

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY
SHARES

ARTICLES OF ASSOCIATION
OF

KNOWLES WARWICK AUDIT
SERVICES LIMITED



1. PRELIMINARY

- 1.1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) as amended by The Mental Health (Discrimination) Act 2013 (the "Model Articles") shall apply to the Company save in so far as they are excluded or modified hereby and such Model Articles and the articles set out below shall be the Articles of Association of the Company (the "Articles").
- 1.2 In these Articles, any reference to a provision of the Companies Act 2006 (the "Act") shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 1.3 Model Articles 11(2), 13, 14, 19(5) and 44(4) do not apply to the Company.
- 1.4 The headings used in these Articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of these Articles.
- 1.5 In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa.

2. DEFINED TERMS

- 2.1 Model Article 1 shall be varied by the inclusion of the following definitions:-
"appointor" has the meaning given in Article 8.1;

"secretary" means the secretary of the Company, if any, appointed in accordance with Article 7.1 or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary; and

3. PROCEEDINGS OF DIRECTORS

- 3.1 The quorum for the transaction of business at a meeting of directors is any two directors, however if there is only one director in office, the quorum for such meeting shall be one director. When the Company has only two

directors, and the board is considering whether to authorise a conflict pursuant to Article 4, the quorum for those purposes shall be one (but the director having the conflict shall not vote or count towards the quorum).

- 3.2 Subject to Article 3.3, notwithstanding the fact that a proposed decision of the directors concerns or relates to any matter in which a director has, or may have, directly or indirectly, any kind of interest whatsoever, that director may participate in the decision-making process for both quorum and voting purposes.
- 3.3 Subject to the provisions of the Companies Act 2006, and provided that (if required to do so by the said Act) he has declared to the directors the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:-
- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested; and
 - (c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.

4. DIRECTORS' CONFLICTS OF INTEREST

- 4.1 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 breaching his duty under section 175 of the Act to avoid conflicts of interest ("**Conflict**") provided that the required quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director.
- 4.2 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
 - (c) be terminated or varied by the directors at any time.

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

- 4.3 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- (a) disclose such information to the directors or to any director or other officer or employee of the Company; or
 - (b) use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.
- 4.4 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:
- (a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
 - (b) is not given any documents or other information relating to the Conflict; and
 - (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- 4.5 Where the directors authorise a Conflict:
- (a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict, and insofar as he does not do so their authorisation will no longer be valid; and
 - (b) the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation and provided that the conflicted director is not in breach of his duties set out in s171 to 177 of the Act otherwise than by reason of the mere existence of a Conflict.
- 4.6 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 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.

5. CASTING VOTE

- 5.1 No director shall have a casting vote on a proposal put to a vote at a directors' meeting.

6. NUMBER OF DIRECTORS

- 6.1 Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any limitation. When the minimum number of directors shall be one, a sole director may exercise all powers and authorities vested in the directors by the Model Articles and by these articles.

7. SECRETARY

- 7.1 The Company is not required to have a secretary, but directors may choose to 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.

8. ALTERNATE DIRECTORS

- 8.1 Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by a decision of the directors, to:-
- (a) exercise that director's powers; and
 - (b) carry out that director's responsibilities,

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

- 8.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors. The notice must:-
- (a) identify the proposed alternate; and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of his appointor.
- 8.3 An alternate director has the same rights to participate in any directors' meeting or decision of the directors reached in accordance with Model Article 8, as the alternate's appointor.

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

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts or omissions;
- (c) are subject to the same restrictions as their appointors; and
- (d) are not deemed to be agents of or for their appointors.

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

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
- (b) may sign or otherwise signify his agreement in writing to a written resolution in accordance with Model Article 8 (but only if that person's appointor has not signed or otherwise signified his agreement to such written resolution).

No alternate may be counted as more than one director for such purposes.

- (c) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration payable to that alternate's appointor as the appointor may direct by notice in writing made to the Company.
- (d) Model Article 20 is modified by the deletion of each of the references to "directors" and the replacement of each such reference with "directors and/or any alternate directors".

8.6 An alternate director's appointment as an alternate terminates:-

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

9. ISSUE OF SHARES AND SHARE CAPITAL

9.1 At the date of adoption of the Articles, the share capital of the Company is comprised of ordinary shares of £0.01p each.

9.2 Subject to the remaining provisions of this Article 9 and to Article 10, so long as the Company has only one class of shares, the directors are generally and unconditionally authorised in accordance with section 550 of the 2006 Act, to exercise any power of the Company to:

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

shares of the class described in Article 9.1 above to any person, at any time and subject to any terms and conditions as the directors think proper.

9.3 Shares may be issued as nil, partly or fully paid.

10. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS

- 10.1 Unless the members of the Company by special resolution direct otherwise, all shares which the directors propose to issue must first be offered to the members in accordance with the following provisions of this Article.
- 10.2 Shares must be offered to members in proportion as nearly as may be to the number of existing shares held by them respectively.
- 10.3 The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined.
- 10.4 After the expiration of the period referred to in Article 10.3 above, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; and such further offer shall be made in the like terms in the same manner and limited by a like period as the original offer.
- 10.5 Any shares not accepted pursuant to the offer referred to in Article 10.3 and the further offer referred to in Article 10.4 or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or dispose of the same to such persons, on such terms, and in such manner as they think fit.
- 10.6 In accordance with section 567 of the Companies Act 2006, sections 561 and 562 of the said Act are excluded.

11. LIEN

- 11.1 The Company has a first and paramount lien on all shares (whether or not such shares are fully paid) standing registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder thereof or is one of two or more joint holders, for all moneys

payable by him or his estate to the Company (whether or not such moneys are presently due and payable).

11.2 The Company's lien over shares:-

- (a) takes priority over any third party's interest in such shares; and
- (b) extends to any dividend or other money payable by the Company in respect of such shares and (if the Company's lien is enforced and such shares are sold by the Company) the proceeds of sale of such shares.

11.3 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.

11.4 Subject to the provisions of this Article, if:-

- (a) a notice of the Company's intention to enforce the lien ("lien enforcement notice") has been sent in respect of the shares; and
- (b) the person to whom the lien enforcement notice was sent has failed to comply with it,

the Company may sell those shares in such manner as the directors decide.

11.5 If shares are sold under this Article:-

- (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
- (b) 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.

11.6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:-

- (a) 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
- (b) second, in payment 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 a suitable indemnity 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 in respect of the shares after the date of the lien enforcement notice.

12. CALLS ON SHARES AND FORFEITURE

- 12.1 Subject to these Articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the Company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.
- 12.2 A call notice may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium).
- 12.3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the call notice was sent.
- 12.4 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which the call is required to be paid.
- 12.5 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 12.6 Subject to the terms on which shares are allotted, the directors may, when issuing shares, make arrangements for a difference between the holders in the amounts and times of payment of calls on their shares.
- 12.7 If a person is liable to pay a call and fails to do so by the call payment date:-
- (a) the directors may send a notice of forfeiture (a "forfeiture notice") to that person; and
 - (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
- 12.8 For the purposes of this Article:
- (a) the "call payment date" is the date on which the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date; and
 - (b) the "relevant rate" is the rate fixed by the terms on which the share in respect of which the call is due was allotted or, if no such rate was fixed when the share was allotted, five percent per annum.
- 12.9 A forfeiture notice:-
- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

- (b) must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- (c) must require payment of a call and any accrued interest by a date which is not less than 14 days after the date of the forfeiture notice;
- (d) must state how the payment is to be made; and
- (e) must state that if the forfeiture notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

12.10 If a forfeiture notice is not complied with before the date by which payment of the call is required in the forfeiture notice, the directors may decide that any share in respect of which it was given is forfeited and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

12.11 Subject to the following provisions of this Article 12, the forfeiture of a share extinguishes:-

- (a) all interests in that share, and all claims and demands against the Company in respect of it; and
- (b) all other rights and liabilities incidental to the share as between the person in whose name the share is registered and the Company

12.12 Any share which is forfeited:-

- (a) is deemed to have been forfeited when the directors decide that it is forfeited;
- (b) is deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.

12.13 If a person's shares have been forfeited:-

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- (b) that person ceases to be a member in respect of those shares;
- (c) that person must surrender the certificate for the shares forfeited to the Company for cancellation;
- (d) that person remains liable to the Company for all sums due and payable by that person at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

- 12.14 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on such terms as they think fit.
- 12.15 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 12.16 A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been forfeited on a specified date under this article or following the exercise of the Company's lien under Article 11:-
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share.
- 12.17 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- 12.18 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:-
- (a) was, or would have become, payable; and
 - (b) had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

13. WRITTEN RESOLUTIONS OF MEMBERS

- 13.1 Subject to Article 13.2, a written resolution of members passed in accordance with Part 13 of the Companies Act 2006 is as valid and effectual as a resolution passed at a general meeting of the Company.
- 13.2 The following may not be passed as a written resolution and may only be passed at a general meeting:-
- (a) a resolution under section 168 of the Companies Act 2006 for the removal of a director before the expiration of his period of office; and
 - (b) a resolution under section 510 of the Companies Act 2006 for the removal of an auditor before the expiration of his period of office.

- 13.3 Subject to Article 13.2, on a written resolution, a member has one vote in respect of each share held by him.

14. NOTICE OF GENERAL MEETINGS

- 14.1 Every notice convening a general meeting of the Company must comply with the provisions of:-

- (a) section 311 of the Companies Act 2006 as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting; and
- (b) section 325(1) of the Companies Act 2006 as to the giving of information to members regarding their right to appoint proxies.

- 14.2 Every notice of, or other communication relating to, any general meeting which any member is entitled to receive must be sent to each of the directors and to the auditors (if any) for the time being of the Company.

15. QUORUM AT GENERAL MEETINGS

- 15.1 If and for so long as the Company has one member only, one member entitled to vote on the business to be transacted, who is present at a general meeting in person or by one or more proxies or, in the event that the member is a corporation, by one or more corporate representatives, is a quorum.

- 15.2 If and for so long as the Company has two or more members, two members, each of whom is entitled to vote on the business to be transacted and is present at a general meeting in person or by one or more proxies or, in the event that any member present is a corporation, by one or more corporate representatives, are a quorum.

- 15.3 Model Article 41(1) is modified by the addition of a second sentence as follows:-

"If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor the member(s) present shall constitute a quorum".

16. VOTING AT GENERAL MEETINGS

- 16.1 Subject to Article 16.3 below, on a vote on a resolution at a general meeting on a show of hands:-

- (a) each member who, being an individual, is present in person has one vote;
- (b) if a member (whether such member is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies so

appointed and in attendance at the meeting have, collectively, one vote; and

- (c) if a corporate member appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the Companies Act 2006, one vote.

16.2 On a resolution at a general meeting on a poll, every member (whether present in person, by proxy or authorised representative) has one vote in respect of each share held by him.

16.3 Polls must be taken at the general meeting at which they are demanded and in such manner as the chairman directs.

17. COMMUNICATIONS

17.1 Subject to the provisions of the Companies Act 2006, a document or information may be sent or supplied by the Company to a person by being made available on a website.

17.2 If any share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders.

17.3 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, 24 hours after the document or information was sent or supplied; and
- (d) 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.

17.4 For the purposes of this Article, if deemed receipt under the previous paragraphs is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of receipt), the notice, document or other information shall be deemed served when business next starts in the place of receipt.

- 17.5 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

18. SHARE TRANSFERS

- 18.1 Save as otherwise provided in this Article, no transfer of any shares or any interest in shares shall be made unless the following provisions are complied with in respect of the transfer.

- (a) A member, or person entitled to shares by way of the death or bankruptcy of a member, who wishes to transfer shares or any interest in shares ("the Vendor") shall give to the Company notice in writing ("the Transfer Notice"). A Transfer Notice shall constitute the directors the Vendor's agents for the sale of the shares specified in it ("the Sale Shares") at a price ("the Sale Price") as is agreed upon by the Vendor and the directors or, in the absence of agreement, which the accountants of the Company (acting as experts and not as arbitrators) certify to be in their opinion the fair value of the Sale Shares, as at the date of the Transfer Notice, as between a willing seller and a willing buyer contracting on arm's length terms, having regard to the fair value of the business of the Company and its subsidiaries as a going concern but without taking into account (if it be the case) that the Sale Shares constitute a minority interest.
- (b) The accountants' certificate shall be binding upon all parties.
- (c) If the accountants are asked to certify the Sale Price the Company shall within 7 days of the issue of the accountants' certificate send a copy to the Vendor. The Vendor shall be entitled, by notice in writing given to the Company within 7 days of the copy being sent to him, to withdraw the Transfer Notice. The cost of obtaining the certificate shall be borne by the Company. A Transfer Notice shall not be revocable without the consent of all the directors of the Company, who may impose such condition upon any consent as they think fit, including a condition that the Vendor bears all associated costs.
- (d) Upon the Sale Price being agreed or certified in accordance with paragraph (c), the Company shall offer such of the Sale Shares to the members (other than the Vendor) as nearly as may be in proportion to the number of shares held by the members respectively by notice in writing ("the Offer Notice") within 45 days of the Sale Price being agreed or certified. The Offer Notice shall inform each such member of the number and price of the Sale Shares and the number of such Sale Shares for which the member is entitled to apply. The Offer Notice shall invite each such member to apply in writing to the Company within 30 days ("the Acceptance Period") after the date of dispatch of the Offer Notice (which date shall be specified in the Offer Notice) for such

number of Sale Shares offered to him (being all or any of them) as he shall desire to purchase. The Offer Notice shall further invite each member to state in his reply the number of additional Sale Shares (if any) in excess of his proportion which he desires to purchase and if all the members do not accept the offer in respect of their respective proportions in full the Sale Shares not so accepted shall be used to satisfy the claims for additional Sale Shares as nearly as may be in proportion to the number of shares already held by them respectively, provided that no member shall be obliged to take more Sale Shares than he shall have applied for.

- (e) If any of the members shall within the Acceptance Period apply for any of the Sale Shares and provided there are no Sale Shares for which nobody has applied, the directors shall allocate the Sale Shares to or amongst the members who have applied for Sale Shares in accordance with the provisions of the preceding paragraph of this Schedule. If any Sale Shares shall not be capable without fraction of being allocated amongst other members to whom Sale Shares are to be allocated in proportion to their existing holdings those Sale Shares shall be allocated to them, or some of them, in such proportions or in such manner as may be determined by lots and the lots shall be drawn in such manner as the directors think fit.
- (f) The Company shall immediately give notice in writing of each such allocation (each such notice being referred to as an "Allocation Notice") to the Vendor and to the members to whom the Sale Shares have been allocated and shall specify in each such Allocation Notice the place and time (being not earlier than 14 and not later than 28 days after the date of the dispatch of the Allocation Notice) at which the sale of the Sale Shares so allocated shall be completed;
- (g) The Vendor shall be bound (on payment of the purchase price due in respect of the Sale Shares referred to in the relevant Allocation Notice) to transfer the Sale Shares comprised in such Allocation Notice to the member named in the notice as purchaser at the place and time specified, and if in any case the Vendor after having become so bound makes default in transferring any such Sale Shares the Company may receive the purchase price on his behalf and may authorise some persons to execute a transfer of such Sale Shares in favour of the purchaser. The Company shall immediately pay the purchase price into a separate bank account in the Company's name and shall hold the purchase price in trust for the Vendor;
- (h) If any of the Sale Shares are not allocated to a member for purchase, the Vendor shall be at liberty during the period of 3 months following the expiry of the Acceptance Period to transfer all or any of the Sale Shares remaining unallocated, to any person at a price not being less than the Sale Price. The directors may require to be satisfied that the

Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance of any kind to the Purchaser. If on reasonable grounds the directors are not satisfied, the directors may refuse to register the relevant instrument of transfer.

- (i) Notwithstanding the above, the directors may decline to register a transfer of a share on which the Company has a lien or a transfer to a person pursuant to paragraph (h) above if the directors do not approve of such a person, but subject thereto, the directors shall register a transfer made in accordance with this Schedule but refuse any other.
- (j) The restrictions on transfer contained in this Schedule shall not apply to a transfer approved in writing by all the members.
- (k) For the purposes of this article the following shall be deemed to be a Relevant Event:
 - (i) a sale or other disposition of any beneficial interest in a share (whether or not for consideration) by a member otherwise than in accordance with the above provisions and whether or not made in writing;
 - (ii) the bankruptcy of a member;
 - (iii) the death of a member;
 - (iv) a member who is a Director of the Company ceasing to be a Director of the Company for any reason;
 - (v) a member who is an employee of the Company ceasing to be an employee of the Company for any reason.
- (l) If a Relevant Event set out in paragraph (k) occurs in relation to a member, he shall be deemed to have given a Transfer Notice in respect of all shares (of any class) held by him or by any nominee for him immediately prior to the Relevant Event and such a deemed Transfer Notice shall not be capable of being withdrawn by the Vendor.

19. Disclosure of interest in shares

- (a) A member shall make notification to the company in writing of any interest held by any other person in some or all of the company's shares that the member holds; or of any change in any interest held, including cessation of any interest.
- (b) A person who acquires any interest in the shares of the company shall make notification to the company in writing of that interest and of any subsequent change in that interest, including cessation of an interest.
- (c) Notification under paragraphs (a) or (b) must be made within the period of 2 days next following the day on which the obligation to notify arises.

- (d)
- (e) The notification must identify the member who holds the shares, the number of shares held by that member, the number of shares in which the interest is held, the identity of the person holding the interest and the nature of the interest.
- (f) Where the notification is of the cessation of an interest in the shares, the notification shall state the identity of any new holder of an interest in those shares.

19.2 The company may, by notice in writing, require a member or any other person appearing to it to hold or to have held an interest in the shares of the company, within such reasonable time as may be specified in the notice, to:

- (a) provide details of any interest held currently and/or held within the previous three years;
- (b) provide, where a person has previously held an interest in the company's shares, particulars of the identity of any person who subsequently held that interest.

19.3 Where:

- (a) notice is served by the company under article 19 (2) on a member or any other person appearing to it to be interested in shares held by a member and that member (or other person) fails to give the company any information requested by the notice within the time specified in it; and/or
- (b) an application for audit registration is refused or audit registration is proposed to be, or has been, withdrawn by the recognised supervisory body and the company is notified that the grounds upon which such decision was made consisted of or included any matters relating to any person who holds shares in the company or who has an interest in shares,

then the directors may, by resolution, direct that the holder of the shares in question shall not be entitled in respect of any shares held by him to vote either personally or by proxy at a general meeting of the company or at a meeting of the holders of any class of shares of the company or to exercise any other right conferred by membership in relation to general meetings of the company or meetings of the holders of any class of shares of the company.

19.4 The directors may, by resolution, revoke a direction:

- (a) made under article 19(3)(a) if they are satisfied that the relevant facts about the shares in question have been disclosed to the company;
- (b) made under either article 19(3)(a) or (b) if they are satisfied that the shares in question are to be transferred for valuable consideration and the directors have approved the transfer.