

Company number: 06505358

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

A & J AUDHALI ENTERPRISES LIMITED (Company)

Dated: 21 August 2019
(Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the director of the Company proposes that the resolutions set out below are passed as special resolutions (**Resolutions**).

RESOLUTIONS

1. THAT the 200 issued ordinary shares of £1 each in the capital of the Company be and they are hereby re-designated as 100 A ordinary shares and 100 B ordinary shares of £1 each in the capital of the Company as follows:

(A) the 100 ordinary shares of £1 each held by Andrew Audhali be re-designated into A ordinary shares of £1 each; and

(B) the 100 ordinary shares of £1 each held by Jeffrey Audhali be re-designated into B ordinary shares of £1 each,

with each class of share having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution number 2;

2. THAT the articles of association attached to this resolution and marked "X" for the purpose of identification be and they are hereby adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

AGREEMENT

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



The undersigned, being the shareholders entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agree to the Resolutions:


Signed by **Andrew Audhali**:

..... 

Date:

..... 21 / 8 / 19

Signed by **Jeffrey Audhali**:

..... 

Date:

..... 21 / 8 / 19

NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company by hand or by post to Highdown House, 11 Highdown Road, Sydnemham, Leamington Spa, Warwickshire, CV31 1XT.

If you do not agree to the Resolutions, you do not need to do anything; you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
3. Unless by the end of 27 days after the Circulation Date sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

A & J AUDHALI ENTERPRISES LIMITED

(Adopted by special resolution passed on 21 August 2019)

INTRODUCTION

1. INTERPRETATION

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

A Director: means any director of the Company appointed by the holders of a majority of the holders of A Shares in accordance with article 9.2.

A Shares: the ordinary A shares in the capital of the Company.

Act: means the Companies Act 2006.

Adoption Date: means the date of adoption of these Articles.

Allocation Notice: has the meaning given in article 17.13.

appointor: has the meaning given in article 10.1.

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

B Director: means any director of the Company appointed by the holders of a majority of holders of the B Shares in accordance with article 9.3.

B Shares: the ordinary B shares in the capital of the Company.

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 6.1.

Controlling Interest: means 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.

Company: means A & J Audhali Enterprises Limited (Company Number 06505358)

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under any provision of these Articles.

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 20.

Family Trust: in relation to an individual, a trust set up wholly for the benefit of that person or that person's Privileged Relations.

First Offer Shareholders: in respect of an offer of:

(a) A Shares, the holders of A Shares (if any); and

(b) B Shares, the holders of B Shares (if any);

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.

Original Shareholder: a shareholder who holds shares in the Company on the Adoption Date.

Permitted Transfer: a transfer of shares made in accordance with article 16.

Permitted Transferee: in relation to:

(a) an individual, any of their Privileged Relations or the trustees of their Family Trust(s).

Privileged Relation: the spouse or common law partner of an individual or that individual's children and grandchildren (including step and adopted children and grandchildren).

Proposed Sale Price: has the meaning given in article 17.1.

Relevant Agreement: any agreement entered into by the Shareholders from time to time .

Sale Shares: has the meaning given in article 17.1.

Second Offer Shareholders: in respect of an offer of:

(a) A Shares, the holders of B Shares; and

(b) B Shares, the holders of A Shares.

Seller: has the meaning given in article 17.1.

Shares: as defined in Article 14.1.

Shareholders: means the holders of the A shares and holders of the B shares.

Transfer Notice: has the meaning given in article 17.1.

Transfer Price: has the meaning given in article 17.5

Valuers: the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 5 Business Days of the expiry of the 10 Business Day period referred to in article 17.5, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).

- 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), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 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:
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - (b) 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) and the secretary" before the words "properly incur".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.14 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".
- 1.15 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DIRECTORS

2. MAJORITY DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when a majority of 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 a majority of eligible directors have signed one or more copies of it, or to which a majority of eligible directors have 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 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

4. QUORUM FOR DIRECTORS' MEETINGS

4.1 *Save for quarterly meetings of the board of directors, where quorum shall be two (being one A director and one B director), the quorum for the transaction of business at a meeting of directors shall be one director who must be an B Director.*

5. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

- (a) 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;
- (b) 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;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) 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;
- (e) 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

- (f) 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.

6. DIRECTORS' CONFLICTS OF INTEREST

- 6.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 6.2 Any authorisation under this article 6 will be effective only if:
 - (a) 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;
 - (b) 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
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 6.3 Any authorisation of a Conflict under this article 6 may (whether at the time of giving the authorisation or subsequently):
 - (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) 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;
 - (c) 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*;
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - (e) 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

- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

6.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

6.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

6.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

7. RECORDS OF DECISIONS TO BE KEPT

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

8. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two and, for so long as the holder(s) of a majority of the A Shares and the holder(s) of a majority of the B Shares each have a right to appoint one or more directors pursuant to article 9.2 and article 9.3 respectively, the directors shall be made up of an equal number of A Directors and B Directors. No shareholding qualification for directors shall be required.

9. APPOINTMENT OF DIRECTORS

- 9.1 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.
- 9.2 Subject to article 8 and provided that the A Shares represent at least 40% of the issued share capital of the Company from time to time, the holders of a majority of the A Shares shall be entitled to appoint at least one person to be an A Director of the Company.
- 9.3 Subject to article 8 and provided that the B Shares represent at least 40% of the issued share capital of the Company from time to time, the holders of a majority of the B Shares shall be entitled to appoint at least one person to be a B Director of the Company.
- 9.4 Any A Director may at any time be removed from office by the holders of a majority of the A Shares and any B Director may at any time be removed from office by the holders of a majority of the B Shares.
- 9.5 If any A Director or any B Director shall die or be removed from or vacate office for any cause, the holders of a majority of the A Shares (in the case of an A Director) or the holders of a majority of the B Shares (in the case of a B Director) shall appoint in his place another person to be an A Director or a B Director (as the case may be).
- 9.6 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the holder(s) of a majority of the A Shares or B Shares (as the case may be) and served on each of the other shareholders and the Company at its registered office, or delivered to a duly constituted meeting of the directors of the Company and on the director, in the case of his removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 9.7 The right to appoint and to remove A Directors or B Directors under this article shall be a class right attaching to the A Shares and the B Shares respectively.

10. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

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

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

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

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

10.3 The notice must:

- (a) identify the proposed alternate; and
- (b) 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.

11. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

11.1 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.

11.2 Except as the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their appointors; and
- (d) 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.

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

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- (b) may participate in a decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of article 11.3.

- 11.4 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.
- 11.5 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.

12. TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates:

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

13. SECRETARY

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

SHARES

14. SHARE CAPITAL

- 14.1 The share capital of the Company is divided into ordinary A shares of £1.00 each and ordinary B shares of £1.00 each (together, the **Shares**).
- 14.2 The A Shares and B Shares shall rank pari passu in all respects except as set out in Article 14.3 below.
- 14.3 The profits of the Company available for distribution and which are resolved to be distributed shall be applied in paying to the holders of the Ordinary A Shares

and Ordinary B Shares dividends at such rates (if any) as the directors shall determine by unanimous decision.

15. PURCHASE OF OWN SHARES

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year.

TRANSFER OF SHARES

16. SHARE TRANSFERS: GENERAL

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

16.2 No shareholder shall transfer any share except:

- (a) a shareholder may transfer all (but not some only) of his shares in the Company for cash (and not on deferred terms) in accordance with the procedure set out in article 17; or
- (b) in accordance with article 18; or
- (c) in accordance with article 19; or
- (d) in accordance with article 21; or
- (e) in accordance with article 22.

16.3 Subject to article 16.4, the directors must register any duly stamped or certified exempt transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

16.4 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee of an Original Shareholder or otherwise) require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such 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). If any such condition is imposed in accordance with this article 16.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.

- 16.5 To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in his name to the reasonable satisfaction of such directors within 14 days of their request or, as a result of the information and evidence provided such directors are reasonably satisfied that a breach has occurred, then such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to all shares held by that shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares. Such directors may reinstate these rights at any time.
- 16.6 Any transfer of shares by way of a sale under these Articles shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.
- 16.7 Any Transfer Notice served in respect of the transfer of any shares (and any related Transfer Notice deemed to have been served by a Permitted Transferee under article 17.3) which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of the Deemed Transfer Notice.

17. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 17.1 Except where the provisions of article 18, article 19, article 21 or article 22 apply, a shareholder (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:
- (a) if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
 - (b) the price (in cash) at which he wishes to sell the Sale Shares (**Proposed Sale Price**).

- 17.2 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 17.3 If an Original Shareholder serves a Transfer Notice under article 17.1, or is deemed to have served a Transfer Notice under article 19, any Permitted Transferee of that Original Shareholder to whom shares have been transferred in accordance with article 18.1 is also deemed to have served a Transfer Notice in respect of all his shares on the same date as the Original Shareholder's Transfer Notice is served or is deemed to have been served (in the case of a Deemed Transfer Notice).
- 17.4 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Any Deemed Transfer Notice in respect of a *Permitted Transferee's shares under article 17.3 will be withdrawn at the same time as the withdrawal by the Original Shareholder of his Transfer Notice under this article 17.4.* Except as provided in this article, a Deemed Transfer Notice may not be withdrawn.
- 17.5 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the directors or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 20. The Transfer Price for each Sale Share of a Permitted Transferee the subject of a Deemed Transfer Notice under article 17.3 shall be the same as the Transfer Price for each Sale Share of the Original Shareholder.
- 17.6 As soon as practicable following the determination of the Transfer Price, the directors shall (unless the Transfer Notice is withdrawn in accordance with article 17.4) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 17 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 17.7 The directors shall, subject to article 17.12, offer the Sale Shares in the following order of priority:
- (a) first, to the First Offer Shareholders (if any);
 - (b) second, to the Second Offer Shareholders; and
 - (c) third, to the Company.

in each case excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice.

17.8 The directors shall offer the Sale Shares first to the First Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

17.9 If:

- (a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares of the class being offered bears to the total number of shares of that class (excluding those held by the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the First Offer Shareholders shall be determined by the directors). 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;
- (b) not all Sale Shares are allocated following allocations in accordance with article 17.9(a), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 17.9(a). The procedure set out in this article 17.9(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 17.10.

17.10 At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares (if any) to the Second Offer 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 (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

17.11 If:

- (a) at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of shares of the class held by Second Offer Shareholders bears to the total number of shares of that class. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Second Offer Shareholders shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;
- (b) not all Initial Surplus Shares are allocated following allocations in accordance with article 17.11(a), but there are applications for Initial Surplus Shares that have not been satisfied, the directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in article 17.11(a). The procedure set out in this article 17.11(b) shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and
- (c) at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) may be transferred to the Company. If the Company does not wish to purchase the Second Surplus Shares, the Second Surplus Shares may, with the prior written consent of the Original Shareholders, be transferred to the buyer identified in the Transfer Notice (if any) in accordance with article 17.16.

17.12 In the event that there are no First Offer Shareholders (other than the Seller(s)) at the date of the Transfer Notice and/or Deemed Transfer Notice(s) (as the case may be), article 17.8 and article 17.9 shall apply but the Sale Shares shall be offered first to the Second Offer Shareholders and the provisions of those articles shall apply to an offer of the Sale Shares to the Second Offer Shareholders *mutatis mutandis*. If there are any Initial Surplus Shares under article 17.9(c), the holder(s) of a majority of the class of shares held by the Second Offer Shareholders shall, within 10 Business Days of the date of the Allocation Notice(s), either give notice in writing to the Seller and the Company:

- (a) that, subject to article 16.2(a), they consent to the transfer of the Initial Surplus Shares to the buyer identified in the Transfer Notice (if any) in accordance with article 17.16.

- 17.13 The directors shall, when no further offers or allocations are required to be made under article 17.7 to article 17.11 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each shareholder to whom Sale Shares have been allocated (each an Applicant). The *Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).*
- 17.14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof).
- 17.15 If the Seller fails to comply with article 17.14:
- (a) the Chairman (or, failing him, any other director or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
 - (ii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and
 - (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board may reasonably require to prove good title to those Sale Shares, to the Company.
- 17.16 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer the Initial Surplus Shares (subject to article 17.12) or the Second Surplus Shares (subject to article 17.11(c)) (as the case may be) to the buyer identified in the Transfer Notice (if any) at a price at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Initial

Surplus Shares or Second Surplus Shares (as the case may be) to a third party buyer if that buyer was not identified in the Transfer Notice.

18. PERMITTED TRANSFERS

- 18.1 Subject to article 18.2 and to the prior written consent of the other Original Shareholders, an Original Shareholder may transfer any of the issued shares of the class held by that Original Shareholder on the Adoption Date to any of his Permitted Transferees without being required to follow the steps set out in article 17.
- 18.2 An Original Shareholder may only transfer shares to the trustees of a Family Trust if the holder(s) of a majority of the other class of shares are satisfied:
- (a) with the terms of the Family Trust and, in particular, with the powers of the trustees;
 - (b) with the identity of the trustees; and
 - (c) that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 18.3 Subject to article 18.2, any shareholder holding shares as a result of a Permitted Transfer made by an Original Shareholder in accordance with this article 18 may, at any time, transfer his shares back to that Original Shareholder or to another Permitted Transferee of such Original Shareholder, without being required to follow the steps set out in article 17.
- 18.4 If a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, that Privileged Relation shall within 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of divorce, separation or otherwise but not by reason of death) execute and deliver to the Company a transfer of the shares held by him to the Original Shareholder (or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which he shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 17 and article 19.2.
- 18.5 On the death or bankruptcy of a Permitted Transferee holding shares as a result of a Permitted Transfer made by an Original Shareholder in accordance with this article 18 (other than a joint holder), his personal representatives or trustee in bankruptcy (as the case may be) shall offer the shares held by the Permitted Transferee for transfer to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, within 20 Business Days after the grant of probate or the making of the

bankruptcy order (as the case may be), for such consideration as may be agreed between the Original Shareholder and the personal representatives or trustee in bankruptcy (as the case may be). Provided that:

- (a) if a transfer of the shares has not been executed and delivered within 20 Business Days of the grant of probate or the making of the bankruptcy order (as the case may be),

the personal representatives or trustee in bankruptcy (as the case may be) shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 17 and article 17.3.

- 18.6 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 10 Business Days of that Family Trust ceasing to be wholly for the benefit of that Original Shareholder and/or the Original Shareholder's Privileged Relations execute and deliver to the Company a transfer of the shares held by them or the Family Trust to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, for such consideration as may be agreed between them, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 17 and article 19.2.

19. COMPULSORY TRANSFERS

- 19.1 Subject to article 18.5, a shareholder who is an individual, is deemed to have served a Transfer Notice under article 17.1 immediately before any of the following events:
 - (a) the death of the shareholder; or
 - (b) a bankruptcy petition being presented for the shareholder's bankruptcy; or
 - (c) an arrangement or composition with any of the shareholder's creditors being proposed; or
 - (d) the shareholder convening a meeting of his creditors, or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
 - (e) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
 - (f) any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or
 - (g) the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or

- (h) the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding; or
 - (i) the shareholder breaching any of its obligations under these articles or any Relevant Agreement entered into between the shareholders from time to time in respect of the Company which breach, if capable of remedy, is not remedied within 20 Business Days of a notice given by the other party to this Agreement specifying reasonable details of the breach and requiring the party in breach to remedy the same.
- 19.2 In circumstances where an Original Shareholder has transferred all or any of his shares to Permitted Transferees, each of his Permitted Transferees shall be deemed to have served a Transfer Notice in respect of the shares they hold immediately prior to the occurrence in relation to the Original Shareholder of any of the events referred to in articles 19.1 or 19.2 as applicable.
- 19.3 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the Transfer Price for the Sale Shares shall be:
 - (a) in respect of Articles 19.1(a) and (h), the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 20; and
 - (b) in respect of article 19.1(b), (c), (d), (e), (f) (g) and (i), a maximum of the lower of the subscription price paid for each Share, including any share premium, and the Fair Market Value of each such Share determined by the Valuers in accordance with article 18, unless otherwise agreed by the Shareholders acting unanimously.

20. VALUATION

- 20.1 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 20.2 The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:
 - (a) 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;
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

- (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - (d) the Sale Shares are sold free of all encumbrances;
 - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
 - (f) to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 20.3 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 20.4 To the extent not provided for by this article 20, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 20.5 The Valuers 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.
- 20.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct.

21. DRAG ALONG

- 21.1 If the holders of 75% of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all 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**).
- 21.2 The Selling Shareholders 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 Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 21;
 - (b) the person to whom the Called Shares are to be transferred;

- (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of the transfer.
- 21.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 21.
- 21.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
 - (e) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - (f) 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 30th Business Day after service of the Drag Along Notice.
- 21.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) 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 21.2(c) 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.
- 21.7 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 forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 21 in respect of their Shares.

- 21.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 21.8) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders 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 it 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 person. Failure to produce a share certificate shall not impede the registration of shares under this article 21.
- 21.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (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. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 21 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the company, if later.

22. TAG ALONG

- 22.1 Except in the case of transfers pursuant to Article 18 and 19, and after going through the pre-emption procedure set out in Article 17, the provisions of article 22.2 to article 22.6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any of their Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**) acquiring a Controlling Interest in the Company.
- 22.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to:
- (a) the other Shareholders (**Non-Selling Shareholders**) to purchase all of the Shares held by them; and
 - (b) the holders of any securities of the Company that are convertible into Shares (**Convertible Securities**), to purchase any Shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer,

for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, in the Proposed Transfer or in any related previous transaction in the 6 months preceding the date of the Proposed Transfer (**Specified Price**).

22.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the Specified Price and other terms and conditions of payment;
- (c) the Sale Date; and
- (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).

22.4 If the Buyer fails to make the Offer to all of the persons listed in article 22.2 in accordance with article 22.2 and article 22.3, 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.

22.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 20 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

22.6 The Proposed Transfer is subject to the pre-emption provisions of Article 17 but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

23. POLL VOTES

23.1 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.

23.2 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.

24. PROXIES

24.1 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 not less than

48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

- 24.2 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

25. MEANS OF COMMUNICATION TO BE USED

- 25.1 Subject to article 25.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (b) if sent by fax, at the time of transmission; or
- (c) 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
- (d) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- (e) 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
- (f) if deemed receipt under the previous paragraphs of this article 25.1 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.

- 25.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post the envelope containing the notice was properly addressed, paid for and posted; or

- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

26. INDEMNITY

26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) 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:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by 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

- (b) 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 26.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

26.3 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 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).

27. INSURANCE

27.1 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.

27.2 In this article:

- (a) 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);
- (b) 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
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.