

# Articles of Association of Deskpro Ltd

Company number 04249340

(a private company limited by shares)

as adopted by written special resolution passed on

08/04/2021

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Company number: 04249340

The Companies Act 2006

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Private company limited by shares

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Articles of Association

of

Deskpro Ltd

(as adopted by written special resolution passed on 08/04/2021)

Part 1

Interpretation and Limitation of Liability

1. Defined terms

In the articles, unless the context requires otherwise:

"Acts" means the Companies Acts and every other statute, order, regulation, or other subordinate legislation from time to time in force concerning companies and affecting the company.

"A Majority Directors" means the directors of the Company nominated by the A Majority under article 19(1);

"A Majority" means the holders of at least 50% of the A Shares from time to time;

"A Majority Consent" means the prior written consent of the A Majority;

"A Shares" means the A ordinary shares of £0.000005 each in the capital of the Company from time to time having the rights set out in these articles;

"Adoption Date" means the date of adoption of these articles;

"articles" means these articles of association;

"B Shares" means B ordinary shares of £0.000005 each in the capital of the Company from time to time having the rights set out in these articles;

"Bad Leaver" means any Leaver who:

- (a) becomes a Leaver as a result of behaviour entitling the Company to summarily dismiss the Option Holder or terminate employment as a result of gross misconduct, gross negligence and/or dishonesty; or
- (b) who breaches any Restrictive Covenant, confidentiality or non-disclosure agreement or other obligation of confidentiality (whether before becoming a Leaver or after becoming a Leaver); or

- (c) resigns from their position as an employee of the Company and/or any Group Company in order, directly or indirectly, in the sole opinion of the Board, to work with any Competitor;

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"Board" means the board of directors of the Company as constituted from time to time;

"Board Invitee" means such person (being an existing or prospective employee, director or shareholder) as the Board, with A Majority Consent, may nominate;

"Business Day" means a day on which the English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

"Cessation Date" the date on which the Leaver gives or is given notice to terminate his employment or consultancy or otherwise ceases to be an employee;

"chair" means the chair of the Board appointed under article 12;

"chair of the meeting" has the meaning given in article 48;

"Commencement Date" means the date on which the employment or consultancy of the relevant shareholder with the Company or any member of the Group commences;

"Company" means Deskpro Ltd incorporated under the laws of England and Wales with company number 04249340;

"Companies Acts" mean the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

"Competitor" means any business or company competing directly with the Company or any Group Company;

"conflicted director" has the meaning set out in article 14(1) (Authorisation of conflicts of interest).

"conflict situation" has the meaning set out in article 14(1) (Authorisation of conflicts of interest).

"Controlling Interest" means an interest in shares (as defined in Schedule 1 of the 2006 Act) conferring in aggregate more than 50% of the total voting rights conferred by all shares for the time being in issue;

"Deferred Conversion Date" means the date that the Bad Leaver's Shares convert into Deferred Shares pursuant to Article 35(1);

"Deferred Shares" means deferred shares of £0.000005 each in the capital of the Company from time to time;

"director" means a director of the Company, and includes any A Majority Director and any person occupying the position of director, by whatever name called;

"distribution recipient" has the meaning given in article 44(3);

"document" includes, unless otherwise specified, any document sent or supplied in electronic form;

"Effective Termination Date" means the date on which the Employee gives or is given notice to terminate his employment or consultancy (or such other later date as the A Majority shall determine);

"electronic form" has the meaning given in section 1168 of the Companies Act 2006;

"employee" means an individual who is a director of, employed by or who provides consultancy services to, the Company;

"encumbrance" means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

"Equity Shares" means the shares other than the Deferred Shares.

"Expert Valuer" has the meaning given in article 33(1)(a);

"Fair Value" means the fair value of shares as determined by the Expert Valuer in accordance with articles 33(3) to 33(9);

"Family Trusts" means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

"Founder" means Christopher James Padfield;

"fully paid" in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

"Group" means the Company and any subsidiaries from time to time and "Group Company" will be construed accordingly;

"hard copy form" has the meaning given in section 1168 of the Companies Act 2006;

"holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

"instrument" means a document in hard copy form;

"Issue Price" means the price paid for any Leaver's Shares, either on a subscription or a transfer;

"Leaver" means a holder of B Shares who has ceased to be an employee, director or consultant of the Group for any reason (excluding in any event the Founder and any other holder of A Shares);

"Leaver's Shares" means any shares or other equity securities in the Company held by a Leaver;

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the company after the Adoption Date (other than shares or securities issued as a result of the events set out in article 29(6)) excluding for the avoidance of doubt any Treasury Shares transferred by the company after the Adoption Date;

"ordinary resolution" has the meaning given in section 282 of the Companies Act 2006;

"paid" means paid or credited as paid;

"participate", in relation to a directors' meeting, has the meaning given in article 10;

"Permitted Transfer" means a transfer of shares in accordance with article 31;

"Permitted Transferee" means in relation to a holder of A Shares who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies;

"Privileged Relation" in relation to a shareholder who is an individual member or deceased or former member means a spouse, civil partner, child or grandchild (including step or adopted or illegitimate child and their issue);

"Proposed Purchaser" means a proposed third party purchaser who at the relevant time has made an offer;

"proxy notice" has the meaning given in article 54(1);

"Qualifying Company" means a Company in which a shareholder or trustee(s) holds the entire issued share capital and over which that shareholder or trustee(s) exercises control (within the meaning of section 1124 of the Corporation Tax Act 2010);

"Restrictive Covenant" means any restrictive covenant contained in the Shareholders' Agreement or the relevant Leaver's contract of employment or any other similar restrictive covenant or undertaking entered into by the Leaver in favour of the Company;

"Sale" means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale.

"Serious Ill Health" means an illness or other disability (physical or mental) which is certified by a general medical practitioner (nominated or approved by an A Majority) as rendering the Leaver permanently incapable of carrying out the Leaver's role as an employee, but excluding circumstances where such incapacity is as a result of drug, alcohol, solvent or similar abuse;

"shareholder" means a person who is the holder of a share;

"Shareholders' Agreement" means any shareholders' agreement in relation to the Company entered into between amongst others, the Company and the Founder from time to time (as may be varied);

"shares" means A Shares, the B Shares, the Deferred Shares (if any) and any other shares in the capital of the Company from time to time having the rights set out in these articles;

"Share Option Plan" means the EMI share option plan to be established by the Company pursuant to the Shareholders' Agreement;

"special resolution" has the meaning given in section 283 of the Companies Act 2006;

"subsidiary" has the meaning given in section 1159 of the Companies Act 2006;

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

"Treasury Shares" means shares in the capital of the Company held by the Company as treasury shares within the meaning set out in section 724(5) of the Act;

"Trustees" in relation to a Shareholder means the trustee or the trustees of a Family Trust; and

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company.

## 2. Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

## Part 2

### Directors

#### Directors' powers and responsibilities

## 3. Directors' general authority

Subject to the articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

## 4. Shareholders' reserve power

- (1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- (2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

## 5. Directors may delegate

- (1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
  - (a) to such person or committee;
  - (b) by such means (including by power of attorney);
  - (c) to such an extent;
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions;as they think fit.



(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

## 6. Committees

(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## Decision-making by Directors

### 7. Directors to take decisions collectively

(1) Subject to Article 13, the general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If:

(a) the Company only has one director, and

(b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

### 8. Unanimous decisions

(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) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### 9. Calling a directors' meeting

(1) Any director may call a directors' meeting by giving advance notice of the meeting (being not fewer than five Business Days) to the directors or by authorising the Company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate:

(a) its proposed date, time and location;

(b) a written agenda specifying the business to be discussed at such meeting together with all relevant papers; and

- (c) 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) Notice of a directors' meeting must be given to each director but need not be in writing.
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 10. Participation in directors' meetings
  - (1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
    - (a) the meeting has been called and takes place in accordance with the articles, and
    - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
  - (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
  - (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.
- 11. Quorum for directors' meetings
  - (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
  - (2) The quorum for any meeting of the board shall be:
    - (a) two directors, one of whom must be an A Majority Director; or
    - (b) if only one director has been appointed, that sole director provided such director is an A Majority Director.
  - (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:
    - (a) to appoint further directors, or
    - (b) to call a general meeting so as to enable the shareholders to appoint further directors.
- 12. Chairing of directors' meetings
  - (1) The directors (with the consent of the A Majority Directors) shall elect and remove a director to chair directors' meetings.
  - (2) If the chair is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it (being an A Majority Director).
- 13. Majority vote
  - (1) An A Majority Director shall be entitled to exercise such number of votes capable of being cast at any meeting of directors or any meeting of any committee of directors as constitute a majority.

14. Authorisation of conflicts of interest

(1) Subject to and in accordance with the CA2006:

- (a) the directors may authorise any matter or situation arising on or after 1 October 2008 in which a director (the "conflicted director") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the company could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "conflict situation");
- (b) any authorisation given in accordance with this article 14:
  - (i) may be made on such terms and subject to such conditions and/or limitations as the directors may, in their absolute discretion, determine (including, without limitation, excluding the conflicted director and any other interested director from certain directors' meetings, withholding from him or them certain board or other papers and/or denying him or them access to certain confidential company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and shall be effective only if:
    - (A) any requirement as to the quorum at any meeting of the directors at which the matter is considered is met without counting either the conflicted director or any other interested director; and
    - (B) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted director and without counting the votes of any other interested director (or such matter or situation would have been so agreed and such relevant resolution would have been so passed if their votes had not been counted); and
  - (c) in considering any request for authorisation in respect of a conflict situation, the directors shall be entitled to exclude the conflicted director from any meeting or other discussion (whether oral or written) concerning the authorisation of such conflict situation and they shall also be entitled to withhold from such conflicted director any board papers or other papers concerning the authorisation of such conflict situation.

(2) If any conflict situation is authorised or otherwise permitted under the articles, the conflicted director (for as long as he reasonably believes such conflict situation subsists):

- (a) shall not be required to disclose to the company (including the directors or any committee) any confidential information relating to such conflict situation which he obtains or has obtained otherwise than in his capacity as a director of the company, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person in relation to such matter, office, employment or position;
- (b) shall be entitled to attend or absent himself from all or any meetings of the directors (or any committee) at which anything relating to such conflict situation will or may be discussed; and
- (c) shall be entitled to make such arrangements as he thinks fit to receive or not to receive documents or information (including, without limitation, board papers (or those of any committee of it)) relating to any such conflict situation and/or for such documents or information to be received and read by a professional adviser on his behalf,

and in so doing, such conflicted director shall not be in breach of any general duty he owes to the company pursuant to Sections 171 to 177 (inclusive), CA2006 and the provisions of this

article 14 shall be without prejudice to any equitable principle or rule of law which may excuse the conflicted director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under the articles.

- (3) For the purposes of this article 14, an interest of a person who is, for any purpose of the CA2006 (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director.

15. Directors may have interests and vote and count for quorum

- (1) Provided permitted by the Acts, and provided he has disclosed to the other directors the nature and extent of his interest pursuant to Section 177 or 182, CA2006 or otherwise pursuant to the articles (as the case may be), a director, notwithstanding his office:

- (a) may be a party to, or otherwise directly or indirectly interested in any contract, arrangement, transaction or proposal with the company or in which the company is otherwise interested and may hold any other office or position of profit under the company (except that of auditor or of auditor of a subsidiary of the company) in addition to the office of director and may act by himself or through his firm in a professional capacity for the company and in any such case on such terms as to remuneration and otherwise as the directors may agree either in addition to or in lieu of any remuneration provided for by any other article;
- (b) may be a member, director or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any subsidiary and subsidiary undertaking of the company or any parent undertaking of the company and any of such parent undertaking's subsidiaries or subsidiary undertakings or any other body corporate promoted by the company or in which the company is otherwise interested;
- (c) shall not, by reason of his office, be liable to account to the company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from:
  - (i) any matter, office, employment or position which relates to a conflict situation authorised in accordance with article 14 (Authorisation of conflicts of interest); or
  - (ii) any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant to paragraphs (a) and (b) of this article,

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any director having any such interest or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit authorised in accordance with article 14 (Authorisation of conflicts of interest) or permitted pursuant to paragraphs (a) or (b) of this article and the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176, CA2006.

- (2) For the avoidance of doubt, a director may be or become subject to one or more conflict situations as a result of any matter referred to in paragraph (b) of article (1) (Directors may have interests and vote and count for quorum) without requiring authorisation under the provisions of article 14 (Authorisation of conflicts of interest) provided he has declared, as soon as reasonably practicable, the nature and extent of his interest in the conflict situation. The provisions of Section 177(2), Section 177(3), Section 177(5), Section 177(6), Section 184 and Section 185, CA2006 shall be applied (with any necessary modifications) in respect of any such declaration.
- (3) Subject to Section 175(6), CA2006 and save as otherwise provided in the articles, a director may vote at any meeting of the directors or any meeting of any committee of which he is a

member on any resolution and a director may participate in the transaction of the business of the directors and count in the quorum at any such meeting of the directors or meeting of any committee of which he is a member notwithstanding that it concerns or relates in any way to a matter in which he has directly or indirectly any kind of interest or duty. This article does not affect any obligation of a director to disclose any such interest, whether pursuant to Section 177, CA2006, Section 182, CA2006 or otherwise.

- (4) Subject to article (5), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair whose ruling in relation to any director other than the chair is to be final and conclusive (except in a case where the nature or extent of any interest of the director has not been fairly disclosed).
- (5) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

For the purposes of this article 15, an interest of a person who is, for any purpose of the CA2006 (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director.

16. Records of decisions to be kept

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

17. Directors' discretion to make further rules

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

Appointment of Directors

18. Methods of appointing directors

- (1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:
  - (a) by ordinary resolution, or
  - (b) by written notice from the A Majority, or
  - (c) by a decision of the directors (with A Majority Consent).
- (2) In any case where, as a result of death, the Company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- (3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

19. A Majority Directors

- (1) In addition to the powers of appointment under article 18, the A Majority shall have the right (but not an obligation) to appoint and maintain in office such natural persons (including themselves) as the A Majority may from time to time nominate as directors of the Company (and as members

of each and any committee of the board) and to remove any director so appointed and, upon his removal whether by the A Majority or otherwise, to appoint another director in his place.

- (2) Appointment and removal of an A Majority Director in accordance with article 19(1) shall be by written notice from the A Majority to the Company which shall take effect on delivery at the Company's registered office or at any meeting of the Board or committee thereof.
- (3) On the Adoption Date, the Founder shall be appointed as an A Majority Director.

## 20. Termination of director's appointment

A person ceases to be a director as soon as:

- (a) the Company receives written notice to terminate the director's appointment from the A Majority;
- (b) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (c) a bankruptcy order is made against that person;
- (d) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (e) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months; or
- (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

## 21. Directors' remuneration

- (1) Directors may undertake any services for the Company that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine:
  - (a) for their services to the Company as directors, and
  - (b) for any other service which they undertake for the Company.
- (3) Subject to the articles, a director's remuneration may:
  - (a) take any form, and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

## 22. Directors' expenses

The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

### Part 3

#### Shares and Distributions

##### Shares

#### 23. All shares to be fully paid up

- (1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

#### 24. Powers to issue different classes of share

- (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- (2) The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

#### 25. Authority to purchase own shares with cash

The Company is authorised to purchase its own shares pursuant to Section 692(1ZA) of the Companies Act 2006.

#### 26. Company not bound by less than absolute interests

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

#### 27. Share certificates

- (1) The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- (2) Every certificate must specify:
  - (a) in respect of how many shares, of what class, it is issued;
  - (b) the nominal value of those shares;
  - (c) that the shares are fully paid; and

- (d) any distinguishing numbers assigned to them.
  - (3) No certificate may be issued in respect of shares of more than one class.
  - (4) If more than one person holds a share, only one certificate may be issued in respect of it.
  - (5) Certificates must:
    - (a) have affixed to them the Company's common seal, or
    - (b) be otherwise executed in accordance with the Companies Acts.
28. Replacement share certificates
- (1) If a certificate issued in respect of a shareholder's shares is:
    - (a) damaged or defaced, or
    - (b) said to be lost, stolen or destroyed,
 that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
  - (2) A shareholder exercising the right to be issued with such a replacement certificate:
    - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
    - (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
    - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.
29. Allotment of new shares or other securities: pre-emption
- (1) Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of equity securities (as defined in section 560 of the Act) made by the Company.
  - (2) Unless otherwise agreed with A Majority Consent, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Shares (the "Subscribers") on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Equity Shares (as if the Equity Shares constituted one and the same class) held by those holders (as nearly as may be without involving fractions). The offer:
    - (a) shall be in writing, be open for acceptance from the date of the offer to the date 20 Business Days after the date of the offer (inclusive) (the "Subscription Period") and give details of the number and subscription price of the New Securities; and
    - (b) may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
  - (3) If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Equity Shares held by such Subscribers which procedure shall be repeated until all New Securities have been



allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).

- (4) If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.
- (5) Subject to the requirements of articles 29(2) to 29(4) (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, provided that the allotment or grant to that person must be approved in writing by an A Majority.
- (6) The provisions of articles 29(2) to 29(5) (inclusive) shall not apply to:
  - (a) options to subscribe for shares, or the issue of shares, under the Share Option Plan;
  - (b) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by an A Majority;
  - (c) New Securities issued as a result of a bonus issue of shares which has been approved in writing by an A Majority; and
  - (d) Shares issued in accordance with the terms of the Shareholders' Agreement.

### 30. Transfers of Shares – general

- (1) In articles 30 to 38 inclusive, reference to the transfer of a share includes the transfer or assignment 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.
- (2) Notwithstanding any provision to the contrary contained in these articles, no shares shall be transferred without A Majority Consent.
- (3) If a shareholder transfers or purports to transfer a share otherwise than in accordance with these articles he will be deemed immediately to have served a Transfer Notice in respect of all shares held by him.
- (4) Any transfer of a share by way of sale which is required to be made under articles 32 to 38 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- (5) The directors may refuse to register a transfer if:
  - (a) it is a transfer of a share to a bankrupt, a minor or a person of unsound mind;
  - (b) the transfer is to an employee, director or prospective employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
  - (c) it is a transfer of a share which is not fully paid:
    - (i) to a person of whom the directors do not approve; or
    - (ii) on which share the Company has a lien;

- (d) the transfer is not lodged at the registered office or at such other place as the directors may appoint;
- (e) the transfer is not accompanied by the certificate for the shares to which it relates (or an indemnity for lost certificate in a form acceptable to the board) and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- (f) the transfer is in respect of more than one class of shares;
- (g) the transfer is in favour of more than four transferees; or
- (h) these articles otherwise provide that such transfer shall not be registered.

If the directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

- (6) The directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a permitted transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of the Shareholders' Agreement or similar document in force between some or all of the shareholders and the Company in any form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this article 30(6) the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- (7) To enable the directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these articles the directors may, with A Majority Consent, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the directors are reasonably satisfied that a breach has occurred, the directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:
  - (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question) provided that, at the election of the relevant holder, such rights shall not cease if as a result of such cessation the Company shall become a subsidiary of the holder; or
  - (b) the withholding of payment of all dividends or other distributions otherwise attaching to the relevant shares or to any further shares issued in respect of those shares; and
  - (c) the holder may be required at any time following receipt of the notice to transfer some or all of its shares to any person(s) at the price that the directors may require by notice in writing to that holder.

The rights referred to in (a) and (b) above may be reinstated by the Board subject to A Majority Consent and shall in any event be reinstated upon the completion of any transfer referred to in (c) above.

- (8) In any case where the Board requires a Transfer Notice to be given in respect of any shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.
- (9) If a Transfer Notice is required to be given by the Board or is deemed to have been given under these articles, the Transfer Notice, unless otherwise specified in the articles, will be treated as having specified that:
  - (a) the Transfer Price for the Sale Shares will be as agreed between the Board (with A Majority Consent) (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;
  - (b) it does not include a Minimum Transfer Condition (as defined in article 32(2)(d)); and
  - (c) the Seller wishes to transfer all of the shares held by it.
- (10) shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:
  - (a) the transferor; and
  - (b) (if any of the shares is partly or nil paid) the transferee.

### 31. Permitted Transfers

- (1) A holder of A Shares (who is not a Permitted Transferee) (the "Original Shareholder") may transfer all or any of his or its shares to a Permitted Transferee without restriction as to price or otherwise.
- (2) Shares previously transferred as permitted by article 31(1) may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- (3) Where under the provision of a deceased shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any shares, whether immediately or contingently, are Permitted Transferees of the deceased shareholder, the legal representative of the deceased shareholder may transfer any share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- (4) Trustees may:
  - (a) transfer shares to a Qualifying Company; or
  - (b) transfer shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder; or
  - (c) transfer shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- (5) No transfer of shares may be made to Trustees unless the Board is satisfied:
  - (a) with the terms of the trust instrument and in particular with the powers of the trustees;
  - (b) with the identity of the proposed trustees;
  - (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

- (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- (6) If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such shares.
- (7) If a Permitted Transferee who is a spouse or civil partner of the Original Shareholder ceases to be a spouse or civil partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with article 32(2),
- failing which he shall be deemed to have given a Transfer Notice.
- (8) On the death (subject to article 31(3)), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- (9) A transfer of any shares approved by the Board and the A Majority may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.
- (10) Any shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a holding company formed for the purposes of a reorganisation whether the indirect beneficial ownership of the shares remains the same as that prior to the transfer, which has been approved by a majority of the Board, with A Majority Consent.
- (11) The Company shall only be permitted to sell or transfer any shares held as Treasury Shares to any person with A Majority Consent.
32. Transfers of shares subject to pre-emption rights
- (1) Save where the provisions of articles 31, 36 and 37 apply, any transfer of shares by a shareholder shall be subject to the pre-emption rights contained in this article 32.
- (2) A shareholder who wishes to transfer shares (a "Seller") shall, except as otherwise provided in these articles, before transferring or agreeing to transfer any shares give notice in writing (a "Transfer Notice") to the Company specifying:
- (a) the number of Equity Shares which he wishes to transfer (the "Sale Shares");
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;

- (c) the price at which he wishes to transfer the Sale Shares; and
- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to shareholders ( a "Minimum Transfer Condition").

No Transfer Notice may be given (and not Transfer Notice shall be effective) without A Majority Consent being given prior to it being issued. If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the "Transfer Price") must be agreed by the Board (with A Majority Consent). In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board (with A Majority Consent). In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within five Business Days of the Company receiving the Transfer Notice.

- (3) No Transfer Notice once given or deemed to have been given under these articles may be withdrawn.
- (4) A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- (5) As soon as practicable following the later of:
  - (a) receipt of a Transfer Notice; and
  - (b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under article 33,

the Board shall offer the Sale Shares for sale to the shareholders in the manner set out in article 32(6). Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

- (6) Transfers: Offer
  - (a) The Board shall offer the Sale Shares to all shareholders specified in the offer other than the Seller (the "Continuing Shareholders") inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (inclusive) (the "Offer Period") for the maximum number of Sale Shares they wish to buy.
  - (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under article 32(6) will be conditional on the fulfilment of the Minimum Transfer Condition.
  - (c) If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who have applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of the relevant class(es) of shares bears to the total number of the relevant class(es) of shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but 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.
  - (d) If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with article 32(7)(e).
- (7) Completion of transfer of Sale Shares

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 32(6) stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- (b) If:
  - (i) the Transfer Notice does not include a Minimum Transfer Condition; or
  - (ii) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board shall, when no further offers are required to be made under article 32(6), give written notice of allocation (an "Allocation Notice") to the Seller and each shareholder to whom Sale Shares have been allocated (an "Applicant") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 5 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of article 32(7)(c):
  - (i) the chair of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may 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
    - (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
  - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant shares (or an indemnity for lost certificate in a form acceptable to the Board).
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to article 32(7)(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.
- (f) The right of the Seller to transfer shares under article 32(7)(e) does not apply if the Board is of the opinion on reasonable grounds that:
  - (i) the transferee is a person (or a nominee for a person) who the Board (with A Majority Consent) determine in their absolute discretion is a competitor with (or an associate of a competitor with) the business of the Company;
  - (ii) 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

- (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

33. Valuation of shares

- (1) If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of articles 30(9), 32(2) or otherwise then, on the date of failing agreement, the Board shall either:
  - (a) appoint an expert valuer in accordance with article 33(2) (the "Expert Valuer") to certify the Fair Value of the Sale Shares; or
  - (b) (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.
- (2) The Expert Valuer will be either:
  - (a) the Company's auditors; or
  - (b) (if otherwise agreed by the Board and the Seller) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.
- (3) The "Fair Value" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:
  - (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction;
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued shares (excluding any shares held as Treasury Shares) without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and
  - (e) reflect any other factors which the Expert Valuer reasonably believes should be taken into account.
- (4) If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- (5) The Expert Valuer shall be requested to determine the Fair Value within 15 Business Days of their appointment and to notify the Board of their determination.
- (6) The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- (7) The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.

- (8) The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- (9) The cost of obtaining the certificate shall be paid by the Company unless:
- (a) the Seller cancels the Company's authority to sell; or
  - (b) the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale share before Expert Valuer was instructed,

in which case the Seller shall bear the cost.

#### 34. Compulsory transfers – general

- (1) A person entitled to a share in consequence of the bankruptcy of a shareholder shall be deemed to have given a Transfer Notice in respect of that share at a time determined by the Directors.
- (2) If a share remains registered in the name of a deceased shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased shareholder either:
- (a) to effect a Permitted Transfer of such shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
  - (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased shareholder.

If either requirement in this article 34(2) shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such share save to the extent that, the Directors may otherwise determine.

- (3) If a shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or reorganisation), the relevant shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.
- (4) If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those shares back to the Original Shareholder from whom it received its shares or to any other Permitted Transferee before being required to serve a Transfer Notice.

#### 35. Departing Employees

- (1) Unless A Majority Consent to the contrary is given if a holder of B Shares becomes a Bad Leaver all of the Leaver's Shares (including any share's the Leaver might acquire after the Effective Termination Date pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company) shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each share held) on the Effective Termination Date.



- (2) Upon such conversion into Deferred Shares, the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date.
- (3) If the A Majority requires (as an alternative to article 35(1) above) if a holder of B Shares becomes a Bad Leaver the Board (with A Majority Consent) may, and upon the request of an A Majority shall, at any time after the Cessation Date, resolve (the date of such Board resolution shall be the "Resolution Date") that the Leaver shall be deemed to have served a Transfer Notice (being a Deemed Transfer Notice) on the Cessation Date in respect of all of the Leaver's Shares.
- (4) Where the provisions of this article 35 apply, unless the Board resolves (with A Majority Consent) to the contrary:
  - (a) any existing Transfer Notice relating to any of the relevant Leaver's shares in force at the Cessation Date shall immediately be cancelled (unless the transferee(s) are bound to pay for such shares and the transferor(s) are bound to transfer them in accordance with article 32(7)(d) (Pre-emption on transfer)) and no further Transfer Notice shall be issued in respect of the relevant Leaver's Shares except pursuant to this article 35; and
  - (b) none of the relevant Leaver's Shares may be transferred pursuant to article 31 (Permitted transfers).
- (5) The price payable for the Leaver's Shares shall be £1 in aggregate.
- (6) If a Leaver who has retained their shares subsequently breaches a Restrictive Covenant the Board (with A Majority Consent) may, and upon the request of an A Majority shall, serve notice on the relevant Leaver to the effect that the Leaver has been reclassified as a Bad Leaver as a result of the breach of a Restrictive Covenant and the provisions of articles 35(1) and 35(2) above apply mutatis mutandis. Each holder of shares acknowledges and accepts that the provisions of this article are fair and reasonable and do not go beyond what is necessary to protect the legitimate business interests of the Company and its members.
- (7) On or at any time after the Cessation Date, the Company (with A Majority Consent) may, and shall if so required by an A Majority, direct that all or some of the Leaver's Shares be transferred to:
  - (a) one or more Board Invitees; and/or
  - (b) subject to compliance with the Acts, the Company.

The relevant transferor(s) shall be bound to transfer the relevant Leaver's Shares to the Board Invitee(s) and/or the Company (as the case may be) and the Board Invitee(s) and/or the Company (subject to compliance with the Companies Acts) shall be bound to transfer the price (if any) for the relevant Leaver's Shares.

- (8) If a transferor fails to transfer some or all of the Leaver's Shares after becoming bound to do so or if the Board in its absolute discretion so determines:
  - (a) the Company may receive the price for the relevant Leaver's Shares of the relevant transferor and shall hold it on trust for them (without any obligation to pay interest). Receipt of such price by the Company shall be good discharge to the transferees of such Leaver's Shares; and
  - (b) the Board may appoint a person (acting as agent for the relevant transferor(s)) to execute instruments of transfer and/or any agreement in respect of the transfer of the relevant Leaver's Shares in favour of the transferee(s). After the register of shareholders of the Company has been updated under this provision, the validity of the transactions shall not be questioned by any person.

- (9) Any Leaver's Shares declined or not accepted by a Board Invitee or the Company within 20 Business Days of the offer to it being made will be offered to the members in accordance with article 32 (Pre-emption on transfer).

36. Tag-along

- (1) Except in the case of Permitted Transfers and transfers pursuant to articles 34 and 35, the provisions of article 36(2) will apply if the A Majority ("Proposed Sellers") propose to transfer in one or a series of related transactions all of their A Shares (the "Proposed Transfer").
- (2) A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "Offer") to the other shareholders to acquire all of the shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in article 36(6)).
- (3) The Offer must be given by written notice (a "Proposed Sale Notice") at least 10 Business Days (the "Offer Period") prior to the proposed sale date ("Proposed Sale Date"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of shares proposed to be purchased by the Proposed Purchaser (the "Proposed Sale Shares").
- (4) If any other holder of shares is not given the rights accorded him by this article, the Proposed Seller(s) will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- (5) If the Offer is accepted by any shareholder (an "Accepting Shareholder") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the shares held by Accepting Shareholders.
- (6) For the purpose of this article:
- (a) the expression "Specified Price" shall mean in respect of each share a sum in cash equal to the highest price per share offered or paid by the Proposed Purchaser:
- (i) in the Proposed Transfer; or
- (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,
- plus an amount equal to the Relevant Sum, as defined in article 36(6)(b), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person acting in concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the shares (the "Supplemental Consideration") provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Seller(s) and the Accepting Shareholders pro rata to their shareholding;
- (b)  $\text{Relevant Sum} = C \div A$
- where:
- A = number of shares being sold in connection with the relevant Proposed Transfer;
- C = the Supplemental Consideration.

37. Drag-along

- (1) If the A Majority (the "Selling Shareholders") wish to transfer a majority of their A Shares (the "Sellers' Shares") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "Drag Along Option") to compel each other holder of shares (each a "Called Shareholder" and together the "Called Shareholders") to sell and transfer all their shares (or, at the A Majority's sole discretion, a proportion of their shares) to the Proposed Purchaser or as the Proposed Purchaser shall direct (the "Drag Purchaser") in accordance with the provisions of this article.
- (2) The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "Drag Along Notice") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that:
  - (a) the Called Shareholders are required to transfer all their shares (the "Called Shares") under this article;
  - (b) the person to whom they are to be transferred;
  - (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this article);
  - (d) the proposed date of transfer, and
  - (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "Sale Agreement"),

(and, in the case of paragraphs (b) to (d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this article.
- (3) Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- (4) The consideration for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 44(1)(the "Drag Consideration").
- (5) In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer his shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee of the shares held by such Called Shareholder.
- (6) Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the "Drag Completion Date"), each Called Shareholder shall deliver:
  - (a) duly executed stock transfer form(s) for its shares in favour of the Drag Purchaser;
  - (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and

- (c) duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

(together the "Drag Documents").

- (7) On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- (8) To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant shares and the Called Shareholders shall have no further rights or obligations under this article 36 in respect of their shares.
- (9) If a Called Shareholder fails to deliver the Drag Documents for its shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's shares pursuant to this article 36 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration to the Company for the Called Shareholder's shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.
- (10) Any transfer of shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of article 32.
- (11) On any person, following the issue of a Drag Along Notice, becoming a shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New shareholder"), a Drag Along Notice shall be deemed to have been served on the New shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all shares so acquired to the Drag Purchaser and the provisions of this article shall apply with the necessary changes to the New shareholder except that completion of the sale of the shares shall take place immediately on the Drag Along Notice being deemed served on the New shareholder.

### 38. Deferred Shares

- (1) The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:
  - (a) appoint any person to execute any transfer (or any agreement to transfer) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise); and/or
  - (b) give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
  - (c) purchase such Deferred Shares in accordance with the Acts,

in any such case (i) for a price being not more than an aggregate sum of one penny for all the Deferred Shares registered in the name of such holder(s) and (ii) with the Company having

authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.

39. Share transfers

- (1) Subject to the articles, shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The Company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

40. Transmission of shares

- (1) If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
  - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

41. Exercise of transmittees' rights

- (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

42. Transmittees bound by prior notices

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

## Dividends and Other Distributions

### 43. Procedure for declaring dividends

- (1) The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Any dividend will be distributed among the holders of the A Shares pro rata to shareholders' respective holdings of A Shares.
- (5) Neither the holders of the B Shares nor the holders of the Deferred Shares shall be entitled to any dividend or other distribution.
- (6) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which A Shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of A Shares on the date of the resolution or decision to declare or pay it.
- (7) If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (8) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (9) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### 44. Payment of dividends and other distributions

- (1) Any distribution of capital (including on a Sale or a distribution of assets) will be distributed (to the extent that the Company is lawfully permitted to do so):
  - (a) firstly among the holders of the Equity Shares (pari passu as if the Equity Shares constituted one class of shares) pro rata to shareholders' respective holdings of Equity Shares (less the amount payable pursuant to article 44(1)(b)); and
  - (b) second in paying to the holders of the Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares).
- (2) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means--
  - (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
  - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (3) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:
- (a) the holder of the share; or
  - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

45. No interest on distributions

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the Company.

46. Unclaimed distributions

- (1) All dividends or other sums which are:

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

- (2) The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

- (3) If:

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

47. Non-cash distributions

- (1) Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company).

- (2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
- (a) fixing the value of any assets;
  - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - (c) vesting any assets in trustees.

48. Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

Capitalisation of Profits

49. Authority to capitalise and appropriation of capitalised sums

- (1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:
- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
  - (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.
- (2) Capitalised sums must be applied:
- (a) on behalf of the persons entitled, and
  - (b) in the same proportions as a dividend would have been distributed to them.
- (3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (5) Subject to the articles the directors may:
- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;



- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## Part 4

### Decision-making by shareholders

#### Organisation of General Meetings

#### 46. Attendance and speaking at general meetings

- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (2) A person is able to exercise the right to vote at a general meeting when:
  - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### 47. Quorum for general meetings

- (1) No business other than the appointment of the chair of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- (2) A general meeting shall only constitute a quorum with at least one holder of A Shares present (or their duly appointed proxy).

#### 48. Chairing general meetings

- (1) If the directors have appointed a chair, the chair shall chair general meetings if present and willing to do so.
- (2) If the directors have not appointed a chair, or if the chair is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
  - (a) the directors present, or
  - (b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.

- (3) The person chairing a meeting in accordance with this article is referred to as "the chair of the meeting".

#### 49. Attendance and speaking by directors and non-shareholders

- (1) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (2) The chair of the meeting may permit other persons who are not:
  - (a) shareholders of the Company, or
  - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

#### 50. Adjournment

- (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chair of the meeting must adjourn it.
- (2) The chair of the meeting may adjourn a general meeting at which a quorum is present if:
  - (a) the meeting consents to an adjournment, or
  - (b) it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chair of the meeting must:
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
  - (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

#### Voting at General Meetings

##### 51. Voting: general

- (1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

- (2) The A Shares shall confer on each holder of A Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- (3) The B Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- (4) The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- (5) Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

## 52. Errors and disputes

- (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chair of the meeting, whose decision is final.

## 53. Poll votes

- (1) A poll on a resolution may be demanded:
  - (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by:
  - (a) the chair of the meeting;
  - (b) the directors;
  - (c) two or more persons having the right to vote on the resolution; or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if:
  - (a) the poll has not yet been taken, and
  - (b) the chair of the meeting consents to the withdrawal.

- (4) Polls must be taken immediately and in such manner as the chair of the meeting directs.

## 54. Content of proxy notices

- (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
  - (a) states the name and address of the shareholder appointing the proxy;

- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - (d) is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as:
  - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

#### 55. Delivery of proxy notices

- (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

#### 56. Amendments to resolutions

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chair of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - (a) (a) the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

## Part 5

### Administrative Arrangements

#### 48. Means of communication to be used

- (1) Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### 49. Company seals

- (1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is:
  - (a) any director of the Company;
  - (b) the Company secretary (if any); or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

#### 50. No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder.

#### 51. Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

## Directors' Indemnity and Insurance

### 52. Indemnity

- (1) Subject to paragraph (2), a relevant director of the Company or an associated Company may be indemnified out of the Company's assets against:
  - (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated Company,
  - (b) any liability incurred by that director in connection with the activities of the Company or an associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
  - (c) any other liability incurred by that director as an officer of the Company or an associated Company.
- (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.
- (3) In this article:
  - (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
  - (b) a "relevant director" means any director or former director of the Company or an associated Company.

### 53. Insurance

- (1) The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.
- (2) In this article:
  - (a) a "relevant director" means any director or former director of the Company or an associated Company,
  - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director'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
  - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.