of such number of Surplus Shares being transferred; and
  - 20.10.3 the relevant share certificate(s) (or an indemnity in lieu thereof) in respect of the Sale Shares.
- 20.11 If the Seller fails to comply with article 20.10:
- 20.11.1 the chair of the Board (or, failing the chair, any other director or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
    - 20.11.1.1 complete, execute and deliver in the Seller's name all documents necessary to give effect to the repurchase by the Company of the Sale Shares and/or the transfer of the relevant Surplus Shares to the Applicants;
    - 20.11.1.2 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
    - 20.11.1.3 if a transfer of Surplus Shares, subject to the relevant instrument of transfer being duly stamped, enter the Applicants in the register of members as the holders of the Surplus Shares purchased by them; and
  - 20.11.2 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 either the



certificate(s) for the relevant Sale Shares, or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, have been delivered together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.

- 20.12 If any Applicant fails to pay the Transfer Price payable by that Applicant on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price due from that Applicant shall accrue interest at a rate equal to 4% per annum above the base rate of Bank of England from time to time.
- 20.13 Subject always to article 20.14, where an Allocation Notice does not relate to all the Sale Shares, the Seller may transfer the remaining balance of the Surplus Shares to the third party buyer identified in the Transfer Notice (if any) at a price per Share at least equal to the Transfer Price provided that he does so within 20 Business Days of the expiry of the period specified in article 20.6. The Seller shall not be permitted to transfer the remaining balance of the Surplus Shares to a third party buyer if that buyer was not identified in the Transfer Notice.
- 20.14 The Seller's right to transfer the remaining balance of the Surplus Shares under article 20.13 does not apply if the Board reasonably consider that:
- 20.14.1 the transferee is a person (or a nominee for a person) who is a competitor with the business of the Company; or
  - 20.14.2 the sale of the remaining balance of the Surplus Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
  - 20.14.3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable them to form the opinion mentioned in article 20.14.2.
- 20.15 Subject to article 20.16, no Shareholder shall, except with Shareholder Consent, sell, transfer or otherwise dispose of any Shares to any person who is not already a Shareholder without first obtaining from that person a Deed of Adherence in favour of the other parties.
- 20.16 Nothing in article 20.15 shall require the Company to enter into a Deed of Adherence in respect of any Shares it holds in treasury from time to time.

## **21. Compulsory Transfers**

- 21.1 A Shareholder is deemed to have served a Transfer Notice in respect of all Shares held by that Shareholder, immediately before any of the following events:
- 21.1.1 the Shareholder's death;
  - 21.1.2 the Shareholder suffering a Bankruptcy Event;

- 21.1.3 the Shareholder being unable to pay their debts as they fall due for the purposes of section 268 of the Insolvency Act 1986;
  - 21.1.4 the Shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or the Shareholder's shareholding;
  - 21.1.5 the Shareholder committing a material or persistent breach of the Shareholders Agreement which if capable of remedy has not been so remedied within 20 Business Days of the non-defaulting Shareholders requiring such remedy; or
  - 21.1.6 the Shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986.
- 21.2 A Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 21.2.1 the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by the Seller (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 Deemed Transfer Notice);
  - 21.2.2 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares; and
  - 21.2.3 the Transfer Price for the Sale Shares shall be the aggregate Fair Value of those Shares, determined by the Valuer in accordance with article 22.

## **22. Valuation**

- 22.1 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 22.2 The Fair Value for any Sale Share shall be the price per share determined by the Valuer on the following bases and assumptions:
  - 22.2.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
  - 22.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 22.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - 22.2.4 the Sale Shares are sold free of all Encumbrances;

- 22.2.5 the sale is taking place on the date the Valuer was requested to determine the Fair Value; and
- 22.2.6 to take account of any other factors that the Valuer reasonably believes should be taken into account.
- 22.3 The Shareholders are entitled to make submissions to the Valuer and will provide (or procure that the Company provides) the Valuer with such assistance and documents as the Valuer reasonably requires for the purpose of reaching a decision, subject to the Valuer agreeing to give such confidentiality undertakings as the Shareholders may reasonably require.
- 22.4 To the extent not provided for by this article 22, the Valuer may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 22.5 The Valuer shall act as expert and not as arbitrator and their written determination shall be final and binding on the Shareholders in the absence of manifest error or fraud.
- 22.6 The cost of obtaining the Valuer's valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct.

### **23. Drag along**

- 23.1 If the holders of 75% of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholder shall have the option (a **Drag Along Option**) to require all the other Shareholders (**Called Shareholders**) to sell and transfer all their Shares- (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article.
- 23.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
  - 23.2.1 that the Called Shareholders are required to transfer all their shares pursuant to this article 23;
  - 23.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - 23.2.3 the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and

- 23.2.4 the proposed date of the transfer.
- 23.3 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.
- 23.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 23.
- 23.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- 23.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
- 23.5.2 that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 21<sup>st</sup> Business Day after service of the Drag Along Notice.
- 23.6 Neither the proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer nor the sale of the Called Shares by the Called Shareholders shall be subject to the rights of pre-emption set out in article 20.
- 23.7 On or before the Completion Date, the Called Shareholders shall deliver stock transfer forms for their Called Shares, together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 23.8 To the extent that the Proposed Buyer has not, within 1 Business Day of the Completion Date, put the Company in funds to pay the amounts due to the Called Shareholders, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 23 in respect of their Called Shares.

23.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 23.7) transfer(s) in respect of the Called Shares held by him, the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of 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 23.

## **24. Tag Along**

24.1 Except in the case of transfers pursuant to article 20 or article 21, the provisions of article 24.2 to article 24.5 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any Shares which would, if carried out, result in any person (**Buyer**) and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company (**Proposed Transfer**).

24.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is equal to the price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer (**Specified Price**).

24.3 The Offer shall be made by written notice (**Offer Notice**), at least 10 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

24.3.1 the identity of the Buyer;

24.3.2 the Specified Price and other terms and conditions of payment;

24.3.3 the Sale Date; and

24.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).

24.4 If the Buyer fails to make the Offer to all the holders of Shares in the Company in accordance with article 24.2 and article 24.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.

24.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be

conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

#### Decision making by shareholders

### **25. Poll Votes**

- 25.1 A poll on a resolution may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote on the resolution.
- 25.2 Model Article 44(3) 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.

### **26. Proxies**

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

#### Administrative arrangements

### **27. Means of Communication to be Used**

- 27.1 Subject to article 27.3, any notice, document or other information shall be in writing and shall be deemed received by the intended recipient:
- 27.1.1 if delivered by hand at the time the notice, document or other information is left at the address;
  - 27.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of postage at 9.00 am on the second Business Day after posting;
  - 27.1.3 if sent by pre-paid airmail providing proof of postage, at 9.00 am on the fifth Business Day after posting;
  - 27.1.4 if sent by email, at the time of transmission; or

- 27.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 27.2 If deemed receipt under article 27.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 27.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.
- 27.3 To prove service, it is sufficient to prove that:
  - 27.3.1 if delivered by hand, the notice was delivered to the correct address;
  - 27.3.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
  - 27.3.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

## **28. Indemnity**

- 28.1 Subject to article 28.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
  - 28.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a relevant officer:
    - 28.1.1.1 in the actual or purported execution or discharge of their duties, or in relation to them; and
    - 28.1.1.2 in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),including (in each case) any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part or in connection with any application in which the court grants them, in their capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
  - 28.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or

application referred to in article 28.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

28.3 In this article:

28.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

28.3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not they are also a director or other officer), to the extent they act in their capacity as auditor).

## **29. Insurance**

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

29.2 In this article:

29.2.1 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not they are also a director or other officer), to the extent they act in their capacity as auditor);

29.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

29.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.