

Company number 05104383
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
UK PARKING CONTROL LIMITED

Adopted by special resolution passed on 3 February 2022

Introduction

1 Interpretation

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

Act: means the Companies Act 2006.

appointor: has the meaning given in article 12.1.

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

Business Day: means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

Conflict: has the meaning given in article 8.1.

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

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

Fair Value: in relation to shares, as determined in accordance with article 22.

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

Transfer Notice: an irrevocable notice in writing given by any holder of an Ordinary A Shares or an Ordinary B Share to the other shareholders of Ordinary A Shares or Ordinary B Shares where the first shareholder desires to transfer or offer for transfer (or enter into an agreement to transfer) any shares.

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1) and (3), 10 (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17 (1)(b) 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - 1.11.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 1.11.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".

Directors

2 Unanimous decisions

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 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.

3 Calling a directors' meeting

Any director may call a directors' meeting by giving not less than two Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the Company secretary (if any) to give such notice.

4 Quorum for directors' meetings

- 4.1 Unless and until otherwise directed by the Company, there shall be no maximum number of directors and the minimum number of directors shall be one.
- 4.2 Whenever there shall be only one director of the Company such director may act alone in exercising all the powers, discretion and authorities vested in the directors.

5 Casting vote

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

6 Participation in directors' meetings

If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest of the group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

7 Transactions or other arrangements with the Company

- 7.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
 - 7.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 7.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 7.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 7.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
 - 7.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 7.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

8 Directors' conflicts of interest

- 8.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised,

involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

- 8.2 Any authorisation under this article 8 will be effective only if:
- 8.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - 8.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 8.3 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):
- 8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 8.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 8.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 8.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 8.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 8.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 8.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 8.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

9 Records of decisions to be kept

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

10 Number of directors

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

11 Appointment of directors

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

12 Appointment and removal of alternate directors

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

12.1.1 exercise that director's powers; and

12.1.2 carry out that director's responsibilities,

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

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

12.3 The notice must:

12.3.1 identify the proposed alternate; and

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

13 Rights and responsibilities of alternate directors

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

13.2 Except as the Articles specify otherwise, alternate directors:

13.2.1 are deemed for all purposes to be directors;

13.2.2 are liable for their own acts and omissions;

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

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

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

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

- 13.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
 - 13.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
 - 13.3.3 shall not be counted as more than one director for the purposes of article 13.3.
- 13.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 13.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

14 Termination of alternate directorship

- 14.1 An alternate director's appointment as an alternate terminates:
- 14.1.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 14.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
 - 14.1.3 on the death of the alternate's appointor; or
 - 14.1.4 when the alternate's appointor's appointment as a director terminates.

15 Secretary

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

16 Share capital

- 16.1 The Ordinary A Shares, Ordinary B Shares and Ordinary C Shares and Ordinary D Shares (**Shares**) shall constitute separate classes of shares and shall have the following rights and be subject to the following restrictions:
- 16.1.1 **as to voting:** the Ordinary C Shares and the Ordinary D Shares shall not confer any voting rights on their holders and the Ordinary A Shares and the Ordinary B Shares shall confer on each of their holders the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to vote by written resolution and on a poll, but the respective classes of shares shall attract the following proportions of the voting rights on any vote:
 - 16.1.1.1 the holders of Ordinary A Shares voting on any resolution shall between them be entitled to cast and shall be deemed to have cast such number of votes as represents 95% of all votes cast by all shareholders voting on that resolution; and

- 16.1.1.2 the holders of Ordinary B Shares voting on any resolution shall between them be entitled to cast and shall be deemed to have cast such number of votes as represents 5% of all votes cast by all shareholders voting on that resolution.
- 16.1.2 **as regards dividends:** any dividends or distributions shall be paid to the holders of the Ordinary A Shares and the Ordinary B Shares as if such shares constituted one class of share. The holders of the Ordinary C Shares and the Ordinary D Shares shall not be entitled to dividends.
- 16.1.3 **on a return of capital:** on a return of capital, on liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities (**Surplus Assets**) shall be applied as follows:
 - 16.1.3.1 if the Surplus Assets are £25,000,000 or less
 - 16.1.3.1.1 first, in payment of any dividends declared before the winding-up but unpaid;
 - 16.1.3.1.2 second, in payment to each holder of the Ordinary C Shares an amount equal to 0.0004% of the Surplus Assets for each Ordinary C Share held by them;
 - 16.1.3.1.3 third in payment to the holders of the Ordinary A Shares and the Ordinary B shares the balance after the payment referred to in article 16.1.3.1.1 and article 16.1.3.1.2 such balance to be distributed to the holders of the Ordinary A Shares and the Ordinary B Shares between them pro rata to their respective holdings of the Ordinary A Shares and the Ordinary B Shares;
 - 16.1.3.1.4 nothing shall be paid to the holders of the Ordinary D Shares;
 - 16.1.3.2 if the Surplus Assets are more than £25,000,000
 - 16.1.3.2.1 first in payment of any dividends declared before the wind up but unpaid;
 - 16.1.3.2.2 second in payment to the holders of the Ordinary D Shares an amount equal to 0.0004% of the amount by which the Surplus Assets exceed £25,000,000 for each Ordinary D Shares held by them;
 - 16.1.3.2.3 third in payment to the holders of the Ordinary C Shares an amount equal to 0.0004% of the Surplus Assets for each Ordinary C Share held by them;
 - 16.1.3.2.4 finally in payment to the holders of the Ordinary A Shares and the Ordinary B shares the balance after the payment referred to in article 16.1.3.1.1 and article 16.1.3.1.2 and article 16.1.3.2.3 such balance to be distributed to the holders of the Ordinary A Shares and the Ordinary B Shares between them pro rata to their respective holdings of the Ordinary A Shares and the Ordinary B Shares.

- 16.1.4 **as to redemption:** there shall be no rights of redemption in respect of the Ordinary A Shares, Ordinary B Shares, Ordinary C Shares or Ordinary D Shares.
- 16.2 If no shares of a particular class are or remain in issue, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, holders of shares of that class.
- 16.3 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 16.4 Each of the following shall be deemed to constitute a variation of the rights attached to the relevant share:
- 16.4.1 any alteration in share rights set out in article 16.1;
- 16.4.2 any reduction, subdivision, consolidation, redenomination, purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and
- 16.4.3 any resolution to put the Company into liquidation.
- 16.5 On any sale of the entire issued share capital of the Company (**Share Sale**) then the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those holders of shares selling such shares under a Share Sale (**Sale Proceeds**) shall be shared as between the holders of Shares as though this was a distribution of capital in accordance with article 16.1.3. The directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:-
- 16.5.1 the Directors may register the transfer of the relevant shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in article 16.1.3; and
- 16.5.2 each holder of shares shall take any reasonable action (to the extent lawful) required by the Directors to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 16.1.3.

17 Tag along

- 17.1 The provisions of article 17.2 to article 17.5 shall apply if the holder of the Ordinary A Shares in issue for the time being (**Seller**) proposes to transfer the Ordinary A Shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**) acquiring a Controlling Interest in the Company.
- 17.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer (**Offer**) to the holders of the Ordinary B Shares and Ordinary C Shares and Ordinary D Shares in issue for the time being to purchase all of the Ordinary B Shares and Ordinary C Shares and the Ordinary D Shares held by those holders for, in the case of the holders of the Ordinary B Shares and Ordinary C Shares a consideration in cash per Share that is at least equal to the price per Share offered by the Buyer in

the Proposed Transfer and in the case of the holders of the Ordinary D Shares an amount which they would have received pursuant to article 16.5 on a Share Sale (**Specified Price**).

- 17.3 The Offer shall be made by written notice (**Offer Notice**), at least 10 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 17.3.1 the identity of the Buyer;
 - 17.3.2 the Specified Price and other terms and conditions of payment;
 - 17.3.3 the Transfer Date; and
 - 17.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 17.4 If the Buyer fails to make the Offer in accordance with article 17.2 and article 17.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 17.5 If the Offer is accepted by all or any of the holders of the Ordinary B Shares and/or Ordinary C Shares and/or the Ordinary D Shares in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder.

18 Drag along

- 18.1 If the Seller (as defined in article 17.1) wishes to transfer all (but not some only) of its Ordinary A Shares to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Seller may require the holders of the Ordinary B Shares and Ordinary C Shares and the Ordinary D Shares (**Called Shareholders**) to sell and transfer all of their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 18.2 The Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Ordinary A Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 18.2.1 that the Called Shareholders is required to transfer all of their Called Shares pursuant to this article 18;
 - 18.2.2 the person to whom the Called Shares are to be transferred;
 - 18.2.3 the purchase price payable for the Called Shares which shall, for each Called Share which is an Ordinary B Share or an Ordinary C Share, be an amount equal to the price per Share offered by the Proposed Buyer for the Ordinary A Shares and for each Called Share that is a Ordinary D Share an amount equal to the price per Ordinary D Share that the holder of such share would have received pursuant to article 16.5 if there had been a Share Sale; and
 - 18.2.4 the proposed date of the transfer.
- 18.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Seller has not sold the Ordinary A Shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article 18.

- 18.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Ordinary A Shares unless:
- 18.5.1 the Seller and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
 - 18.5.2 that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 20th Business Day after service of the Drag Along Notice.
- 18.6 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 18.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 18.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 18 in respect of its Shares.
- 18.8 If the Called Shareholders do not, on or before the Completion Date, execute and deliver (in accordance with article 18.6) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Seller to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 18.8.

19 Further issues of shares: pre-emption rights

- 19.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 19.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any equity securities (other than any equity securities to be held under an employees' share scheme), those equity securities shall not be allotted to any person unless the Company has first offered them to all holders of Ordinary A Shares and Ordinary B Shares on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:
- 19.2.1 shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
 - 19.2.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.

- 19.3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 19.2 shall be used for satisfying any requests for Excess Securities made pursuant to article 19.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with article 19.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining 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 shareholders.
- 19.4 Subject to articles 19.2 and 19.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 19.5 No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

20 Transfer of shares: pre-emption rights

- 20.1 Except where the provisions of article 21 applies, a shareholder who holds either Ordinary A Shares or Ordinary B Shares (**Seller**) wishing to transfer its shares (**Sale Shares**) must give a Transfer Notice to the other shareholder who holds either Ordinary A Shares or Ordinary B Shares (**Continuing Shareholder**) (no notice need to be given to a holder of Ordinary C Shares who will not have any rights of pre-emption) giving details of the proposed transfer including:
- 20.1.1 if it wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
 - 20.1.2 the price (in cash) at which it wishes to sell the Sale Shares (**Proposed Sale Price**).
- 20.2 Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice, the Continuing Shareholder shall be entitled (but not obliged) to give notice in writing to the Seller stating either:
- 20.2.1 that it wishes to purchase the Sale Shares at the Proposed Sale Price (Purchase Notice), in which case the Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the Proposed Sale Price; or
 - 20.2.2 that the Proposed Sale Price is too high (**Price Notice**).
- 20.3 If, at the expiry of the period specified in article 20.2, the Continuing Shareholder has given neither a Purchase Notice nor a Price Notice, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (if any) at a price not less than the Proposed Sale Price provided that it does so within three months of the expiry of the period specified in article 20.2.
- 20.4 Following service of a Price Notice under article 20.2.2, the Seller and the Continuing Shareholder shall endeavour to agree a price for each of the Sale Shares. If they have not agreed such a price within ten Business Days of the Seller's receipt of a Price Notice, either the Seller or the Continuing Shareholder shall immediately instruct the company's accountants to determine the Fair Value of each Sale Share in accordance with article 22. If the Seller and Continuing Shareholder agree a price within the period specified in this article 20.4, the Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the price agreed.
- 20.5 Within 20 Business Days of receipt of the company's accountants' determination of the Fair Value, the Continuing Shareholder shall be entitled (but not obliged) to give notice

in writing to the Seller stating that the Continuing Shareholder wishes to purchase the Sale Shares at their Fair Value as determined by the company's accountants. If, at the expiry of the period specified in this article 20.5, the Continuing Shareholder has not notified the Seller that it wants to buy the Sale Shares, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (if any) at a price not less than the Fair Value for all of the Sale Shares as determined by the company's accountants provided that it does so within three months of the expiry of the period specified in this article.

21 Permitted Transfer

- 21.1 A holder of the Ordinary A Shares or the Ordinary B Shares shall be entitled to transfer such shares without any restriction and without having to comply with article 20 provided that all of the holders of Ordinary A Shares and Ordinary B Shares so agree. A holder of Ordinary C Shares and Ordinary D Shares shall not be entitled to transfer those shares which they hold unless such transfer is pursuant to a Share Sale or pursuant to article 17 or article 18.

22 Fair Value

- 22.1 As soon as practicable after deemed service of a Price Notice under article 20, the shareholders shall appoint the company's accountants to determine the Fair Value of the Sale Shares.
- 22.2 The company's accountants shall be requested to determine the Fair Value within 30 Business Days of their appointment and to notify the Seller and Continuing Shareholder in writing of their determination.
- 22.3 The Fair Value for any Sale Share shall be the price per share determined by the company's accountants on the following bases and assumptions:
- 22.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
 - 22.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 22.3.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 22.3.4 the Sale Shares are sold free of all encumbrances;
 - 22.3.5 the sale is taking place on the date the company's accountants were requested to determine the Fair Value; and
 - 22.3.6 to take account of any other factors that the company's accountants reasonably believe should be taken into account.
- 22.4 The shareholders are entitled to make submissions to the company's accountants including oral submissions and will provide (or procure that the Company provides) the company's accountants with such assistance and documents as the company's accountants reasonably require for the purpose of reaching a decision, subject to the company's accountants agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 22.5 To the extent not provided for by this article 22, the company's accountants may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.

- 22.6 The company's accountants shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 22.7 Each shareholder shall bear its own costs in relation to the reference to the company's accountants. The company's accountants' fees and costs properly incurred by them in arriving at their valuation shall be borne by the shareholders in such other proportions as the company's accountants shall direct.

Decision making by shareholders

23 General meetings

- 23.1 No business shall be transacted at a general meeting unless a quorum is present. Subject to article 23.2, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
- 23.2 If and for so long as the Company has only one member, that member present in person or by proxy or (if that member is a corporation) by a duly authorised representative shall be a quorum.

24 Poll votes

- 24.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 24.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

25 Proxies

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

Administrative arrangements

26 Means of communication to be used

- 26.1 Subject to article 26.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 26.1.1 if delivered by hand, on signature of a delivery receipt; or
 - 26.1.2 if sent by fax, at the time of transmission; or
 - 26.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - 26.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or

- 26.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 26.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
 - 26.1.7 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
 - 26.1.8 if deemed receipt under the previous paragraphs of this article 26.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 26.2 To prove service, it is sufficient to prove that:
- 26.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
 - 26.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 26.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
 - 26.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

27 Indemnity

- 27.1 Subject to article 27.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 27.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
 - 27.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 27.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 27.2 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.
- 27.3 In this article:

- 27.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 27.3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

28 Insurance

- 28.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 28.2 In this article:
 - 28.2.1 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
 - 28.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
 - 28.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.