
ARTICLES OF ASSOCIATION
of
ATHERTON BIKES LIMITED
(Company Number 11205194)

(Adopted by Written Special Resolution passed on
22 April 2021)



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Company Number: 11205194

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
ATHERTON BIKES LIMITED

(Adopted on 22 April 2021)

1 DEFINITIONS AND INTERPRETATION

- 1.1 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 (the "**Model Articles**") shall apply to the Company save as expressly excluded or modified by the these Articles or as are inconsistent with the provisions contained herein.
- 1.2 Model Articles 11, 13, 14, 21, 30(2), 52 and 53 shall be disapplied and Model Article 44(2)(c) shall be amended by replacing "two or more persons" with "any person".
- 1.3 The Company is a private company and no shares or debentures of the Company may be offered to the public.
- 1.4 In these Articles, the following definitions apply:

"**A Shares**" means the A ordinary shares of £0.01 each in the capital of the Company.

"**Acting in Concert**" has the meaning ascribed to it by the City Code on Takeovers and Mergers as in force and construed at the date of adoption of these Articles.

"**Allocation Date**" has the meaning given to it in Article 9.5.

"**Articles**" means these articles of association as originally framed or as from time to time altered and the expression "**Article**" shall be construed accordingly.

"**Beneficial Owner**" means a person who's shares are held on trust by the NomineeCo.

"**B Investor Consent**" means the consent or approval of the B Investor Director(s) (including any conditions to which such consent or approval is subject) given in writing or if none is/are appointed, the consent or approval of the Majority B Investors.

"**B Investor Director(s)**" means the director(s) appointed pursuant to Article 15 as the B Investor Director(s).

"B Investors" means Jonathan Piers Daniel Linney, Daniel Atherton, George Atherton, Rachel Atherton, Daniel Brown and any other person who becomes a B Investor pursuant to a deed of adherence to, and in the form required by, the Shareholders Agreement.

"B Shares" means the B ordinary shares of £0.01 each in the capital of the Company.

"Board" means the board of directors of the Company from time to time including the B Investor Director(s) if any shall have been appointed or the Directors present at a duly convened quorate meeting of the Board.

"Business Day(s)" means a day (which for these purposes ends at 5.30pm) on which banks are open for commercial business in the City of London other than a Saturday or Sunday.

"C Investor(s)" means Dave Weagle, Joanne Martin and any person who becomes a C Investor pursuant to a deed of adherence to, and in the form requested by, the Shareholders Agreement.

"C Shares" means the C ordinary shares of £0.01 each in the capital of the Company.

"Chairman" means the chairman of the Board appointed pursuant to Article 15.

"Chairman's Interest" has the meaning given to it in Article 18.7(b).

"Companies Acts" has the meaning given by section 2 of the Companies Act 2006 and includes any enactment passed after that Act which may, by virtue of that or any other such enactment, be cited together with that Act as the "Companies Acts" (with or without the addition of an indication of the date of any such enactment).

"Confidential Information" has the meaning given to it in Article 18.5.

"Connected Persons" shall have the meaning provided by section 1122 of the Corporation Taxes Act 2010.

"Controlling Interest" in relation to a person means the ownership by that person and his or its Connected Persons of Shares carrying the right to more than 50 per cent of the total number of votes which may be cast on a poll at a general meeting of the Company.

"Deed of Adherence" means a deed of adherence in the form required by the Board including the B Investor Director(s).

"Director" means any director of the Company for the time being.

"Equity Shares" means the A Shares, the B Shares and the C Shares and any shares derived therefrom whether by conversion, consolidation or subdivision or by way of rights or bonus issue or otherwise for the time being in issue.

"Exit Event" means the earliest to occur of:

- (a) the date and time on which a Sale is completed;
- (b) the date and time at which a Listing takes place; or
- (c) the date and time at which a Liquidation takes place.

"Group" means the Company and its Subsidiaries from time to time and **"Group Company"** means any one of them.

"Group Company Interest" has the meaning given to it in Article 18.3.

"holder" in relation to Shares, means a Member and **"holders"** shall be construed accordingly.

"Investment Date" means the date of the adoption of these Articles by the Company.

"Investor Director Interest" has the meaning given to it in Article 18.4.

"Issue Price" means the amount paid up or credited as paid up (including any premium issue) on a Share.

"Leaver" means any Member holding A Shares whose contractual relationship with the Company (as an employee, contractor, consultant or otherwise) to provide their personal services to the Company is terminated for whatever reason including, but not limited to, where the Member:

- (a) is prohibited from being a director by law;
- (b) dies;
- (c) becomes the subject of any written opinion given to the Company by a registered medical practitioner who is treating that person stating that that person has become physically or mentally incapable of acting as a director;
- (d) attempts to deal with or dispose of any Shares or any interest in it other than in accordance with these Articles (and whether or not for value); or
- (e) becomes entitled to any Shares:
 - (i) following the death of a Member; or
 - (ii) following the bankruptcy of a Member.

"Liquidation" means the solvent liquidation or winding up of the Company.

"Listing" means the unconditional granting of permission for any of the Equity Shares (or any Ordinary Shares arising on conversion) to be dealt in on any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).

"Market Value" means the open market value of each Leaver's Share:

- (f) being the sum which a willing buyer would agree with a willing seller to be the purchase price for the entire issued share capital of the Company divided by the number of issued Equity Shares; and
- (g) not including any addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or to any restrictions on the transferability or otherwise of the Leaver's Shares.

"Majority B Investors" means the holders for the time being of more than 50 per cent of the B Shares.

"Member" means a person for the time being registered in the Register of Members as the holder of any Shares.

"NomineeCo" means Crowdcube Nominees Limited (company number 09820478) or a Permitted Transferee of such NomineeCo.

"Offer Notice" has the meaning given to it in Article 9.4.

"Permitted Transfer" means a transfer of Shares permitted by Article 8.

"Relevant Investor" has the meaning given to it in Article 18.4(a).

"Relevant Member" has the meaning given to it in Article 9.4.

"Sale" means the acceptance of an offer or the making of an agreement which upon the satisfaction of the conditions (if any) of such offer or agreement results in:

- (h) the obtaining by a Third Party Purchaser of a Controlling Interest; or
- (i) the sale of a material part of the business of a Group Company or the Group to a Third Party Purchaser.
- (j) **"Sale Price"** has the meaning give to it in Article 9.2.
- (k) **"Sale Shares"** has the meaning give to it in Article 9.1(a)(i).

"Shares" means shares in the capital of the Company of any class from time to time.

"Shareholders Agreement" means the shareholders agreement entered into between (1) the Company, (2) the Manager, (3) the B Investors and (4) the C Investors on the Investment Date, as the same may be amended or supplemented from time to time.

"Situational Conflict" means a direct or indirect interest of a Director which conflicts or may potentially conflict with the interests of the Company (other than a Transactional Conflict or in circumstances which cannot reasonably be regarded as likely to give rise to a conflict of interest). For these purposes, a conflict of interests shall include a conflict of interest and duty and a conflict of duties.

"Subsidiary" (and together, the **"Subsidiaries"**) means a subsidiary as defined in section 1159 of the Companies Act.

"Third Party Purchaser" means any person who is not a party to the Shareholders Agreement from time to time or a person connected with such a party.

"Total Transfer Condition" has the meaning given to it in Article 9.1(a)(v).

"Transactional Conflict" means a direct or indirect conflict of interest of a Director which arises in relation to an existing or proposed transaction or arrangement with the Company.

"Transfer Notice" means a notice given or deemed to have been given in relation to any Shares as specified in Article 9.1(a).

"Vendor" has the meaning given to it in Article 9.1(a).

1.5 In these Articles, where the context admits:

- (a) words and phrases which are defined or referred to in or for the purposes of the Companies Acts have the same meanings in these Articles unless they are already defined within the Articles or the context otherwise requires;
- (b) references to statutes or statutory provisions and orders or regulations made thereunder include that statute, provision, order or regulation as amended, modified, re-enacted or replaced from time to time before the date hereof and to any previous statute, statutory provision, order or regulation amended, modified, re-enacted or replaced by such statute, provision, order or regulation;
- (c) reference to a gender includes the other gender, and reference to the singular includes the plural and vice versa; and
- (d) headings are for ease of reference only and shall not affect the construction or interpretation of these Articles.

2 SHARE CAPITAL

2.1 The share capital of the Company at the date of the adoption of these Articles is £964.00 divided into:

- (a) 38,000 A Shares;
- (b) 49,500 B Shares; and
- (c) 8,979 C Shares.

2.2 Except as otherwise provided in these Articles, the A Shares, B Shares and the C Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

SHARE RIGHTS

3 DIVIDENDS

The profits of the Company which are available for lawful distribution shall be applied as follows, subject to the Board recommending payment and B Investor Consent, on a non-cumulative basis amongst the holders of A Shares, the holders of B Shares and the holders of C Shares (pari passu as if the A Shares, the B Shares and the C Shares constituted one class of Share) according to the number of A Shares, B Shares and C Shares held by each of them (the "**Equity Dividend**").

4 CAPITAL

On a return of capital on liquidation or capital reduction or otherwise (except in the case of the redemption of Shares of any class or the purchase by the Company of its own Shares), the surplus assets of the Company available for distribution among the Members shall be distributed amongst the holders of the A Shares, the B Shares and the C Shares (pari passu as if they constituted one class of Share) in proportion to the number of A Shares, B Shares and C Shares held by them respectively.

5 VOTING

5.1 Subject to Article 5.2, the voting rights attaching to each class of Share shall be as follows:

- (a) on a written resolution, every Member holding one or more A Shares, B Shares or C Shares on the date on which the resolution is circulated shall (save as otherwise provided in the Companies Acts) have one vote for each A Share, each B Share and each C Share held by him;
- (b) at a general meeting of the Company, every Member holding one or more A Shares, B Shares or C Shares who (being individual) is present in person or by proxy or (being a corporation) is present by duly authorised representatives or by proxy shall:
 - (i) on a show of hands have one vote; and
 - (ii) on a poll have one vote for each A Share, B Share and/or C Share of which he is the holder;

save that, on a resolution under section 168 of the Companies Act for the removal of a B Investor Director, the Members holding B Shares shall have in aggregate twice the number of votes carried by all the other Shares.

5.2 If at any time without B Investor Consent a breach of the Shareholders Agreement or these Articles has occurred which is not capable of being remedied or where such breach is capable of being remedied and has not been within ten Business Days of such breach occurring then (for so long as the event set out in this Article 5.2 remains outstanding or has not been remedied) the holders of the A Shares shall not (in that capacity) be entitled to vote on a written resolution of the Company or receive notice of or attend and vote at general meetings of the Company and the B Investor Director(s) shall be deemed to have ten votes in relation to any resolutions of the Board.

6 ISSUE OF SHARES

- 6.1 Subject to Articles 6.2 and **Error! Reference source not found.**, any new Shares to be issued from time to time shall be offered first to the holders of the Equity Shares in proportion (as nearly as may be) to the nominal amount of their existing holdings of the Equity Shares. The offer shall be made by notice specifying the number and class of Shares offered, the price per Share and a time (not being less than five Business Days or greater than ten Business Days) within which the offer if not accepted will be deemed to be declined. A Member may specify in any acceptance that they are willing to purchase more (in the event that any other Member does not take up their full allocation) or less than their pro-rata entitlement.
- 6.2 If all or any of the Shares to which Article 6.1 applies are not taken up in accordance with the provisions of Article 6.1, the Board may offer such Shares to a third party (to be approved by holders of 75 per cent in nominal value of the Equity Shares such approval not to be unreasonably withheld or delayed) and subject to these Articles and the provisions of sections 549 and 551 of the Companies Act 2006 such Shares shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that:
- (a) no Shares shall be issued at a discount;
 - (b) no Shares to which Article 6.1 applies shall be issued more than 60 Business Days after the expiry of the period for acceptance to the last offer of such Shares made under Article 6.1 unless the procedure set out in Article 6.1 is repeated in respect of such Shares; and
 - (c) no Shares shall be issued at a price less than that at which they were offered to the Members in accordance with Article 6.1 and so that (if the Board are proposing to issue such Shares wholly or partly for non-cash consideration) the cash value of such consideration for the purposes of this Article 6.2(c) shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of the Members.
- 6.3 The provisions of Articles 6.1 and 6.2 shall apply *mutatis mutandis* to all equity securities (as defined in section 560(1) of the Companies Act) of the Company from time to time created.
- 6.4 Section 561(1) and sections 562(1) to (5) of the Companies Act shall not apply to the Company.
- 6.5 Notwithstanding any other provisions of these Articles, no Share shall be allotted to a person who is not already a party to the Shareholders Agreement unless that person has entered into a Deed of Adherence to the Shareholders Agreement.
- 6.6 The provisions of Articles 6.1 and 6.2 shall not apply to:
- (a) the issue and allotment of up to 38,000 A Shares;
 - (b) the issue and allotment of up to 49,500 B Shares;
 - (c) the issue and allotment of up to 14,292 C Shares; and

- (d) the issue and allotment of shares which relate solely to an option scheme of the Company.
- 6.7 Accordingly, the Members of the Company hereby grant the Directors, in accordance with section 551 of the Companies Act, authority generally and unconditionally, to allot such Shares described at Article 6.6 and hereby waive all pre-emption or other rights howsoever arising or conferred on them in relation to the issue of such Shares made for these purposes, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the Investment Date.

TRANSFER OF SHARES

7 GENERAL PROVISIONS

- 7.1 Notwithstanding any other provision in these Articles, the Board shall refuse to register the transfer of any Shares:
- (a) being Shares which are not fully paid, to a person of whom they do not approve;
 - (b) on which the Company has a lien;
 - (c) to a person who is (or whom the Board reasonably believes to be) under 18 years of age or a person who does not have (or whom the Board reasonably believes does not have) the legal capacity freely to dispose of any Shares without let, hindrance or court order;
 - (d) purported to be made otherwise than in accordance with or as permitted by these Articles;
 - (e) unless the proposed transferee has entered into a Deed of Adherence (other than on a Sale or if B Investor Consent is given to the contrary);
 - (f) to any person who, in the opinion of the B Investor Director(s), or, if none is/are appointed, in the opinion of the Majority B Investors, is carrying on business directly or indirectly in competition with the Company or any Group Company, except this restriction shall not apply to any transfer of Shares pursuant to Articles 11 (Tag Along Rights) and 12 (Drag Along Rights).
- 7.2 The transferor of any Shares shall remain the holder of the Shares concerned until the name of the transferee is entered into the Register of Members in respect thereof.
- 7.3 For the purpose of these Articles the following shall be deemed (but without limitation) to be a transfer by a Member of Shares:
- (a) any direction (by way of renunciation or otherwise) by a Member entitled to an allotment or transfer of Shares that a Share be allotted or issued or transferred to some person other than himself; and
 - (b) any sale or any other disposition of any legal or equitable interest in a Share or the granting of any mortgage or charge or any other security interest over

any Share and whether or not for consideration or otherwise and whether or not effected by an instrument in writing.

8 PERMITTED TRANSFERS

8.1 Definitions

For the purposes of this Article 8 and Article 9:

- (a) **"family member"** means, in relation to any Member, any of his spouse (or widow or widower), children and grandchildren (including step and adopted children and grandchildren);
- (b) **"family trust"** means, in relation to a Member, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Member or any of his family members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Member or any of his family members;
- (c) **"investment fund"** means any arrangement which for the time being is a collective investment scheme for the purpose of section 235 Financial Services and Markets Act 2000 or which would be such a scheme if it did not fall within an exemption or exclusion of that section.

8.2 Transfers to family members and family trusts

- (a) Subject to Article 8.2(c) and subject to B Investor Consent (such consent not to be unreasonably withheld or delayed), any B Investor or C Investor may at any time transfer all or any of his B Shares or C Shares respectively to a person who is:
 - (i) a family member of his; or
 - (ii) trustees to be held under a family trust for that B Investor or C Investor or any of his family members.
- (b) Where B Shares and/or C Shares are held by trustees under a family trust:
 - (i) those B Shares and/or C Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that family trust whose identity has B Investor Consent;
 - (ii) those B Shares and/or C Shares may at any time be transferred by those trustees to the settlor of that trust or any other family member to whom that settlor could have transferred them under this Article 8.2 if he had remained the holder of them; and
 - (iii) if any of those B Shares and/or C Shares cease to be held under a family trust for any other reason, the trustees shall give a Transfer Notice within ten Business Days in respect of all the B Shares and/or C Shares then held by those trustees.

- (c) If:
 - (i) any person has acquired B Shares and/or C Shares as a family member of a B Investor or C Investor by way of one or more permitted transfers; and
 - (ii) that person ceases to be a family member of that B Investor or C Investor,

that person shall forthwith transfer all the B Shares and/or C Shares then held by that person back to that B Investor or C Investor, for such consideration as they agree, within ten Business Days of the cessation, or, failing such transfer within that period, shall during the remainder of the 15 Business Day period after the cessation, give a Transfer Notice in respect of all of the B Shares and/or C Shares then held by that person.

8.3 Transfers by the B Investors

- (a) Any Shares held by the B Investors may be transferred to:
 - (i) the beneficial owner or owners in respect of which the B Investors is/are a nominee or custodian or any other nominee or custodian for such beneficial owner or owners; or
 - (ii) to an investment fund, collective investment agreement or any co-investment scheme in respect of which either Piers Linney is a nominee or custodian, is a nominee or a custodian of Piers Linney, or is managed or advised by Piers Linney, or of any such fund or scheme which otherwise co-invests with Piers Linney; or
 - (iii) to any custodian, nominee, other person so authorised or any associate of the B Investors or of any of the persons referred to in Articles 8.3(a)(i) to 8.3(a)(ii).

8.4 Transfers amongst Members

- (a) Any Member holding Shares as a result of a transfer made after the Investment Date by a person in relation to whom such Shareholder was a permitted transferee under the provisions of this Article 8 may at any time transfer any Share to the person who originally transferred such Shares (or to any other permitted transferee of such original transferor).
- (b) Any Member may, with B Investor Consent, transfer any Shares to any other Member.

8.5 Transfers with consent

A Member may transfer Shares to any person at any time:

- (a) having obtained the prior consent of the Board (with B Investor Consent) in the form of a resolution of the Directors, such consent not to be unreasonably withheld by the Directors; or

- (b) provided that they have notified the NomineeCo of the proposed transfer, with the prior written consent of Members holding 75% or more of the A Shares and 75% or more of the B Shares.

8.6 Tag Along

Members may transfer a Controlling Interest in accordance with Article 11.

8.7 Transfers by NomineeCo

Without the requirement to obtain prior consent:

- (a) any beneficial holder of Shares who holds the beneficial interest in any Shares by virtue of arrangements with NomineeCo ("**NomineeCo Beneficial Holder**") ("**NomineeCo Shares**"), may transfer the beneficial interest (but, for the avoidance of doubt, not the legal title) in such NomineeCo Shares owned by such NomineeCo Beneficial Holder to any other person, provided that (i) the legal title to such NomineeCo Shares continues to be held by the NomineeCo; and (ii) the transferee of such NomineeCo Shares is a member of the Crowdcube platform;
- (b) NomineeCo may transfer any Shares held by the NomineeCo to another trust company.

9 VOLUNTARY TRANSFERS

9.1 Transfer Notice

- (a) Any Member who wishes to sell or transfer Shares or any beneficial interest therein (the "**Vendor**") otherwise than by means of a Permitted Transfer and save where Article 11 (Change of Control – Tag Along Rights) applies shall give a written notice (a "**Transfer Notice**") to the Company specifying:
 - (i) the number of Shares which he wishes to sell or transfer (the "**Sale Shares**");
 - (ii) the name of any third party to whom he proposes to sell or transfer the Sale Shares (if any);
 - (iii) the price per Share at which he wishes to sell or transfer the Sale Shares;
 - (iv) any other terms relating to the transfer of the Sale Shares which are not prohibited by these Articles including the date from which dividends on the Sale Shares shall accrue to the purchaser of such Sale Shares;
 - (v) whether or not it is conditional upon all and not part only of the Sale Shares comprised in the Transfer Notice being sold or offered (a "**Total Transfer Condition**") and in the absence of such stipulation it shall be deemed not to be so conditional; and

- (vi) if the Sale Shares are A Shares, include a copy of a written consent of the B Investors to such transfer.
- (b) Each Transfer Notice shall:
 - (i) relate to one class of Shares only;
 - (ii) constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this Article 9; and
 - (iii) be deemed not to contain a Total Transfer Condition unless the Transfer Notice expressly states otherwise.

9.2 **Sale Price**

The price per share ("**Sale Price**") at which the Sale Shares shall be offered for purchase in accordance with this Article 9 shall be the price stated in the Transfer Notice.

9.3 **Initial Offer**

- (a) Within five Business Days of the receipt by the Company of a Transfer Notice the Board may, in its absolute discretion, direct the Company (in its capacity as agent for the Vendor) immediately to offer at the Sale Price such number of Sale Shares as they may determine to:
 - (i) the Company pursuant to the provisions of Parts 17 and 18 of the Companies Act; and/or
 - (ii) any person who will hold the Sale Shares for the benefit of existing or future employees, to hold the Sale Shares upon the terms of a discretionary trust for the benefit of the class of beneficiaries which includes employees or directors of any Group Company; and/or
 - (iii) any person selected by the Board (and if it is a sale of part only of the Investor's holding, with B Investor Consent); and/or
 - (iv) the other Members in accordance with article 9.4.

9.4 **Offer Notice**

- (a) Pursuant to Article 9.1(a)(iv) the Company shall give notice (an "**Offer Notice**") in writing to each of the Members who are on the Register of Members at the close of business on the date that the Transfer Notice is received by the Company (other than the Vendor or any other Member who has served a Transfer Notice which is still outstanding) (a "**Relevant Member**") informing them that the Sale Shares are available and of the Sale Price and shall invite him to state in writing whether he is willing to purchase any and, if so, how many of the Sale Shares.
- (b) An Offer Notice shall:
 - (i) specify the Sale Price;

- (ii) expire ten Business Days after its service;
- (iii) contain the other details included in the Transfer Notice; and
- (iv) invite the relevant Members to apply in writing, before expiry of the Offer Notice, to purchase Sale Shares.

9.5 Allocation of Sale Shares

As soon as reasonably practicable after the expiry date of the period referred to in the Offer Notice or, if sooner, upon all Members having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the "**Allocation Date**"), the Board shall, allocate the Sale Shares in accordance with the applications received, save that:

- (a) if there are applications for more than the total number of Sale Shares available, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any applicant more Sale Shares than the maximum number applied for by him) to the number of Shares of the relevant class held by them respectively;
- (b) if it is not possible to allocate Sale Shares without involving fractions, those fractions shall be aggregated and allocated amongst the applicants of the relevant class in such manner as the Board thinks fit;
- (c) no Sale Shares shall be allocated to any Member who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name; and
- (d) if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated.

9.6 Transfer of Sale Shares

- (a) The Board shall, within two Business Days after the Allocation Date, give notice in writing (a "**Sale Notice**") to the Vendor and to each person to whom Sale Shares have been allocated (each a "**Purchaser**") specifying the name and address of each Purchaser, the number of Sale Shares allocated to him, the aggregate price payable for them, and the time for completion of each sale and purchase.
- (b) Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than two Business Days nor more than five Business Days after the Allocation Date, unless agreed otherwise in relation to any sale and purchase by both the Vendor and the Purchaser concerned) when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser.
- (c) The Vendor may, during the period falling between five Business Days and 60 Business Days after the Allocation Date sell any Sale Shares for which a Sale Notice has not been given by way of bona fide sale to the proposed

transferee (if any) named in the Transfer Notice at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee and otherwise on terms that are no more favourable than those set out in the Transfer Notice.

10 COMPULSORY TRANSFERS

10.1 The provisions of this Article shall apply to any Leaver and their Shares which are to be offered for sale pursuant to this Article 10 (the "**Leaver's Shares**")

10.2 Upon a person becoming a Leaver:

- (a) unless the Board (with B Investor Consent) otherwise resolves, any Transfer Notice previously issued or deemed issued in relation to the Leaver's Shares shall immediately be cancelled (unless all the Shares subject to it have already been sold) and no further Transfer Notice shall be issued or deemed to be issued in respect of the Leaver's Shares (except under Article (b) below); and
- (b) unless the Board (with B Investor Consent) otherwise resolves, the Leaver shall, upon the expiry of ten Business Days, be deemed to have given a Transfer Notice;
- (c) the right to receive offers pursuant to Articles 7 and 9 shall be suspended; and
- (d) unless the Board (with B Investor Consent) shall have passed a resolution referred to in Article 10.2(b) above, none of the relevant Leaver's Shares shall, until transferred in accordance with this Article 10, entitle the transferor of such Shares to vote on written resolutions of the Company or receive notice of, attend or vote at any general meeting of the Company or meeting of the holders of Shares of the same class and such Shares shall not be counted in determining the total number of votes which may be cast at any such meeting or for the purposes of a written resolution of any Members or class of Members provided that all Shares so disenfranchised shall on a transfer in accordance with this Article be re-enfranchised.

10.3 In respect of a deemed Transfer Notice under Article 10.2(b) above, the Sale Price for the Leaver's Shares shall be determined as follows:

- (a) if the Leaver is a Good Leaver, the Sale Price shall be Market Value per each Leaver's Share; and
- (b) if the Leaver is a Bad Leaver, the Sale Price shall be the lower of the Issue Price and Market Value.

In any particular case, the Board (with B Investor Consent) may agree with the transferor some other price other than the Market Value or the Issue Price.

10.4 In this Article:

- (a) a "**Good Leaver**" is a Leaver who is not classified as a Bad Leaver; and

- (b) a **"Bad Leaver"** is a Leaver who becomes a Leaver as a result of:
 - (i) him committing fraud against a Group Company or gross misconduct; or
 - (ii) an act of dishonesty involving a Group Company or being convicted of a criminal offence (other than a minor offence under road traffic legislation which a fine or non-custodial sentence is imposed).

11 CHANGE OF CONTROL – TAG ALONG RIGHTS

11.1 Subject to Article 12 and save in the case of a transfer of Shares which is permitted in accordance with the provisions of Article 8, no transfer of Shares which would result, if made and registered, in a person or persons Acting in Concert obtaining a Controlling Interest, will be made or registered unless:

- (a) an Approved Offer is made by the proposed transferee(s) (**"Buyer"**); and
- (b) the Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the sale and purchase of Shares pursuant to it.

11.2 For the purposes of this Article 11 and Article 12:

- (a) **"Approved Offer"** means an offer in writing served on all Members holding Equity Shares (including the proposing transferor), offering to purchase all the Equity Shares held by such Members (including any Equity Shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Equity Shares in existence at the date of such offer) which:
 - (i) is stipulated to be open for acceptance for at least ten Business Days;
 - (ii) offers the same or equivalent consideration for each Equity Share (whether in cash, securities or otherwise in any combination);
 - (iii) includes an undertaking by or on behalf of the Buyer that, no other consideration, (whether in cash or otherwise) is to be received or receivable by any Member which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Equity Shares to be sold by such Member, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other Member for the purchase of Equity Shares;
 - (iv) is on terms that the sale and purchase of Shares in respect of which the offer is accepted will be completed at the same time; and
 - (v) has B Investor Consent.

12 CHANGE OF CONTROL – DRAG ALONG RIGHTS

- 12.1 Whenever an Approved Offer is made, the holders of 50% or more of the Equity Shares shall have the right ("**Drag Along Right**") to require (in the manner set out in Article 12.3) all of the other holders of Equity Shares ("**Other Shareholders**") to accept the Approved Offer in full.
- 12.2 Except with B Investor Consent the Drag Along Right shall only be exercised if the consideration for each Equity Share exceeds the Deemed Initial Price (as defined in the Shareholders Agreement).
- 12.3 The Drag Along Right may be exercised by the service of notice to that effect on the Other Shareholders at the same time as, or within five Business Days following the making of the Approved Offer. Such notice will be accompanied by all documents required to be executed by the Other Shareholders to give effect to the relevant transfer.
- 12.4 On the exercise of the Drag Along Right, each of the Other Shareholders will be bound to accept the Approved Offer in respect of its entire holding of Equity Shares and to comply with the obligations assumed by virtue of such acceptance.
- 12.5 If any of the Other Shareholders fails to accept the Approved Offer or, having accepted such offer, fails to complete the sale of any of its Equity Shares pursuant to the Approved Offer, or otherwise fails to take any action required of it under the terms of the Approved Offer, any holder of A Shares or any persons so authorised by the Board with the consent of the B Investor Director(s) may accept the offer on behalf of the Other Shareholders in question, or undertake any action required under the terms of the Approved Offer on the part of the Other Shareholders in question. In particular, such person may execute the necessary transfer(s) on that Other Shareholder's behalf; and against:
- (a) receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Shares (the receipt being a good discharge to the Buyer, who will not be bound to see to the application of it); and
 - (b) compliance by the Buyer and, where relevant, the Company with all other terms of the Approved Offer;

deliver such transfer(s) to the Buyer (or its nominee). The Board will then authorise registration of the transfer(s) and of the Buyer (or its nominee) as the holder of the Shares so transferred. After registration, the title to the Buyer (or its nominee) as registered holder of such Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person. The Other Shareholder will in such a case be bound to deliver up its certificate for its Shares to the Company, or a statutory declaration of loss (as appropriate) whereupon the Other Shareholder will be entitled to receive the purchase price for such Shares.

GENERAL PROVISIONS

13 GENERAL MEETINGS

- 13.1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. One person, being a Member present in person or by proxy or a duly authorised representative of a corporation shall be a quorum at any general meeting. Notwithstanding the foregoing and so long as there are any A Shares in issue, there shall be no quorum unless there shall be present in person or by proxy or by duly authorised representative, a Member holding 20% or more B Shares. If no such quorum is so present then the meeting shall stand adjourned for a period of not less than five Business Days to such time and place as the Board shall agree and notify to the Members. If no Member holding 20% or more B Shares is so present at the adjourned meeting then subject to the foregoing provisions of this Article the Members then present in person or by proxy or by duly authorised representatives shall constitute a quorum.
- 13.2 With respect to any resolution in writing, in the case of a corporation which holds any Shares, the signature of any director or the company secretary thereof shall be deemed to be a signature of the corporation which holds Shares.
- 13.3 The instrument appointing the proxy shall be effective if such appointment is brought to the attention of the Chairman of the meeting at any time prior to the taking of any vote (whether on a show of hands or on a poll) (including after the commencement of the meeting).
- 13.4 The Chairman shall not be entitled to exercise any second or casting vote.
- 13.5 A Director shall not be required to hold any share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the capital of the Company.

14 NUMBER OF DIRECTORS

The minimum number of directors (other than any B Investor Director(s)) shall be one. The number of Directors shall not be subject to any maximum.

15 DIRECTOR AND CHAIRMAN

- 15.1 So long as each of Piers Linney, Daniel Atherton, George Atherton, Rachel Atherton and Daniel Brown (or their nominees) are the registered holder or the beneficial owner of any B Shares they may respectively do the following (as appropriate):
- (a) Piers Linney may appoint a B Investor Director to the Board and may remove their appointed B Investor Director and appoint a replacement of their appointed B Investor Director; and
 - (b) Each Daniel Atherton, George Atherton, Rachel Atherton and Daniel Brown may appoint any two persons as Directors to the Board in his place and may remove said Directors and appoint replacements.

- 15.2 The Majority B Investors may at any time and on more than one occasion appoint any person to be the Chairman and at any time and on more than one occasion remove from office of chairman a person so appointed.
- 15.3 Any appointment or removal of a B Investor Director or Chairman shall be in writing served on the Company signed by the relevant B Investor Director or Chairman and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier. Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.
- 15.4 Notice of meetings of the Board shall be served on any B Investor Director who is absent from the United Kingdom at the address for service of notice on each Investor under the Shareholders Agreement.
- 15.5 Upon written request by the relevant B Investor the Company shall procure that such B Investor's appointed B Investor Director is forthwith appointed as a director of any other Group Company.
- 15.6 The Majority B Investors shall, in the event they hold a majority of the voting rights attached to the Equity Shares for the time being in the Company, have power from time to time and at any time to appoint any person as a Director or Directors either as an additional director or to fill any vacancy and to remove from office any Director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the Majority B Investors and shall take effect upon lodgement at the registered office of the Company or such later date as may be specified in the instrument.

16 ALTERNATE DIRECTORS

- 16.1 Any Director may appoint as an alternate any other director, or:
- (a) in the case of a B Investor Director, any other person; and
 - (b) in the case of any Director other than the B Investor Director, any other person approved by resolution of the directors,
- to exercise that Directors powers and carry out that directors responsibilities in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- 16.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor and must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 16.3 An alternate director has the same rights in relation to any directors' meeting or directors' written resolutions as the alternate's appointor.
- 16.4 An alternate director's appointment as an alternate terminates:
- (a) when the alternate's appointor revokes the appointment by written notice to the Company on the date specified in that notice;

- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
 - (c) on the death of the alternate's appointor; or
 - (d) where the alternate's appointor's appointment as a director terminates.
- 16.5 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 16.6 If an alternate director is himself a director or attends any meeting as an alternate director for more than one director, his voting rights shall be cumulative but he shall only be counted once in deciding whether a quorum is present.

17 PROCEEDINGS OF DIRECTORS

- 17.1 The quorum for the transaction of business of the Board shall be two Directors, one of whom shall be a B Investor Director provided that one is appointed unless the B Investor Director(s) has/have previously agreed otherwise in writing expressly for that purpose.
- 17.2 Any Director or his alternate may validly participate in a meeting of the Board by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chairman of the meeting then is.
- 17.3 Save with B Investor Consent:
- (a) the Board shall not delegate any of its powers to a committee; and
 - (b) meetings of the Board shall not be held outside the United Kingdom.
- 17.4 The Chairman shall not have a second or casting vote at a meeting of the Board.

18 DIRECTOR'S INTERESTS

Directors' conflicts of interest – Board approval for Situational Conflicts

- 18.1 If a situation arises or exists in which a Director has or could have a Situational Conflict, without prejudice to the provisions of Articles 18.3 to 18.8, the Director concerned, or any other Director, may propose to the Board that such Situational Conflicts be authorised, such proposal to be made in writing and delivered to the other Directors or made orally at a meeting of the Board, in each case setting out particulars of the Situational Conflict in question. Subject to the Companies Acts, the Directors may authorise such Situational Conflict and the continuing performance by the relevant Director of his duties as a Director of the Company on such terms as they may think fit.

- 18.2 The relevant Director shall not continue in the quorum at the relevant meeting of the Directors to authorise such Situational Conflict nor be entitled to vote on the resolution authorising it. If the relevant Director is the sole B Investor Director, for the purposes of any part of the meeting of the Directors at which a resolution authorising the relevant Situational Conflict pursuant to section 175(4)(b) of the Companies Act is to be considered, the quorum requirement for such part of the meeting shall be any two Directors, neither of whom have any interest.

Directors' Situational Conflicts – pre-approval for all Directors

- 18.3 Subject to compliance by him with his duties as a Director under Part X of the Companies Act (other than the duty in section 175(1) of that Act which is the subject of this Article 18.3), a Director (including the chairman of the Company (if any) and any other non-executive Director) may, at any time:

- (a) be an officer of, employed by or hold Shares or other securities (whether direct or indirectly) in, the Company; or
- (b) be a director or other officer of, employed by or hold shares or other securities (whether directly or indirectly) in, or otherwise interested, whether directly or indirectly, in any other Group Company;

(in either case a "**Group Company Interest**") and notwithstanding his office or the existence of an actual or potential conflict between any Group Company Interest and the interests of the Company which would fall within the ambit of that section 175(1), the relevant Director;

- (c) shall be entitled to attend any meeting or part of a meeting of the Directors or a committee of the Directors at which any matter which may be relevant to the Group Company Interest may be discussed and to vote on any resolution of the Directors or a committee thereof relating to such matter, and any board papers relating to such matter shall be provided to the relevant Director at the same time as the other Directors (save that a Director may not vote on any resolution in respect of matters relating to his employment with the Company or other Group Company);
- (d) shall not be obliged to account to the Company for any remuneration or other benefits received by him in consequence of any Group Company Interest; and
- (e) shall not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him by virtue of his Group Company Interest and otherwise than by virtue of his position as a Director, if to do so would breach any duty of confidentiality to any other Group Company or third party.

Directors' Situational Conflicts – pre-approval for B Investor Directors

- 18.4 Subject to compliance by him with his duties as a Director under Part X of the Companies Act (other than the duty in section 175(1) of that Act to the extent that it is the subject of this Article 18.4), an Investor Director may be a director or other officer of, employed by or hold shares or other securities in, or otherwise be interested, whether directly or indirectly, in:

- (a) any B Investor, B Investor associate or other entity which, directly or indirectly, holds Shares in the Company (a "**Relevant Investor**") and as such the B Investor Director may, on behalf of the B Investor, give or withhold any consent or give any direction required of any Investor or Investors pursuant to the terms of any subscription, investment or shareholder's agreement relating to the Company or any similar agreement or document ancillary to such an agreement; or
- (b) any other company in which the Relevant Investor also holds shares or other securities or is otherwise interested, whether directly or indirectly,

(in either case an "**Investor Director Interest**"), and notwithstanding his office or the existence of an actual or potential conflict between any Investor Director Interest and the interests of the Company which would fall within the ambit of section 175(1) of the Companies Act, the relevant Investor Director;

- (c) shall be entitled to attend any meeting or part of a meeting of the Directors or a committee or the Directors at which any matter which may be relevant to the Investor Director Interest may be discussed and to vote on a resolution of the Directors or a committee thereof relating to such matter, and any board papers relating to such matter shall be provided to the relevant Investor Director at the same time as other Directors;
- (d) shall not be obliged to account to the Company for any remuneration or other benefits received by him in consequence of any B Investor Director Interest;
- (e) shall be entitled to consult freely about the Group and its affairs with, and to disclose, for investment appraisal purposes, Confidential Information to any Investor, Investor associate or proposed investor in the Group or any other person on whose behalf it is investing in the Group and to the Group's auditors, lenders and proposed lenders (or with and to any of its or their professional advisers);
- (f) for the purposes of facilitating an Exit Event, shall be entitled to disclose any Confidential Information to any proposed purchaser, underwriter, sponsor or broker, subject to the relevant B Investor Director using all reasonable endeavours to procure that any such recipient is made aware that it is Confidential Information and agrees to treat it accordingly; and
- (g) shall not be obliged to disclosure to the Company or use for the benefit of the Company any other confidential information received by him by virtue of his Investor Director Interest and otherwise by virtue of his position as a Director.

18.5 For the purposes of Article 18.4, the expression "**Confidential Information**" shall mean all information (whether oral or recorded in any medium) relating to the Group Company's business, financial or other affairs (including future plans of any Group Company) which is treated by a Group Company as confidential (or is marked or is by its nature confidential).

Directors' Situational Conflicts – disclosure of interests

18.6 Without prejudice to Articles 18.3 and 18.4, any Director who has a Group Company Interest and any B Investor Director who has an Investor Director Interest shall, as

soon as reasonable practicable following the relevant Interest arising, disclose to the Board the existence of such Interest and the nature and extent of such Interest so far as the relevant B Investor Director or other Director is able at the time the disclosure is made, provided that no such disclosure is required to be made of any matter in respect of which the relevant B Investor Director or other Director owes any duty of confidentiality to any third party. A disclosure made to the Board under this Article 18.6 may be made either at a meeting of the Board or by notice in writing to the Company marked for the attention of the Directors.

Directors' Situational Conflicts – shareholder approval

18.7 Notwithstanding the provisions of Articles 18.1, 18.3 and 18.4, the holders of a majority of the issued A Shares from time to time may, at any time, by notice in writing to the Company, authorise, on such terms as they shall think fit and shall specify in the notice:

- (a) any Situational Conflict which has been notified to the Board by any Director under Article 18.1;
- (b) any Situational Conflict which has been notified to the Board by the chairman of the Company (if any) under Article 18.1 and which arises by virtue of his appointment or proposed appointment as a director or other officer of, and/or his holding of shares or other securities (whether directly or indirectly) in, any company other than a Group Company (a "**Chairman's Interest**"); or
- (c) any Group Company Interest or Investor Director Interest which has been disclosed to the Board under Article 18.6;

(whether or not the matter has already been considered under, or deemed to fall within, Article 18.1, 18.3 and 18.4, as the case may be).

18.8 No contract entered into shall be liable to be avoided by virtue of:

- (a) any Director having an interest of the type referred to in Article 18.1 where the relevant Situational Conflict has been approved as provided by that Article or which is authorised pursuant to Article 18.7;
- (b) the chairman of the Company (if any) having a Chairman's Interest which has been approved by the Board under Article 18.1 or which is authorised pursuant to Article 18.7;
- (c) any Director having a Group Company Interest which falls within Article 18.3 or which is authorised pursuant to Article 18.7; or
- (d) any B Investor Director having an Investor Director Interest which falls within Article 18.4 or which is authorised pursuant to Article 18.7.

Directors' conflicts of interest – Transactional Conflicts

18.9 The provisions of Articles 18.1 to 18.8 shall not apply to Transactional Conflicts but the following provisions of this Article 18.9 and Articles 18.10 to 18.12 shall so apply. Any Director may be interested in an existing or proposed transaction or arrangement

with the Company, provided that he complies with the Companies Act and (if applicable) Articles 18.10 and 18.11.

18.10 Subject to the provisions of the Companies Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his pursuant to Article 18.11, a Director, notwithstanding his office:

- (a) may be party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

18.11 For the purposes of Article 18.10:

- (a) a general note given to the Directors that a Director is to be regarded as having an interest in the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

18.12 Without prejudice to the obligation of each Director to declare an interest in accordance with the Companies Act, a Director may vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has an interest, whether direct or indirect, which relates to a transaction or arrangement with the Company or in relation to which he has a duty. Having so declared any such interest or duty he may have, the Director shall be counted in the quorum present when any such resolution is under consideration and if he votes on such resolution his vote shall be counted.

19 OBSERVER

If no B Investor Director(s) are appointed in accordance with Article 15.1, the Majority B Investors shall be entitled from time to time to appoint any one person to attend all meetings of the Directors as an observer and the person so appointed (the "**Observer**") shall be given (at the same time as the Directors) notice of all meetings of the directors and all agendas, minutes and other papers relating to such meetings. The Observer shall be entitled to attend any and all such meetings and to speak and place items on the agenda for discussion provided that the Observer shall not be entitled in any circumstances to vote and shall not be treated as a Director for any

purpose. The Majority B Investors may remove any Observer and appoint another person in his or her place.

20 DIVIDENDS

The Company shall take all lawful steps to procure that each other Group Company which has profits available for distribution shall from time to time declare and pay such dividends as are necessary to permit lawful and prompt payment by the Company of all the dividends on the Shares in accordance with these Articles. Such steps shall include (without limitation) the preparation of interim or initial accounts (complying with sections 838 and 839 of the Companies Act) of each other Group Company by reference to which profits available for distribution might fall to be calculated and procuring that, where necessary, such initial or interim accounts are reported on by the relevant company's auditors and are filed with the Registrar of Companies.

21 NOTICES

- 21.1 Any notices to be given to the Company pursuant to these Articles shall be sent to the registered office of the Company or presented at a meeting of the Board.
- 21.2 Any notice to be given pursuant to these Articles may be given by facsimile transmission to the facsimile number maintained at the relevant address of the addressee. Such a notice shall be conclusively deemed to have been properly given at the time shown on the transmission report received by the sender.
- 21.3 Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

22 INDEMNITY

- 22.1 Subject to Article 22.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and
 - (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 22.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

22.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "**relevant officer**" means any director or other officer 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 Companies Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

23 INSURANCE

23.1 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.

23.2 In this article:

- (a) a "**relevant officer**" means any 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 Companies Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

24 PURCHASE OF OWN SHARES

24.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

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