

Dated 16 September 2019

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
of Viaduct Group Holdings Limited



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Company number 11830261

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

VIADUCT GROUP HOLDINGS LIMITED

(Adopted by special resolution passed on 16 September 2019)

## INTRODUCTION

### 1 Interpretation

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

<b>Act</b>	the Companies Act 2006.
<b>Adoption Date</b>	the date of adoption of these Articles.
<b>Articles</b>	the Company's articles of association for the time being in force.
<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>Chairman</b>	a person appointed by the Directors to be chairman of meetings of the board of Directors.
<b>Company</b>	means Viaduct Group Holdings Limited (company number 11830261).
<b>Conflict</b>	has the meaning given to it in article 7.1.
<b>Connected</b>	has the meaning given in section 252 of the Act.
<b>Controlling Interest</b>	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
<b>Credit Institution</b>	any Financial Conduct Authority registered credit institution (or a credit institution registered with the equivalent body or authority in the country of the relevant credit institution's principal place of business).
<b>Deemed Transfer Notice</b>	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.
<b>Directors</b>	the directors of the Company from time to time.
<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>	has the meaning given in article 12.2.
<b>Family Trust</b>	as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons).
<b>Financial Year</b>	an accounting reference period (as defined in section 391 of the Act) of the Company.
<b>Founders</b>	Andrew Haynes, Andrew Stone and Simon Boakes (each a <b>Founder</b> ).
<b>Fund Manager</b>	a person whose principal business is to make, manage or advise upon investments in securities.
<b>Group</b>	the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and <b>Group Company</b> : shall be construed accordingly.
<b>holding company</b>	has the meaning given in article 1.10.
<b>Independent Expert</b>	the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller (or, for the purposes of article 15.5, a Shareholder Majority) or, in the absence of agreement between the Company and the Seller (or Shareholder Majority, as the case may be) on the identity of the expert within five Business Days of the expiry of the ten Business Day period referred to in article 12.1, an independent firm of accountants nominated by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).
<b>Institutional</b>	a fund, partnership, body corporate, trust or other person

<b>Investor</b>	or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing.
<b>Member of the Same Group</b>	as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.
<b>Member of the Same Fund Group</b>	<p>if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an <b>Investment Fund</b>) or a nominee of that person:</p> <ul style="list-style-type: none"> <li>(a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);</li> <li>(b) any Investment Fund managed by that Fund Manager or a Fund Manager which is a Member of the Same Group as that Fund Manager;</li> <li>(c) any trustee, nominee or custodian of such Investment Fund and vice versa;</li> <li>(d) the Fund Manager of that Investment Fund or a Fund Manager of any other Investment Fund which is a Member of the Same Fund Group as that Investment Fund (or a nominee of any such Fund Manager) and vice versa; or</li> <li>(e) any Member of the same Group as that Fund Manager.</li> </ul>
<b>Minimum Transfer Condition</b>	has the meaning given in article 11.2.4.
<b>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ), as amended prior to the Adoption Date.
<b>Ordinary Shares</b>	the ordinary shares of £0.01 each in the capital of the Company.
<b>Original Shareholder</b>	has the meaning given in article 10.1.
<b>Permitted Transfer</b>	a transfer of Shares made in accordance with article 10.

<b>Permitted Transferee</b>	<p>in relation to:</p> <ul style="list-style-type: none"> <li>(a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;</li> <li>(b) a Shareholder which is a company, a Member of the Same Group as that company;</li> <li>(c) a Shareholder which is a Credit Institution or Institutional Investor, to <ul style="list-style-type: none"> <li>(i) a Member of the Same Fund Group, or</li> <li>(ii) a Member of the Same Group; or</li> <li>(iii) any nominee entity, of that Shareholder; or</li> </ul> </li> <li>(iv) a Shareholder who is a partner of a partnership (and holds the shares in their capacity as such) to one or more partners of such partnership.</li> </ul>
<b>Privileged Relation</b>	in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).
<b>Relevant Shares</b>	has the meaning given in article 8.2.
<b>Sale Shares</b>	has the meaning given in article 11.2.1.
<b>Seller</b>	has the meaning given in article 11.2.
<b>Shareholder</b>	a holder for the time being of any Share or Shares.
<b>Shareholder Consent</b>	the prior consent in writing of Shareholder Majority.
<b>Shareholder Majority</b>	the holder(s) for the time being of not less than 75% by nominal value of all Ordinary Shares in issue from time to time.
<b>Shares</b>	shares (of any class) in the capital of the Company and Share shall be construed accordingly.
<b>Subsidiary</b>	has the meaning given in article 1.10.
<b>Transfer Notice</b>	has the meaning given in article 11.2.
<b>Transfer Price</b>	has the meaning given in article 12.

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

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
  - 1.6.1 an **Article** is a reference to the relevant numbered article of these Articles; and
  - 1.6.2 a **model article** is a reference to the relevant article,unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.10 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.

## 2 **Adoption of the Model Articles**

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these

Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

- 2.2 Model articles 7, 8, 9(1), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 22, 26(5), 38, 39, 49, and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.4 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

## **DIRECTORS**

### **3 Number of directors**

Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to a minimum but shall not be more than seven.

### **4 Proceedings of directors**

- 4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 4.2 (subject to article 4.3 and article 4.4).
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with article 4.2 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.
- 4.4 A decision may not be taken in accordance with article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 4.6 and article 4.7.
- 4.5 Meetings of the Directors shall take place at least 4 times in each year. Any Director may call a meeting of the Directors. At least five Business Days' advance notice of each such meeting shall be given to each Director. For the avoidance of doubt, Directors can be present at a Directors' meeting by virtue of being able to communicate with the other Directors present at the meeting by telephone or any other means of communication.
- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be three Eligible Directors (of which two must be Founders if two or more Founders are in office, otherwise all Founders (if any) in office must be present). If the necessary quorum is not present (or



consent of a Shareholder Majority has not been received) within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine.

- 4.7 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a Conflict, if there are insufficient Eligible Directors in office other than the conflicted Director(s), then the Eligible Director(s) shall constitute a quorum. If there are no Eligible Directors then the conflict may be approved by Shareholders representing a Shareholder Majority.
- 4.8 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to:
  - 4.8.1 appoint further Directors; or
  - 4.8.2 call a general meeting so as to enable the Shareholders (with Shareholder Consent) to appoint further Directors.
- 4.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall not have a second or casting vote.

## **5 Appointment and removal of directors**

Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 3.1 of these Articles".

## **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 Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 6.1 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;
- 6.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.3 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;
- 6.4 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;
- 6.5 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

- 6.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person Connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 7 Directors' conflicts

- 7.1 The Directors may, in accordance with the requirements set out in this article 7, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this article 7 will be effective only if:
- 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;
  - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the 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 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, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 7.1 shall be necessary in respect of any such interest.
- 7.7 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## SHARES AND DISTRIBUTIONS

### 8 Pre-emption rights on the issue of further shares

- 8.1 Save to the extent authorised by these Articles, the Directors shall not, save with Shareholder Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.
- 8.2 Unless otherwise agreed by special resolution if the Company proposes to allot any Shares (**Relevant Shares**), those Relevant Shares shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Ordinary Shares (each an **Offeree**) in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Shares are being, or are to be, offered to any other person.
- 8.3 An offer made under article 8.2 shall:

- 8.3.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Shares being offered;
  - 8.3.2 remain open for a period of at least five Business Days from the date of service of the offer; and
  - 8.3.3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Shares in excess of the number to which he is entitled under article 8.2 shall, in his acceptance, state the number of excess Relevant Shares (**Excess Securities**) for which he wishes to subscribe.
- 8.4 If, on the expiry of an offer made in accordance with article 8.2, the total number of Relevant Shares applied for is less than the total number of Relevant Shares so offered, the Directors shall allot the Relevant Shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 8.5 Any Relevant Shares not accepted by Offerees pursuant to an offer made in accordance with article 8.2 shall be used to satisfy any requests for Excess Securities made pursuant to article 8.3.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, subject to article 8.6, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 8.6 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

## 9 Transfers of shares: general

- 9.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 9.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to article 9.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 9.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with consent of all Shareholders other than such transferring Shareholder, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.

- 9.4 Any transfer of a Share by way of sale which is required to be made under article 13, article 14 or article 15 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
  - 9.5 The Directors shall (except with consent of a Shareholder Majority), as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors (acting with Shareholder Consent) may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 9.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
  - 9.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
    - 9.6.1 any holder (or the legal representatives of a deceased holder); or
    - 9.6.2 any person named as a transferee in a transfer lodged for registration; or
    - 9.6.3 such other person as the Directors may reasonably believe to have information relevant to that purpose,to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
  - 9.7 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:
    - 9.7.1 it does not contain a Minimum Transfer Condition; and
    - 9.7.2 the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).
  - 9.8 Any Transfer Notice (but not an Offer Notice (as defined in article 14) or a Drag Along Notice (as defined in article 14)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall (save with Shareholder Consent to the contrary) automatically be revoked by the service of a Deemed Transfer Notice.
- 10 Permitted transfers of shares
- 10.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

- 10.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
- 10.2.1 the Original Shareholder;
  - 10.2.2 any Privileged Relation(s) of the Original Shareholder;
  - 10.2.3 subject to article 10.3, the trustee(s) of another Family Trust of which the Original Shareholder is the settlor; or
  - 10.2.4 subject to article 10.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
- without any price or other restriction.
- 10.3 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within ten Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:
- 10.3.1 the Original Shareholder; or
  - 10.3.2 a Member of the Same Group as the Original Shareholder,
- (which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 10.3, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 10.3.
- 10.4 If the Original Shareholder is an Investment Fund (or nominee of such person) and a Permitted Transfer has been made, the Permitted Transferee shall, within ten of Business Days of ceasing to be a Member of the Same Fund Group as the Original Shareholder, transfer the Shares held by it to:
- 10.4.1 the Original Shareholder; or
  - 10.4.2 a Member of the Same Fund Group as the Original Shareholder,
- (which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 10.4, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 10.4.
- 10.5 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within ten Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:
- 10.5.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

10.5.2 give a Transfer Notice to the Company in accordance with article 11,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 10.5. This article 10.5 shall not apply to a transferee of a Permitted Transferee if that transferee is also a Permitted Transferee of the Original Shareholder, to the extent that such transferee is legally or beneficially entitled to those Shares.

10.6 Where Shares are held by an individual as a partner of a partnership, the beneficial interest in Shares held by the partners of such partnership may be transferred to a Privileged Relation of a partner without any price or other restriction.

10.7 Notwithstanding any other provision of this article 10, a transfer of any Shares approved by the Directors (acting with Shareholder Consent) may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## 11 Pre-emption rights on the transfer of shares

11.1 Except where the provisions of article 10, article 14 or article 15 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 11.

11.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:

11.2.1 subject to article 9.7.2, the number of Shares he wishes to transfer (**Sale Shares**);

11.2.2 the name of the proposed transferee, if any;

11.2.3 subject to article 13.4, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and

11.2.4 subject to article 9.7.1, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).

11.3 Once given, a Transfer Notice may only be withdrawn with Shareholder Consent.

11.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

11.5 As soon as practicable following the later of:

11.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and

11.5.2 the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 11.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 11 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.

- 11.6 The Company shall offer the Sale Shares to the holders of Ordinary Shares other than the Seller on the basis set out in article 11.7 to article 11.12 (inclusive) inviting them to apply in writing within the period from the date of the offer to the date five Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy (which may not exceed the number of Sales Shares that bears the same proportion of such Sale Shares as the proportion which his existing holding of Shares bears to the total number of Shares held by all Ordinary Shareholders).
- 11.7 At the end of the Offer Period the Directors shall allocate the Sale Shares to the Ordinary Shareholders in accordance with their applications. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy. The balance (the **Surplus Shares**) shall be dealt with in accordance with article 11.12.
- 11.8 Where the Transfer Notice contains a Minimum Transfer Condition:
- 11.8.1 any allocation made under article **Error! Reference source not found.** shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- 11.8.2 if the total number of Sale Shares applied for under article 11.6 is less than the Minimum Transfer Condition, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 11.9 Where either:
- 11.9.1 the Transfer Notice does not contain a Minimum Transfer Condition; or
- 11.9.2 allocations have been made in respect of a number of Sale Shares equal to or in excess of the Minimum Transfer Condition,

the Directors shall, when no further offers or allocations are required to be made under article 11.7, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least five Business Days, but not more than twenty Business Days, after the date of the Allocation Notice).



11.10 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

11.11 If the Seller fails to comply with article 11.10:

11.11.1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent on behalf of the Seller:

- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- (c) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

11.11.2 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 Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

11.12 Where a Transfer Notice lapses pursuant to article 11.8.2 or an Allocation Notice does not relate to all the Sale Shares, then, subject to receiving Shareholder Consent and consent of the Board, the Seller may, at any time during the twenty Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the some or all of the Surplus Shares to any person at a price at least equal to the Transfer Price. The sale of the Surplus Shares in accordance with this article 11.12 shall continue to be subject to any Minimum Transfer Condition.

## 12 Valuation

12.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is Connected not voting), acting with Shareholder Consent, and the Seller or, in default of agreement within five Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.

12.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:

- 12.2.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
  - 12.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 12.2.3 that the Sale Shares are capable of being transferred without restriction;
  - 12.2.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
  - 12.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 12.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 12.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 12.5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 12.6 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 12.7 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
- 12.7.1 the Seller withdraws the relevant Transfer Notice in accordance with article 11.3; or
  - 12.7.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,
- in which case the Seller shall bear the cost.

### **13 Compulsory transfers**

- 13.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors (acting with Shareholder Consent) may determine.

- 13.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors (acting with Shareholder Consent) may determine.
- 13.3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice.
- 13.4 Forthwith upon a Transfer Notice being deemed to be served under article 13 the Shares subject to the relevant Deemed Transfer Notice shall cease to confer on the holder of them any rights:
- 13.4.1 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;
- 13.4.2 to receive dividends or other distributions otherwise attaching to those Shares.

The Directors may (with Shareholder Consent) reinstate the rights referred to in article 13.4 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 13 on completion of such transfer.

#### 14 Tag along

- 14.1 Where the holder(s) of more than 50% of the Shares (**Seller**) proposes to transfer all (but not part only) of the Shares held by them to a bona fide purchaser (**Buyer**) on arm's length terms (**Proposed Transfer**), such transfer shall be permitted subject to compliance with articles 14.2 to 14.5.
- 14.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer (**Offer**) to the holder of the Shares held by Shareholders other than the Seller (**Other Shares**) to purchase all of those Shares for a consideration in cash per Share that is at least equal to the price per Share offered by the Buyer in the Proposed Transfer (**Specified Price**).
- 14.3 The Offer shall be made by written notice (**Offer Notice**), at least five Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 14.3.1 the identity of the Buyer;

- 14.3.2 the Specified Price and other terms and conditions of payment;
  - 14.3.3 the Transfer Date; and
  - 14.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 14.4 If the Buyer fails to make the Offer in accordance with article 14.2 and article 14.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 14.5 If the Offer is accepted by the holders of the Other Shares in writing within three Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder.

## 15 Drag along

- 15.1 If Shareholders representing a Shareholder Majority (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 14.
- 15.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- 15.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 14;
  - 15.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - 15.2.3 the consideration payable for the Called Shares calculated in accordance with article 15.4;
  - 15.2.4 the proposed date of completion of transfer of the Called Shares.
- 15.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors, acting with Shareholder Consent. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 15.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the

Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of article 8.

- 15.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 14.
- 15.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
  - 15.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or
  - 15.6.2 that date is less than three Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place on the fourth Business Day after the date of service of the Drag Along Notice.
- 15.7 Within three Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that three Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 15.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 15.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 15.4 in trust for the Called Shareholders without any obligation to pay interest.
- 15.8 To the extent that the Proposed Buyer has not, on the expiration of the four Business Day period, put the Company in funds to pay the amounts due pursuant to article 15.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 14 in respect of their Shares.
- 15.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 14.
- 15.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without

limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 14 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 15.10 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.

- 15.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 11.
- 15.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

## **DECISION-MAKING BY SHAREHOLDERS**

### **16 General meetings**

- 16.1 No business other than, subject to article 16.2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 16.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

### **17 Proxy notices**

- 17.1 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".
- 17.2 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.

### **18 Purchase of own shares**

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

18.1 £15,000; and

18.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.

#### **ADMINISTRATIVE ARRANGEMENTS**

##### **19 Means of communication to be used**

19.1 Subject to article 19.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

19.1.1 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

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

19.1.3 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

19.1.4 if sent or supplied by email, at the time the notice, document or information was sent or supplied; or

19.1.5 if deemed receipt under the previous paragraphs of this article 19.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt.

For the purposes of this article 19.1, all references to time are to local time in the place of deemed receipt.

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

19.2.1 if delivered by hand, the notice was delivered to the correct address; or

19.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or

19.2.3 if sent by post, the envelope containing the notice was properly addressed, paid for and posted; or

19.2.4 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

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

## **20 Indemnity and insurance**

20.1 Subject to article 20.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

20.1.1 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:

(a) in the actual or purported execution and/or discharge of his duties, or in relation thereto,

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 other Group Company's) affairs; and

20.1.2 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 20.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

20.2 This article 20 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

20.3 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.

20.4 In this article 20:

20.4.1 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 (or other Group Company) or any pension fund of the Company (or other Group Company); and

20.4.2 Relevant Officer means any director or other officer or former director or other officer of any Group Company), but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.