

DATED 1 MARCH 2021

DIGITAL DENTAL ACADEMY LTD

COMPANY NUMBER: 11176021

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ARTICLES OF ASSOCIATION

ADOPTED BY SPECIAL RESOLUTION ON 1<sup>ST</sup> MARCH 2021

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**Brabners**

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Exchange Flags

Liverpool

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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**DIGITAL DENTAL ACADEMY LTD (“the Company”)**

**(Adopted by special resolution passed on [            ] 2021)**

**INTRODUCTION**

**1. Interpretation**

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

<b>Acceptance</b>	has the meaning given in article 18.4.1;
<b>Acceptance Notice</b>	has the meaning given in article 20.3;
<b>A Ordinary Share</b>	an ordinary share of £1 in the capital of the Company designated as an A Share, having the rights and being subject to the restrictions set out in these Articles;
<b>A Ordinary Shareholder</b>	holders of A Ordinary Shares in the Company;
<b>ABNCorp Limited</b>	ABNCorp Limited, company number 08291315, a subsidiary of the Company;
<b>AN</b>	Adam Brian Nulty;
<b>appointor</b>	has the meaning given in article 11.1;
<b>Articles</b>	the Company's articles of association for the time being in force;
<b>Board</b>	the board of directors from time to time of the Company;
<b>Business Day</b>	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
<b>CA 2006</b>	the Companies Act 2006;
<b>Compulsory Sale Shares</b>	has the meaning given in article 20.1;
<b>Compulsory Seller</b>	has the meaning given in article 20.1;
<b>Conflict</b>	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the

	Company;
<b>Continuing Shareholders</b>	has the meaning given in article 18.3;
<b>Deemed Transfer Notice</b>	a Transfer Notice that is deemed to have been served under article 20;
<b>eligible director</b>	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);
<b>Fair Value</b>	the Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers pursuant to article 22;
<b>Family Trust</b>	in relation to a Shareholder, a trust set up for the benefit of his and/or her Privileged Relations;
<b>Interested Director</b>	has the meaning given in article 7.1;
<b>Issue Price</b>	in respect of any Share, the subscription price paid in respect of that Share;
<b>Model Articles</b>	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 and reference to a numbered Model Article is a reference to that article of the Model Articles;
<b>Ordinary Share</b>	an ordinary share of £1.00 in the capital of the Company designated as an Ordinary Share, having the rights and being subject to the restrictions set out in these Articles;
<b>Permitted Transfer</b>	a transfer of Shares made in accordance with article 19;
<b>Permitted Transferee</b>	in relation to a Shareholder, any of his Privileged Relations or the trustees of his Family Trust(s);
<b>Price Notice</b>	has the meaning given in article 18.4.2;
<b>Privileged Relations</b>	the spouse or civil partner of a Shareholder and the Shareholder's children and grandchildren (including step and adopted children and grandchildren);
<b>Proposed Sale Price</b>	has the meaning given in article 18.3;
<b>Purchaser</b>	has the meaning given to it in article 20.3;
<b>Restricted Shares</b>	has the meaning given in article 20.13;
<b>Sale Shares</b>	has the meaning given in article 18.3;
<b>Seller</b>	has the meaning given in article 18.3;

<b>Shares</b>	shares in the capital of the Company;
<b>Shareholder</b>	each of the shareholders of the Company, together with their respective successors and assigns to include their personal representative and Shareholders means all of them together;
<b>Transfer Notice</b>	has the meaning given in article 18.3;
<b>Valuation</b>	has the meaning given in article 18.6;
<b>Valuers</b>	the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed by agreement between the Seller and the Continuing Shareholder or, in the absence of agreement between them on the identity of the expert within 10 Business Days of one serving details of a suggested expert on the other, 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);
<b>Writing or written</b>	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 except where expressly provided otherwise in these articles.

- 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 CA 2006 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), 13, 14(1), (2), (3) and (4), 18(e), 44(2), and 49 of the Model Articles shall not apply to the Company.
- 1.11 Article 7 of the Model Articles shall be amended by:

- 1.11.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
- 1.11.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.12 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.13 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. Unanimous Decisions**

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **3. Calling a Directors' Meeting**

- 3.1 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 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors, but it must never be less than two unless there is just one sole director in office, and unless otherwise fixed is two.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 4.3 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:
  - 4.3.1 to appoint further directors; or
  - 4.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

5. **Casting Vote**

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

6. **Transactions or Other Arrangements with the Company**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the CA 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 6.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 6.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 6.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the CA 2006)) 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 CA 2006.

7. **Directors' Conflicts of Interest**

7.1 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 CA 2006 to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this article 7 will be effective only if:

- 7.2.1 to the extent permitted by the CA 2006, 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;
- 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and

- 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):
- 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - 7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - 7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 7.4 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.
- 7.5 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.
- 7.6 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.

## **8. 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.

## **9. Number of Directors**

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

## 10. **Appointment of Directors**

- 10.1 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.
- 10.2 If a director of the Company dies, the remaining directors of the Company may, in their absolute discretion, appoint a new director by unanimous decision of all of the remaining directors.

## 11. **Appointment and Removal of Alternate Directors**

- 11.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- 11.1.1 exercise that director's powers; and
  - 11.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 11.2 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.
- 11.3 The notice must:
- 11.3.1 identify the proposed alternate; and
  - 11.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

## 12. **Rights and Responsibilities of Alternate Directors**

- 12.1 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.
- 12.2 Except as the Articles specify otherwise, alternate directors:
- 12.2.1 are deemed for all purposes to be directors;
  - 12.2.2 are liable for their own acts and omissions;
  - 12.2.3 are subject to the same restrictions as their appointors; and
  - 12.2.4 are not deemed to be agents of or for their appointors
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.
- 12.3 A person who is an alternate director but not a director:
- 12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

- 12.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- 12.3.3 shall not be counted as more than one director for the purposes of articles article 12.3.
- 12.4 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.
- 12.5 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.

### 13. **Termination of Alternate Directorship**

An alternate director's appointment as an alternate terminates:

- 13.1.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 13.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 13.1.3 on the death of the alternate's appointor; or
- 13.1.4 when the alternate's appointor's appointment as a director terminates.

### 14. **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**

### 15. **Purchase of Own Shares**

Subject to the CA 2006 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 CA 2006, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

- 15.1.1 £15,000; and
- 15.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

### 16. **Share Capital**

- 16.1 The share capital of the Company is divided into Ordinary Shares and A Ordinary Shares.

- 16.2 Except as otherwise provided in these Articles, the Ordinary Shares and the A Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 16.3 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 16.4 The directors of the Company can declare or recommend that a dividend be payable on:
- 16.4.1 every class of share;
  - 16.4.2 one or more classes of share; or
  - 16.4.3 none of the shares.
- 16.5 Except as otherwise provided in these Articles, all Shareholders are entitled to equal voting rights, regardless of the class of Share held by them.
- 16.6 On the transfer of any share permitted by these Articles:
- 16.6.1 a share transferred to a non-shareholder shall remain of the same class as before the transfer; and
  - 16.6.2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.
- If no shares of a class remain in issue following a redesignation under this article, these Articles shall read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.
- 16.7 No variation of the rights attaching to any class of Shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of Shares. Where a special resolution to vary the rights attaching to a class of Shares is proposed at a separate general meeting of that class of Shares, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this Article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 16.8 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:
- 16.8.1 any alteration in the Articles; and
  - 16.8.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital.
- 16.9 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.
17. **A Ordinary Shares**
- 17.1 The A Ordinary Shares shall enjoy the following rights and be subject to the following restrictions:

17.1.1 As regards income:

17.1.1.1 the holders of the A Ordinary Shares have an interest in ABNCorp Ltd and may only receive dividends in accordance with that interest. The A Ordinary Shares shall confer on the holders thereof the right to receive any dividends or distributions declared by the directors at their absolute discretion from time to time.

17.1.2 As regards capital:

17.1.2.1 the A Ordinary Shares shall confer on the holders thereof the right to a return of capital on liquidation or otherwise;

17.1.2.2 on a sale of the entire issued share capital of the Company or on a winding up of the Company, the A Ordinary Shareholders shall be entitled pro rata to their shareholdings to receive all the Company's rights, title and interest in the share capital of ABNCorp Ltd or the:

- (a) investment property assets;
- (b) general trading assets and liabilities; and
- (c) capital and income gains and receipts;

deriving from or relating to ABNCorp Ltd.

17.1.3 As regards voting:

17.1.3.1 the A Ordinary Shares shall confer on the holders thereof the right to receive notice of all general meetings but shall not entitle the holders to attend or vote at any general meeting.

**18. Pre-Emption Rights on Transfer of Shares**

18.1 Subject to the provisions of section 771 CA 2006, the directors may, in their absolute discretion, decline to register the transfer of a Share, whether or not it is a fully paid share.

18.2 No Shareholder shall sell, transfer, sign, pledge, charge or otherwise dispose of any Share or any interest in any Share in the capital of the Company, except as permitted by these Articles, or with the prior written consent of the Board (acting with the prior written consent of AN).

18.3 A Shareholder ("**Seller**") wishing to transfer all of their Shares ("**Sale Shares**") shall give notice in writing ("**Transfer Notice**") to the Company and the remaining Shareholders ("**Continuing Shareholders**") specifying the details of the proposed transfer, including:

18.3.1 the number of Sale Shares comprised within the Transfer Notice;

18.3.2 the identity of the proposed buyer(s);

18.3.3 the proposed price for each Sale Share ("**Proposed Sale Price**");

18.3.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to the Continuing Shareholders; and

18.3.5 the proportionate entitlement of each Continuing Shareholder to the Sale Shares, being the same proportion of the Sale Shares as the proportion that the number of Shares held by him (regardless of class) bears to the total number of Shares held by

the Continuing Shareholders (in respect of each Continuing Shareholder, his **Entitlement**).

- 18.4 Upon receipt of the Transfer Notice, the Continuing Shareholders (or any of them) may either:
- 18.4.1 give notice in writing ("**Acceptance**") to the Seller stating that he wishes to purchase a specified number of Sale Shares at the Proposed Sale Price. A Continuing Shareholder may, in his Acceptance, indicate that he would be willing to purchase a particular number of Sale Shares in excess of his Entitlement ("**Extra Shares**"); or
  - 18.4.2 give notice in writing ("**Price Notice**") to the Seller that the Proposed Sale Price is too high or low.
- 18.5 A Continuing Shareholder must serve an Acceptance or a Price Notice within 20 Business Days of receipt of a Transfer Notice failing which his right to do so shall lapse.
- 18.6 Following service of a Price Notice, the relevant Shareholders shall endeavour to agree a price for each of the Sale Shares. If the relevant Shareholders have not agreed such a price within the 20 Business Days of a Price Notice being served, they (or any of them) shall immediately instruct the Valuers to determine the Fair Value of each Sale Share ("**Valuation**") pursuant to article 22. The Valuers shall notify the Continuing Shareholders and the Seller of the Valuation as soon as reasonably practicable.
- 18.7 If, following delivery to him of the Valuation pursuant to article 18.6, the Seller does not agree with the Valuation, he shall be entitled to revoke the Transfer Notice by giving notice in writing to the Continuing Shareholders within five Business Days of delivery to him of the Valuation. If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these Articles.
- 18.8 Provided the Seller has not withdrawn the Transfer Notice in accordance with article 18.7, following delivery of the Valuation, a Continuing Shareholder shall remain entitled pursuant to article 18.4.1 (but not obliged) to serve his Acceptance on the Seller (which he must do so within 10 Business Days of receipt of the Valuation failing which his right to do so shall lapse).
- 18.9 If, on the expiry of the period referred to in article 18.5 (should article 18.4.1 apply) or 18.8 (should article 18.4.2 apply), the total number of Sale Shares applied for is equal to or greater than the available number of Sale Shares, each accepting Continuing Shareholder shall be allocated his Entitlement (or such lesser number of Sale Shares for which he has applied) and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Continuing Shareholders applying for Extra Shares in such proportions as pro rata to the proportions of all the Shares of the same class held by such Continuing Shareholders.
- 18.10 Completion of those Sale Shares accepted by Continuing Shareholders under article 18.4.1 and/or article 18.8 shall take place in accordance with article 21.
- 18.11 In relation to any Sale Shares not accepted by the Continuing Shareholders under article 18.4.1 and/or article 18.7 the Seller shall be entitled to transfer those Shares to the third party buyer identified in the Transfer Notice at a price per Sale Share not less than the Proposed Sale Price with the consent of the Continuing Shareholders (such consent not to be unreasonably withheld or delayed).
19. **Permitted Transfers**
- 19.1 Unless otherwise agreed by AN and subject to article 19.2 to article 19.5 (inclusive), a Shareholder may only transfer all (and not part only) of his or its Shares to a Permitted Transferee with the prior consent of AN (not to be unreasonably withheld or delayed).

19.2 A Shareholder may only transfer Shares to the trustees of a Family Trust if the Board is satisfied:

19.2.1 with the terms of the Family Trust and, in particular, with the powers of the trustees;

19.2.2 with the identity of the trustees; and

19.2.3 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.

19.3 If a Permitted Transfer has been made to a Privileged Relation of a Shareholder, that Privileged Relation shall within 10 Business Days of ceasing to be a Privileged Relation of that Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of any of the events listed in article 19.4) execute and deliver to the Company a transfer of those Shares held by him pursuant to a Permitted Transfer in favour of that 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 those Shares in accordance with article 18. The provisions of article 20.1.1 shall apply to such a Deemed Transfer Notice.

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

19.4.1 the Privileged Relation's death;

19.4.2 the Privileged Relation suffering bankruptcy; or

19.4.3 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 10 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 Shareholder for such consideration as may be agreed between them, failing which (or where the Minority 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 18. The provisions of article 20.1.1 shall apply to such a Deemed Transfer Notice.

19.5 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 the settlor and/or the settlor's Privileged Relations execute and deliver to the Company a transfer of those Shares held by the 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 18. The provisions of article 20.1.1 shall apply to such a Deemed Transfer Notice.

## 20. **Compulsory Transfer**

20.1 A Shareholder (**Compulsory Seller**) is deemed to have served notice (**Deemed Transfer Notice**) on the other Continuing Shareholders that he wishes to transfer all of his Shares (**Compulsory Sale Shares**) to them immediately before any of the following events:

20.1.1 his death or lacking mental capacity (under section 2 of the Mental Health Act 2005) to make decisions in relation to the Company or his shareholding; or

20.1.2 he is rendered permanently unfit for work due to illness or physical incapacity; or

- 20.1.3 a bankruptcy petition being presented or an order being made for the Shareholder's bankruptcy, or an arrangement or composition being proposed or 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; or
  - 20.1.4 he acts fraudulently or dishonestly (where such dishonesty has a material effect) in relation to the Company and/or the other Shareholders; or
  - 20.1.5 he commits an act of gross misconduct; or
  - 20.1.6 he ceases to be a director or employee of the Company by reason of his dismissal by the Company for cause without notice in respect of which there is no further right to appeal; or
  - 20.1.7 he commits a material breach of any obligation under these Articles and fails to remedy such breach within 14 Business Days of notice to remedy the breach being served by all the other Shareholders; or
  - 20.1.8 he is convicted of a criminal offence in respect of which a custodial sentence of three months or more is imposed by a court of competent jurisdiction; or
  - 20.1.9 he is found by a court of competent jurisdiction to have acted in contravention to his fiduciary duties in relation to the Company.
- 20.2 A Continuing Shareholder shall be deemed to have received the Deemed Transfer Notice on the date falling on the earlier of the date by which all of the Shareholders were actually aware of the occurrence of the event and six months after the date of the event.
- 20.3 Within 15 Business Days of receiving a Deemed Transfer Notice, those of the Continuing Shareholders that choose to do so (**Purchasers**) may give a notice (**Acceptance Notice**) to the Compulsory Seller stating that they wish to purchase the Compulsory Sale Shares at the price determined in accordance with articles 20.4 and 20.5.
- 20.4 Subject to article 20.5, the price for the Compulsory Sale Shares shall be their Fair Value pursuant to article 22.
- 20.5 Where the event is one of those detailed in article 20.1.3 to article 20.1.9, then the price per Share for the Compulsory Sale Shares shall be the Issue Price (however the Directors may, by notice in writing served on the Continuing Shareholders and the relevant Compulsory Seller(s), direct that some higher (but not lower) price shall apply to the relevant Compulsory Sale Shares).
- 20.6 If the Purchasers do not agree with the Fair Value pursuant to article 22, they shall give notice to the Compulsory Seller within 10 Business Days of delivery of the Valuer's written notice that they do not wish to purchase the Compulsory Sale Shares. If any Purchaser does not agree with such Fair Value then the remaining Purchasers can acquire the Compulsory Sale Shares pro rata to their existing shareholding.
- 20.7 Subject to all the Purchasers not giving notice under article 20.6, completion of the sale of the Compulsory Sale Shares comprised in the Deemed Transfer Notice at the Fair Value or the Issue Price or as otherwise directed (as the case may be), shall take place in accordance with article 21.
- 20.8 If the Continuing Shareholders fail to give notice under article 20.3 in respect of all of the Compulsory Sale Shares, or if any of the Purchasers give notice under article 20.6 or fail to complete the acquisition of the Compulsory Sale Shares in accordance with article 21 due to their own default then they shall be deemed to have refused the offer set out in the Deemed Transfer Notice. In such circumstances, the directors of the Company may resolve for the

Company to purchase all of the Compulsory Sale Shares at the applicable price in accordance with these Articles and subject to the provisions of CA 2006.

- 20.9 If the Continuing Shareholders do not accept the offer in the Deemed Transfer Notice (be it deemed or actual refusal) and the Company does not acquire the relevant Compulsory Sale Shares in accordance with article 20.8, the Compulsory Seller does not have the right to sell the Compulsory Sale Shares to a third party without the prior written consent of all the Continuing Shareholders.
- 20.10 The Continuing Shareholders may only acquire all but not some only of the Compulsory Sale Shares and should Acceptance Notices not be served in respect of all of the Compulsory Sale Shares then none shall be deemed to have been served and the provisions of article 20.9 shall apply.
- 20.11 The Company may only acquire all but not some only of the Compulsory Sale Shares and should the directors resolve to acquire some but not all of the Compulsory Sale Shares then the Company shall be deemed to have declined the option to acquire those Compulsory Sale Shares and the provisions of article 20.9 shall apply.
- 20.12 In the event of any dispute between the Continuing Shareholders as to their entitlement to the Compulsory Sale Shares then they shall be entitled to the Compulsory Sale Shares pro-rata to their existing shareholdings.
- 20.13 Forthwith upon a Deemed Transfer Notice being served under this article 20, the Compulsory Sale Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:
- 20.13.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of shares;
- 20.13.2 to receive dividends or other distributions otherwise attaching to those shares; or
- 20.13.3 to participate in any future issue of shares.
- 20.14 The directors may reinstate the rights referred to in article 20.13 in respect of the relevant Restricted Shares at any time and, in any event, such rights shall be reinstated in respect of those Restricted Shares transferred pursuant to this article 20 on completion of such transfer.
- 20.15 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 20.15.1 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 Sale Price shall be calculated in accordance with article 20.5 below;
- 20.15.2 the Sale Shares shall be sold at Fair Value; and
- 20.15.3 the Seller does not have a right to withdraw the Transfer Notice following a valuation, and if the Continuing Shareholders do not accept the offer of Sale Shares comprised in the Deemed Transfer Notice in full, the Seller will not have the right to sell the Sale Shares to a third party buyer save that the Sale Shares may be transmitted in accordance with articles 27, 28 and 29 of the Model Articles.

## 21. **Completion of Share Purchase**

- 21.1 Completion of the sale and purchase of shares under article 18.10 shall take place 20 Business Days after the later of the date of delivery of the last of the Acceptances or the Valuation.

- 21.2 In the event that the Shareholders wish for completion to take place sooner, article 21.1 may be varied accordingly to provide for early completion.
- 21.3 At such completion:
- 21.3.1 the Seller shall deliver, or procure that there is delivered to each Continuing Shareholder who is to purchase Sale Shares, a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Sale Shares to him, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Continuing Shareholders or the Company may reasonably require to show good title to the shares, or to enable him to be registered as the holder of the shares;
- 21.3.2 each relevant Continuing Shareholder shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to his order for the Sale Price for the Sale Shares being transferred to him (or such other method of payment agreed between a Continuing Shareholder and the Seller); and
- 21.3.3 if, following a sale of Sale Shares in accordance with these Articles, the Seller holds no further shares in the Company the Seller shall deliver or procure that there are delivered to the Company, his resignation as a director 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.
- 21.4 Any transfer of Shares by way of a sale that is required to be made under these Articles shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee free from any encumbrances.
- 21.5 If the Seller fails to comply with article 21.3:
- 21.5.1 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:
- 21.5.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the applicants;
- 21.5.1.2 receive the transfer price for the Sale Shares and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the transfer price); and
- 21.5.1.3 (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
- 21.5.2 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.
- 21.6 If any Continuing Shareholder fails to pay any monies payable by him on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of those monies shall accrue interest at a rate equal to 2% per annum above the base rate of Bank of England from time to time.

- 21.7 Each of the Continuing Shareholders 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 (subject to due stamping by the Continuing Shareholders) of the transfers of the Sale Shares and each of them consents to such transfers and registrations.
- 21.8 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.
- 22. Fair Value**
- 22.1 The Valuers shall be requested to determine the Fair Value within 5 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 22.2 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:
- 22.2.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
  - 22.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 22.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - 22.2.4 the Sale Shares are sold free of all Encumbrances;
  - 22.2.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
  - 22.2.6 taking account of any other factors that the Valuers reasonably believe should be taken into account.
- 22.3 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.
- 22.4 To the extent not provided for by this article 22, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 22.5 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).
- 22.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller unless the Seller withdraws the relevant Transfer Notice in accordance with article 18.7, in which case the Seller shall bear the cost.

## **DECISION MAKING BY SHAREHOLDERS**

### **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 CA 2006) 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:

25.1.1 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

25.1.2 if sent by fax, at the time of transmission; or

25.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or

25.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or

25.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

25.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or

25.1.7 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and

25.1.8 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:

25.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

- 25.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- 25.2.3 if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
- 25.2.4 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:

26.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

26.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

26.1.1.2 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 CA 2006),

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

26.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26.1.1 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 CA 2006 or by any other provision of law.

26.3 In this article:

26.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

26.3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the CA 2006), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

## 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:

- 27.2.1 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the CA 2006), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- 27.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- 27.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.