

Company number. 09138270
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
MENTOR EUROPE ASSOCIATES LIMITED

(as amended by special resolution dated 24 April 2019)

INTRODUCTION

1. INTERPRETATION

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

Act: the Companies Act 2006.

A Director: the director of the Company who holds the A Shares.

Adoption Date: the date of adoption of these Articles.

Articles: the Company's Articles of Association for the time being in force.

A Shares: the ordinary shares of £1 each in the capital of the Company designated as Ordinary A Shares.

Bad Leaver: an Employee who becomes a Departing Employee in circumstances where he is not a Good Leaver.

B Director: the director of the Company who holds the B Shares.

Board: the board of directors of the Company or a committee it appoints to carry out its functions under the Articles.

B Shares: the ordinary shares of £1 each in the capital of the Company designated as Ordinary B Shares.

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

C Director: the director of the Company who holds the C Shares.

C Shares: the ordinary shares of £1 each in the capital of the Company designated as Ordinary C Shares.

Connected: has the meaning given in section 1122 of the Corporation Tax Act 2010.



Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

Departing Employee: an Employee who ceases to be a director and/or employee of the Company (other than by reason of death).

Directors: the directors of the Company from time to time.

D Shares: the ordinary shares of £1 each in the capital of the Company designated as Ordinary D Shares.

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).

Employee: a Shareholder who is, or has been, a director and/or employee of the Company.

Fair Value: in relation to a Share, as determined in accordance with Article 9.

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

Financial Year: each accounting reference period of the Company determined from time to time in accordance with Chapter 3 of Part 15 of the Act.

Good Leaver: an Employee who becomes a Departing Employee by reason of:

- (a) retirement, permanent disability or permanent incapacity through ill-health; or
- (b) redundancy (as defined in the Employment Rights Act 1996); or
- (c) dismissal by the Company which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful or constructive.

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date.

Original Shareholder: each Shareholder, excluding any Shareholder who, for the time being, only holds Shares as a result of a Permitted Transfer.

Permitted Maximum: means such number of Shares that would, following a Permitted Transfer, result in an Original Shareholder continuing to hold at least 51% in nominal value of all Shares held for the time being by:

- (a) that Original Shareholder; and
- (b) his Permitted Transferees, but excluding any Shares that the Board (acting with Shareholder Consent) declares itself satisfied were not acquired

pursuant to a Permitted Transfer by that Original Shareholder (or by another Permitted Transferee of that Original Shareholder).

Permitted Transfer: a transfer of Shares made in accordance with Article 6.

Permitted Transferee: in relation to an Original Shareholder, any of his Privileged Relations or the trustees of his Family Trust(s).

Privileged Relation: the spouse or a civil partner as defined in the Civil Partnership Act 2004 of an Original Shareholder and the Original Shareholder's children and grandchildren (including step and adopted children and grandchildren).

Shareholder: a holder for the time being of any Share or Shares.

Shareholder Consent: the prior written consent of the Shareholder(s) of the A Shares and the D Shares.

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

Valuers: the auditors or accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed by the Seller and by the Continuing Shareholder or, in the absence of agreement between them on the identity of the expert or its terms of appointment within 5 Business Days of the expiry of the 15 Business Day period following service of a Price Notice, an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 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 (but excluding any statutory modification of them not in force on the Adoption Date).

1.6 A reference in these Articles to:

(a) an **Article** is a reference to the relevant numbered article of these Articles; and

(b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise.

1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time.

1.8 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.

1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. ADOPTION OF THE MODEL ARTICLES

2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the Articles of Association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

2.2 Model Articles 7, 8, 9(1), 11(2) and (3), 12, 13, 14(1) to (4) (Inclusive), 16, 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (Inclusive) shall not apply to the Company.

2.3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".

2.4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

2.5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

SHARES AND DISTRIBUTIONS

3. SHARE RIGHTS

3.1 The share capital of the Company is divided into A Shares, B Shares, C Shares and D Shares which shall constitute separate classes of shares and shall have the following rights and be subject to the following restrictions:

- (a) **Voting** – The A Shares, B Shares, C Shares and the D Shares shall confer on the holder of those shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and on a poll, they shall be entitled to full voting rights whereby one share carries one vote.
- (b) **Return of capital** – on a return of capital the surplus assets of the Company remaining after payment of its liabilities shall be applied pro rata in accordance with each of the Shareholders holdings;
- (c) **As regards liquidation and winding-up:** any remaining assets after payment of the Company's liabilities shall be applied as follows:
 - (i) first, in payment of the aggregate sum of £100 to the holders of the A Shares pro rata or their respective holdings of A Shares;
 - (ii) then, in payment of the aggregate sum of £100 to the holders of the B Shares pro rata or their respective holdings of B Shares;
 - (iii) then, in payment of the aggregate sum of £100 to the holders of the C Shares pro rata or their respective holdings of C Shares;
 - (iv) then, in payment of the aggregate sum of £100 to the holders of the D Shares pro rata or their respective holdings of D Shares;
 - (v) finally, the balance (if any) of such surplus assets shall belong to and be distributed to the holders of the A Shares, B Shares, C Shares and D Shares pro rata or their respective holdings of Shares;
- (d) **Income** – any profits of the Company available for distribution by way of dividend shall be distributed between the Shareholders as in such amounts and at such times as the Board of the Company, in its absolute discretion, shall decide;
- (e) **Redemption** – the A Shares, B Shares, C Shares and D Shares do not carry rights of redemption.

3.2 If no shares of a particular class remain in issue, these Articles shall be read as if they do not include any references 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.

4. VARIATION OF CLASS RIGHTS

Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with Shareholder Consent.

5. RESTRICTION ON THE TRANSFER OF SHARES

5.1 Except with Shareholder Consent, the Shareholders and the Company shall not allot, issue, sell, transfer or otherwise dispose of any Shares or other equity securities (within the meaning of section 560(1) of the Act) (including any Shares held in treasury from time to time) to any person nor create any encumbrance over any Share except as permitted by the Articles.

5.2 Save with Shareholder Consent, no Shareholder shall transfer any Shares unless he transfers all (and not some only) of the Shares held by him.

5.3 Subject to Article 5.1, the Board shall register any duly stamped transfer made in accordance with the Articles, unless it suspects that the proposed transfer may be fraudulent.

6. PERMITTED TRANSFERS

6.1 Subject to Articles 6.2 and 6.3, an Original Shareholder may transfer up to the Permitted Maximum number of Shares to any of his Permitted Transferees without restriction as to price or otherwise.

6.2 A Shareholder holding Shares as a result of:

- (a) a transfer by an Original Shareholder under Article 6.1; or
- (b) a transfer by a Permitted Transferee of an Original Shareholder in accordance with Articles 6.4 to 6.6 (inclusive),

may, subject to Article 6.3, transfer any or all such Shares back to that Original Shareholder (or to one or more other Permitted Transferees of that Original Shareholder) without restriction as to price or otherwise.

6.3 A Shareholder may only transfer Shares to the trustees of a Family Trust if the Board (acting with Shareholder Consent) is 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.

6.4 If a Permitted Transfer has been made to a Privileged Relation of an Original Shareholder, that Privileged Relation shall within five Business Days of ceasing to be a Privileged Relation of that Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of death) execute and deliver to the Company a transfer of those Shares held by him pursuant to a Permitted Transfer in favour of that Original Shareholder (or, subject to Article 6.3, in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be equal to the subscription price paid in respect of each Share, failing which he shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with Article 7. The provisions of Article 8.4 shall apply to such a deemed Transfer Notice.

6.5 In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from an Original Shareholder, on the occurrence of:

- (a) the Privileged Relation's death;
- (b) the Privileged Relation suffering a Bankruptcy Event; or
- (c) the Privileged Relation lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding,

that Privileged Relation, his personal representatives, his trustee(s) in bankruptcy, his attorney(s) or otherwise (as the case may be) shall, within five Business Days after the grant of probate, the making of the bankruptcy order or the determination of lack of capacity (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that Original Shareholder (or, if so directed by the Original Shareholder and subject to Article 6.3, in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be equal to the subscription price paid in respect of each Share, failing which (or where the Original Shareholder is himself the subject of a bankruptcy order) he, his personal representatives, his trustee(s) in bankruptcy, his attorney(s) or otherwise (as the case may be) shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with Article 7. The provisions of Article 8.4 shall apply to such a deemed Transfer Notice.

6.6 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within five Business Days of that Family Trust ceasing to be for the benefit of the Settlor and/or the Settlor's Privileged Relations execute and deliver to the Company a transfer of those Shares held by them or the Family Trust pursuant to a Permitted Transfer in favour of the Original Shareholder (or, if so directed by the Original Shareholder and subject to Article 6.3, in favour of one or more other Permitted Transferees of the Original Shareholder), for such consideration

as may be equal to the subscription price paid in respect of each Share, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the Shares in accordance with Article 7. The provisions of Article 8.4 shall apply to such a deemed Transfer Notice.

7. TRANSFER OF SHARES

7.1 Except where the provisions of Article 6 (Permitted Transfers) or Article 8 (Compulsory transfers) apply, a Shareholder (**Seller**) wishing to transfer any Shares must give a notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer, including:

- (a) the number of Shares he wishes to transfer (**Sale Shares**);
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
- (c) the price per Sale Share (in cash) at which he wishes to sell the Sale Shares (**Proposed Sale Price**).

7.2 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.

7.3 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within five Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.

7.4 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 Board (any director with whom the Seller is Connected not voting), acting with Shareholder Consent, 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 9.

7.5 As soon as practicable following the determination of the Transfer Price, the Board shall (unless the Transfer Notice is withdrawn in accordance with Article 7.3) offer the Sale Shares for sale to the other Shareholders (excluding any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (**Offerees**) inviting them to apply to the Company in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

7.6 If:

- (a) at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (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 Offerees shall be determined by the Board). 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 7.6(a), but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in Article 7.6(a). The procedure set out in this Article 7.6(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 Offer Period, the Company has not received applications in respect of all the Sale Shares, the Board shall allocate the Sale Shares to the Offerees in accordance with their applications. The balance of the Sale Shares may, with Shareholder Consent, be transferred to the buyer identified in the Transfer Notice (if any) in accordance with Article 7.15.

7.7 The Board shall, when no further offers or allocations are required to be made under Article 7.6, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and to 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 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).

7.8 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) and such other documents as the Applicants may reasonably require to show good title to

the Sale Shares, or to enable each of them to be registered as the holder of the Sale Shares.

- 7.9 Subject to Article 7.10 if, following a sale of Shares in accordance with the Articles, a Shareholder will hold no further Shares (excluding any Shares held by his personal representatives, successors and permitted assigns) the Shareholder shall deliver, or procure that there are delivered, to the Company his resignation as a director and employee of the Company and resignations from any directors appointed by him, such resignations to take effect at completion of the sale of the Sale Shares.
- 7.10 For the purposes of Article 7.9, an Original Shareholder shall be deemed to hold Shares for so long as any Permitted Transferee of that Original Shareholder holds any Shares that were acquired (whether directly or indirectly) from that Original Shareholder pursuant to a Permitted Transfer.
- 7.11 Any transfer of Shares by way of a sale that is required to be made shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee.
- 7.12 If the Seller fails to comply with Article 7.8:
- (a) the chairman of the Board (or, failing him, any other director of the Company or some other person nominated by a resolution of the Board) may, as attorney 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
 - (iii) (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 Board, 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.
- 7.13 If any Applicant fails to pay the Transfer Price payable by him on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price shall accrue interest at a rate

equal to 4% per annum above the base rate of Bank of England from time to time.

- 7.14 Each Shareholder shall use his reasonable endeavours to procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) the registration of each transfer of Sale Shares under this Article 7 (subject to due stamping of a transfer by the relevant Applicant(s)) and each of them consents to such transfers and registrations.
- 7.15 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may at any time during the five Business Days following the date of service of the Allocation Notice, transfer the balance of the Sale Shares to the buyer identified in the Transfer Notice (if any) at a price per Share at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Sale Shares to a third party buyer if that buyer was not identified in the Transfer Notice (save with Shareholder Consent).

8. COMPULSORY TRANSFERS

- 8.1 A Shareholder is deemed to have served a Transfer Notice under Article 7.1 immediately before any of the following events:
- (a) subject to Article 6.5, the Shareholder's death;
 - (b) subject to Article 6.5, an order being made for the Shareholder's bankruptcy, or an arrangement or composition being made with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;
 - (c) the Shareholder lacking capacity (under section 2 of the Mental Health Act 2005) to make decisions in relation to the Company or his shareholding;
 - (d) the Shareholder (being an Employee) becoming a Departing Employee, unless the Board (acting with Shareholder Consent) otherwise directs in writing within five Business Days of the relevant Termination Date that a Transfer Notice shall not be deemed to have been served; and
 - (e) the Shareholder committing a material breach of the Articles which, if capable of remedy, has not been so remedied within 10 Business Days of notice to remedy the breach being served by all the other parties.
- 8.2 A Transfer Notice deemed to have been served by a Shareholder under Article 8.1 shall immediately deem a Transfer Notice to have been served under Article 7.1 by any Permitted Transferee of that Shareholder in respect of all Shares held by such Permitted Transferee(s) (excluding any Shares that the Board (acting with Shareholder Consent) declares itself satisfied

were not acquired pursuant to a Permitted Transfer by that Shareholder (or by another Permitted Transferee of that Shareholder).

8.3 A Deemed Transfer Notice deemed to be served under Article 8.1(d) or Article 8.1(e) shall immediately and automatically revoke:

- (a) a Transfer Notice served by the relevant Shareholder or any of his Permitted Transferees before the occurrence of the relevant event giving rise to the Deemed Transfer Notice (excluding a Transfer Notice served by a Permitted Transferee that relates exclusively to Shares not acquired (whether directly or indirectly) pursuant to a Permitted Transfer); and
- (b) a Deemed Transfer Notice deemed to be served by the relevant Shareholder under any of the events set out in Article 8.1(a) to Article 8.1(c) (inclusive).

8.4 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of Article 7 shall apply, except that:

- (a) the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice); and
- (b) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares; and
- (c) subject to Articles 8.4(d) and 8.4(e), the Transfer Price shall be the Fair Value of those Shares; and
- (d) if the Seller is deemed to have given a Transfer Notice as a result of Article 8.1(d), the Transfer Price shall, where the Departing Employee is:
 - (i) a Bad Leaver, be restricted to a maximum of the lower of the subscription price paid for each Sale Share, including any share premium, and the Fair Value of each such Sale Share; and
 - (ii) a Good Leaver, be the Fair Value of each such Sale Share; and
- (e) if the Seller is deemed to have given a Transfer Notice as a result of Article 8.1(e), the Transfer Price shall be restricted to a maximum of the lower of the lower of the subscription price paid in respect of each Sale Share, including any share premium, and the Fair Value of each such Sale Share; and
- (f) the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation; and

(g) the Board shall have the right, before the Sale Shares are offered to the Offerees in accordance with Article 7.5, to confirm that the Company shall purchase the Sale Shares, such purchase to be structured in as tax efficient a manner as possible and, to the extent permitted by the Act, by way of a purchase of own shares, provided that:

- (i) the purchase shall be structured in such a way that the Transfer Price shall be paid by the Company in annual instalments;
- (ii) the instalments shall be calculated by reference to the Company's post-tax profits each Financial Year (as confirmed by the Board following completion of the accounts for the relevant Financial Year and as adjusted to reflect a salary of £150,000 for each continuing director) (**Profits**), each annual payment being calculated as the same percentage of the relevant Profits (up to a maximum of the Transfer Price) as the Sale Shares are to the total number of Shares in issue;
- (iii) the outstanding balance of the Transfer Price shall not attract interest until the fifth anniversary of the Deemed Transfer Notice, whereupon the outstanding balance of the Transfer Price shall accrue interest at a rate equal to 5% per annum above the base rate of Bank of England from time to time;
- (iv) Article 7.13 shall not apply;
- (v) references to Applicant in Articles 7.8 to 7.13 shall be deemed to refer to the Company, as though the Company had received an Allocation Notice for 100% of the Sale Shares; and
- (vi) the Seller shall, at his own expense, and shall use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may be required for the purpose of giving full effect to the spirit and intention of the agreement that the Company may purchase in accordance with this Article 8.4(g).

8.5 If the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party without Shareholder Consent.

9. VALUATION OF SHARES

- 9.1 The Valuers shall be requested to determine the Fair Value within 15 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 9.2 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) taking account of any other factors that the Valuers reasonably believe should be taken into account.
- 9.3 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.
- 9.4 To the extent not provided for by this Article 8.1, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary), instructing professional advisers to assist them in reaching their valuation.
- 9.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties (in the absence of manifest error or fraud).
- 9.6 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 unless the Seller withdraws the relevant Transfer Notice in accordance with Article 7.3, in which case the Seller shall bear the cost.

DECISION-MAKING BY SHAREHOLDERS

10. GENERAL MEETINGS

- 10.1 No business other than, subject to article 10.2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 10.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

11. VOTING

- 11.1 Model article 44(3) shall be amended by the Insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.
- 11.2 Model article 45(1) shall be amended by:
- (a) the deletion of model article 45(1)(d) and its replacement 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"; and
 - (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that model article.

12. PURCHASE OF OWN SHARES

Subject to the Act but without prejudice to any other provision of these Articles (including, without limitation, article 8.4(g)), the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act.

13. DIRECTORS

- 13.1 Each Shareholder shall have the right, for so long as he, together with his Permitted Transferees, holds at least 5% in nominal value of the Shares in issue from time to time, to appoint and maintain in office a director of the Company (including himself) and to remove any director so appointed.
- 13.2 An appointment or removal in accordance with Article 13.1 shall be made by giving notice in writing to the Company, to each other Shareholder and, in the case of removal of a director, to the director being removed. The appointment or removal takes effect on the date on which the notice is

received by the Company or, if a later date is given in the notice, on that date.

13.3 A Shareholder removing a director under this Article 13 shall indemnify and keep indemnified the Company against any claim connected with the director's removal from office.

13.4 There shall be a minimum number of two directors on the Board.

13.5 The post of chairman shall always be held by the A Director. The chairman shall have a casting vote.

14. UNANIMOUS DECISIONS

14.1 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.

14.2 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.

14.3 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.

15. CALLING A DIRECTORS' MEETING

15.1 Any director may call a directors' meeting by giving not less than seven Business Days' notice of the meeting to all directors entitled to receive notice accompanied by:

- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
- (b) copies of any papers to be discussed at the meeting.

15.2 A shorter period of notice of a meeting of directors may be given if the directors agree otherwise.

16. QUORUM FOR DIRECTORS' MEETINGS

16.1 Subject to Article 16.2, the quorum for the transaction of business at a meeting of directors (including adjourned meetings) is two directors, one of which must be the A Director.

16.2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and at the time when there is to be voting on any business.

16.3 If a quorum is not present within 30 minutes of the time specified for a directors' meeting in the notice of the meeting then it shall be adjourned for 2 Business Days at the same time and place.

16.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

- (a) to appoint further directors; or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

17. 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 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:

- (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 unanimous 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.

18. DIRECTORS' CONFLICTS OF INTEREST

18.1 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**).

18.2 Any authorisation under this article 18 will be effective only if:

- (a) 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;
- (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.

18.3 Any authorisation of a Conflict under this article 18 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.

- 18.4 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.
- 18.5 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.
- 18.6 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.

19. 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.

ADMINISTRATIVE ARRANGEMENTS

20. MEANS OF COMMUNICATION TO BE USED

- 20.1 Subject to article 20.3, 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
 - (b) if sent by fax, at the time of transmission; or
 - (c) if sent by pre-paid 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 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
 - (e) 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
 - (f) if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
 - (g) 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

- (h) If deemed receipt under the previous paragraphs of this article 20.1 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 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.

20.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, 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 or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

20.3 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form, or by means of a website.

20.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

21. NOMINATED DIRECTOR

That, notwithstanding any other provision in these articles of association, for so long as a shareholder holds at least 50% of the voting rights of the Company for the time being, it may by notice to the Company appoint a director (Nominated Director), who may, at its own discretion, at a meeting of the directors, have such number of votes as exceeds by one, those votes of the other directors of the company present. No written resolution of the directors of the company shall be valid without the consent of the Nominated Director.