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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**RIVERVALE HOLDINGS LIMITED**

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**Company number 13606952**

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**RIVERVALE HOLDINGS LIMITED**

**(Adopted by special resolution passed on 29 April 2022 )**

**INTRODUCTION**

**1. INTERPRETATION**

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

<b>Act</b>	the Companies Act 2006.
<b>acting in concert</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).
<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>Available Profits</b>	profits available for distribution within the meaning of part 23 of the Act.
<b>B Ordinary Shares</b>	the B Ordinary Shares of £0.0001 each in the capital of the Company.
<b>B Share Subscription Amount</b>	the sum of £2,500,000 plus any Unpaid Additional Return
<b>Bad Leaver</b>	<p>an Employee who ceases to be an Employee as a consequence of:</p> <p>(a) such person's resignation as an Employee, except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect; or</p> <p>(b) that person's dismissal as an Employee for cause, where "cause" shall mean: (i) the lawful termination of that person's contract of employment without notice or</p>

payment in lieu of notice as a consequence of that person's misconduct; and/or (ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996.

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

**Chair** the Director appointed to act as chairman of meetings of the Directors from time to time.

**Company** means Rivervale Holdings Limited (Company number 13606952).

**Company's Lien** has the meaning given to it in article 24.1.

**connected** has the meaning given in section 252 of the Act.

**Controlling Interest** 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.

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

**Deferred Shares** any shares in the capital of the Company classified as Deferred Shares.

**Departing Employee** an Employee who ceases to be a director or employee of any Group Company and who does not continue as, or become, a director or employee of any Group Company.

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

**Disposal** the disposal by the Company of all, or a substantial part of, its business and assets.

**Eligible Director** means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter).

**Employee** an individual who is, or has been, a director and/or an employee of any Group Company.

**Employee Trust** a trust, the terms of which are approved by the Directors, whose beneficiaries are the bona fide employees of the Group.

<b>Exit</b>	a Share Sale or a Disposal.
<b>Fair Value</b>	has the meaning given in article 16.4.
<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>First Offer Shareholders</b>	<p>in respect of:</p> <ul style="list-style-type: none"><li>(a) an offer of B Ordinary Shares, the holders of B Ordinary Shares; and</li><li>(b) an offer of Ordinary Shares, the holders of Ordinary Shares.</li></ul>
<b>Good Leaver</b>	an Employee who ceases to be an Employee and who is not a Bad Leaver and shall include, without limitation, when the Directors determine that a person is not a Bad Leaver.
<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 chartered accountants of repute appointed by

	the Company and the Seller in accordance with article 16.
<b>Issue Price</b>	in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.
<b>Lien Enforcement Notice</b>	means a notice in writing which complies with the requirements of article 24.2.
<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>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date.
<b>Ordinary Shares</b>	the ordinary shares of £1.00 each in the capital of the Company.
<b>Original Shareholder</b>	has the meaning given in article 14.1.
<b>Permitted Transfer</b>	a transfer of Shares made in accordance with article 14.
<b>Permitted Transferee</b>	in relation to: <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; and</li> <li>(b) a Shareholder which is a company, a Member of the Same Group as that company.</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), 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 Securities</b>	any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than: <ul style="list-style-type: none"> <li>(a) the grant of any options under a Share Option Plan (and the issue of Shares on the exercise of any such options); and</li> </ul>

- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles.

**Relevant Shares**

in relation to an Employee means all Shares held by:

- (a) the Employee in question; and
- (b) any Permitted Transferee of that Employee,
- (c) and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice.

**Restricted Shares**

has the meaning given in article 17.6.

**Sale Proceeds**

means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale).

**Sale Shares**

has the meaning given in article 15.2.1.

**Second Offer Shareholders**

in respect of:

- (a) an offer of B Ordinary Shares, the holders of Ordinary Shares; and
- (b) an offer of Ordinary Shares, the holders of Ordinary Shares.

**Seller**

has the meaning given in article 15.2.

**Shareholder**

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

**Share Option Scheme**

any share option scheme of the Company.

**Shares**

shares (of any class) in the capital of the Company and **Share**: shall be construed accordingly.

**Share Sale**

the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with the buyer of those Shares together acquiring a

Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.

**subsidiary**

has the meaning given in article 1.10.

**Termination Date**

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where an Employee dies, the date of his death; or
- (d) in any other case, the date on which the employment or holding of office is terminated.

**Transfer Notice**

has the meaning given in article 15.2

**Transfer Price**

has the meaning given in article 16.

**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 legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time. A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative 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) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 18(e), 22, 26(5), 38, 39, 44(2), 49, 50 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 less than two.

### **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). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.

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 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors. If the necessary quorum is not present 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 Chair determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.

4.6 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a Conflict (as defined in article 7.1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

4.7 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:

4.7.1 appoint further Directors; or

4.7.2 call a general meeting so as to enable the Shareholders to appoint further Directors.

4.8 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chair shall have a second or casting vote unless, in respect of a particular meeting (or part of a meeting), in accordance with the Articles, the Chair is not an Eligible Director for the purposes of that meeting (or part of a meeting).

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

## 5. APPOINTMENT AND REMOVAL OF DIRECTORS

- 5.1 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:

5.1.1 they are convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that they cease to be a Director; and

5.1.2 they shall cease to be employed by the Company or other Group Company (as appropriate) and do not continue as an employee of any other Group Company.

- 5.2 Any person who is the registered holder of not less than 30% of the issued share capital of the Company from time to time (**Substantial Shareholder**) shall have the right, for so long as he remains a Substantial Shareholder to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a Director of the Company and to remove any such Director and to appoint a replacement.

- 5.3 Any appointment or removal of a Director made in accordance with article 5.2 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice.

- 5.4 The holder of the majority of the B Ordinary Shares in issue from time to time (**B Shareholder**) shall have the right, for so long as it remains a B Shareholder to appoint, by notice in writing addressed to the relevant company, one person as its representative to attend as an observer at each and any meeting of the board of directors of any Group Company. Any observer appointed by the B Shareholder pursuant to this article shall be entitled to receive the same rights to be given notice of board meetings of the relevant Group Company as are enjoyed by the directors of that company.

## 6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 6.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided they have declared the nature and extent of their 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:

6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

6.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which they are interested;

- 6.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which they are interested;
- 6.1.4 may act by themselves, or their firm in a professional capacity for the Company (otherwise than as auditor) and they, or their firm shall be entitled to remuneration for professional services as if they were not a Director;
- 6.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 6.1.6 shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them) 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 their 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 their 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 or in such other manner as the Directors may determine;
  - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; 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 the Interested Director's position as a Director of the Company) information that is confidential to a third party, they 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 themselves 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 themselves in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 7.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which they derive 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**

### **8. RIGHTS ATTACHING TO THE ISSUED SHARE CAPITAL**

- 8.1 The issued share capital of the Company is £1150 divided into 900 Ordinary Shares of £1.00 each and 2,500,000 B Ordinary Shares of £0.0001 each.
- 8.2 The B Ordinary Shares and the Deferred Shares (if any) shall not carry any voting rights. The B Ordinary Shares (but not the Deferred Shares) shall carry the right to receive notice of and to attend any general meetings of the Company.
- 8.3 Except as set out in Article 8.4, any profits earned by the Company in any financial year or period which are available for distribution shall, if the Directors so resolve, be distributed amongst the holders of the Ordinary Shares only, and neither the B

Ordinary Shares nor the Deferred Shares (if any) shall carry any entitlement to dividends.

- 8.4 In respect of each period of 12 months commencing on the third anniversary of the date of adoption of these Articles, the Directors may elect to pay a priority dividend to the holders of the B Ordinary Shares (**Additional Return**) calculated as follows. The Additional Return would be calculated as 1% of the B Share Subscription Amount for each £100,000 by which the profit before tax of the Company shown in its management accounts for the relevant 12 month period exceeds £500,000 provided always that the aggregate annual amount of any such dividend declared shall not exceed 5% of the B Share Subscription Amount. Any Additional Return payable in respect of an incomplete 12 month period shall, if declared and paid by the Directors, be calculated as if the relevant profits of the Company had accrued evenly throughout the whole of the duration of the relevant period. If in respect of any such 12 month period the Directors elect not to declare and pay an Additional Return for which the holders of the B Ordinary Shares would otherwise have been eligible, then the amount of that unpaid Additional Return shall be accumulated with any other unpaid Additional Returns in respect of previous 12 month periods and the accumulated balance of the same shall be treated and known as the Unpaid Additional Return.

## 9. LIQUIDATION PREFERENCE

- 9.1 On a return of assets on liquidation, capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities and the priority payment of the sum of £1.00 in aggregate to the holders of the Deferred Shares (if any) (**Distributable Sum**) shall be applied as follows:
- 9.1.1 if the Distributable Sum does not exceed £10,000,000, first, in paying to the holders of the B Ordinary Shares a sum equal to the higher of (i) the B Share Subscription Amount (to the extent that the Distributable Sum amounts to that figure) and (ii) 25% of the Distributable Sum and, secondly, in paying the balance to the holders of the Ordinary Shares and in each case the Distributable Sum shall be distributed to the holders of the relevant class of shares pro rata to the respective numbers of the class of shares held; or
- 9.1.2 if the Distributable Sum exceeds £10,000,000, in paying (a) to the holders of the B Ordinary Shares (i) the B Share Subscription Amount and (ii) 20% of the amount of the Distributable Sum that exceeds £10,000,000, and (b) to the holders of the Ordinary Shares 80% of the amount of the Distributable Sum that exceeds £10,000,000.

## 10. EXIT PROVISIONS

- 10.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in article 9. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

- 10.1.1 the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in article 9; and
- 10.1.2 each Shareholder shall take any reasonable action (to the extent lawful and within its control) required to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 9.
- 10.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in article 9, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any reasonable action required to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 9 (including, but without prejudice to the generality of this article 10.2, such action as may be necessary to put the Company into voluntary liquidation so that article 9 applies).

## **11. VARIATION OF CLASS RIGHTS**

- 11.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class (excluding any holder(s) of Restricted Shares).
- 11.2 Without prejudice to the generality of article 11.1, the special rights attaching to the B Ordinary Shares shall be deemed to be varied by the occurrence of any of the following events:
  - 11.2.1 the amendment or repeal of any provision of, or addition of any provision to, the constitution of any Group Company which alters the rights attaching to the B Ordinary Shares;
  - 11.2.2 the alteration in any manner (including, without limitation, by an increase, reduction, sub-division, consolidation, re-classification or a change in any of the rights attached) of any of the issued share capital or other securities of any Group Company or the creation by any Group Company of any shares or other securities (save as expressly provided otherwise in these Articles);
  - 11.2.3 save as expressly provided otherwise in these Articles, the application by capitalisation of any sum in or towards paying up any shares or other securities of any Group Company, or any other reduction of any amount standing from time to time to the credit of the share premium account or capital redemption reserve of any Group Company;
  - 11.2.4 the redenomination of any of the issued share capital of any Group Company; and
  - 11.2.5 any Group Company incurring any obligation (whether or not conditional) to do any of the foregoing.

## **12. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

## **13. TRANSFERS OF SHARES: GENERAL**

13.1 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.

13.2 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. The Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

13.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, they shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by them.

13.4 Any transfer of a Share by way of sale which is required to be made under article 17, article 18 or article 19 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

13.5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:

13.5.1 any holder (or the legal representatives of a deceased holder); or

13.5.2 any person named as a transferee in a transfer lodged for registration; or

13.5.3 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.

13.6 If any such information or evidence referred to in article 13.5 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 7 Business Days of receipt of such written notice, then:

13.6.1 the relevant Shares shall cease to confer on the holder of them any rights:

13.6.1.1 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;

13.6.1.2 to receive dividends or other distributions otherwise attaching to those Shares; or

13.6.1.3 to participate in any future issue of Shares; and

13.6.2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in article 13.6.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 13.6.2 on completion of such transfer.

13.7 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:

13.7.1 it does not contain a Minimum Transfer Condition; and

13.7.2 the Seller wishes to transfer all the Shares held by them (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).

13.8 Any Transfer Notice (but not an Offer Notice (as defined in article 18) or a Drag Along Notice (as defined in article 19) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

#### **14. PERMITTED TRANSFERS OF SHARES**

14.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

14.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

14.2.1 the Original Shareholder;

14.2.2 any Privileged Relation(s) of the Original Shareholder;

14.2.3 subject to article 14.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or

14.2.4 subject to article 14.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

14.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied:

- 14.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
- 14.3.2 with the identity of the proposed trustee(s);
- 14.3.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- 14.3.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

- 14.4 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 7 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

- 14.4.1 the Original Shareholder; or

- 14.4.2 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 14.4, 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 14.4.

- 14.5 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 7 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

- 14.5.1 execute and deliver to the Company a transfer of the Shares held by the Privileged Relation to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

- 14.5.2 give a Transfer Notice to the Company in accordance with article 15,

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 14.5.

- 14.6 Notwithstanding any other provision of this article 14, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## **15. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

- 15.1 Except where the provisions of article 14, article 18 or article 19 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 15.
- 15.2 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:

- 15.2.1 subject to article 13.6.2, the number of Shares they wish to transfer (**Sale Shares**);
  - 15.2.2 the name of the proposed transferee, if any;
  - 15.2.3 subject to article 17.4, the price per Sale Share (in cash), if any, at which they wish to transfer the Sale Shares (the **Proposed Sale Price**); and
  - 15.2.4 subject to article 13.7.1, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).
- 15.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value less than the Proposed Sale Price the Seller may, within 7 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with the prior written consent of the Directors.
- 15.4 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.
- 15.5 As soon as practicable following the later of:
- 15.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
  - 15.5.2 the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 15.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 15 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.
- 15.6 If the Sale Shares are B Ordinary Shares, the Company shall, subject to article 15.20 and article 17, offer them in the following order of priority:
- 15.6.1 first, to the holders of B Ordinary Shares; and
  - 15.6.2 second, to the holders of Ordinary Shares,
- in each case on the basis set out in article 15.8 to article 15.16 (inclusive).
- 15.7 If the Sale Shares are Ordinary Shares, the Company shall, subject to article 15.20, offer them only to the holders of Ordinary Shares on the basis set out in article 15.8 to article 15.16 (inclusive).
- 15.8 An offer of Sale Shares made in accordance with article 15.6 or 15.7 shall remain open for acceptance for a period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with article 15.10 and article 15.12.
- 15.9 Subject to article 15.3, the Directors shall offer the Sale Shares in the order of priority referred to in article 15.6 or article 15.7 (as appropriate) to the First Offer

Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

15.10 If:

15.10.1 at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all First Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). ~~No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which that Shareholder has stated they are willing to buy;~~

15.10.2 not all Sale Shares are allocated following allocations in accordance with article 15.10.2, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 15.10.1. The procedure set out in this article 15.10.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

15.10.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 15.11.

15.11 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

15.12 If:

15.12.1 at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Second Offer Shareholders bears to the total number of Shares of the class held by all Second Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be

made to a Shareholder of more than the maximum number of Initial Surplus Shares which that Shareholder has stated they are willing to buy;

15.12.2 not all Initial Surplus Shares are allocated following allocations in accordance with article 15.12.1, but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in article 15.12.1. The procedure set out in this article 6.12.2 shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and

15.12.3 at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall, subject to article 15.18, be offered to any other person in accordance with article 15.17.

15.13 Where the Transfer Notice contains a Minimum Transfer Condition:

15.13.1 any allocation made under article 15.8 to article 15.12 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and

15.13.2 if the total number of Sale Shares applied for under article 15.8 to article 15.12 (inclusive) is less than the number of Sale Shares, the board of Directors 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.

15.14 Where either:

15.14.1 the Transfer Notice does not contain a Minimum Transfer Condition; or

15.14.2 allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under article 15.8 to article 15.12 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 7 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).

15.15 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.

15.16 If the Seller fails to comply with article 15.15:

15.16.1 the Chair (or, failing the Chair, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:

15.16.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

15.16.1.2 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

15.16.1.3 (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

15.16.2 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 the Seller has delivered the 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 of Directors may reasonably require to prove good title to those Shares) to the Company.

15.17 Where a Transfer Notice lapses pursuant to article 15.13.2 or an Allocation Notice does not relate to all the Sale Shares, then, subject to article 15.18 and article 15.19, the Seller may, at any time during the 15 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 Sale Shares (in the case of a lapsed offer) or the Second Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 15.17 shall continue to be subject to any Minimum Transfer Condition.

15.18 The Seller's right to transfer Shares under article 15.17 does not apply if the Directors reasonably consider that:

15.18.1 the transferee is a person (or a nominee for a person) whom the Directors determine to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;

15.18.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

15.18.3 the Seller has failed or refused to promptly provide information available to them and reasonably requested to enable it to form the opinion referred to in article 15.18.2.

15.19 If following the expiry of the Second Offer Period, there remain any Sale Shares which were the subject of a Compulsory Employee Transfer pursuant to article 17 and which have not been transferred to willing Shareholders or bought by the Company, such remaining Shares (**Employee Excess Shares**) shall be automatically converted into Deferred Shares, without the requirement for any shareholder or class resolution and the Company shall issue to the holder of the Employee Excess

Shares, nil coupon loan notes repayable on an Exit, at a value equivalent to the Transfer Price of those Shares calculated in accordance with the provisions of article 17.4.

- 15.20 Notwithstanding any other provisions of these articles, the holders of the majority in number of the Ordinary Shares may resolve that any Sale Shares shall, in priority to any other offers to be made pursuant to articles 15.9 to article 15.12, be offered first to the Company for purchase (subject to the Company complying with the requirements of the Act).

## **16. VALUATION**

- 16.1 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) and the Seller or, in default of agreement within 10 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.
- 16.2 If the auditors for the time being of the Company decline an instruction to make a certification or a determination in accordance with these Articles, the Company and the Seller shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Independent Expert and to agree terms of appointment with the Independent Expert. Neither party shall unreasonably withhold its agreement to the terms of appointment proposed by the Independent Expert or the other party.
- 16.3 If the parties fail to agree on an Independent Expert and the terms of their appointment within 10 Business Days of either party serving details of a proposed Independent Expert on the other then either party shall be entitled to request the President for the time being of the Institute of Chartered Accountants in England and Wales to appoint the Independent Expert and to agree their terms of appointment on behalf of the parties.
- 16.4 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- 16.4.1 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);
  - 16.4.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 16.4.3 that the Sale Shares are capable of being transferred without restriction;
  - 16.4.4 subject to the provisions of article 9 and article 10, 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

16.4.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

- 16.5 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.
- 16.6 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.
- 16.7 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 16.8 ~~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).~~
- 16.9 The Independent Expert shall be requested to determine the Fair Value within 30 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.
- 16.10 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.

## **17. COMPULSORY TRANSFERS**

- 17.1 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 may determine.
- 17.2 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 may determine.
- 17.3 If an Employee becomes a Departing Employee a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within 7 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.
- 17.4 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee is:

17.4.1 a Bad Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares; and

17.4.2 a Good Leaver, be the aggregate Fair Value of such Sale Shares,

and, in either case, the Transfer Price shall, if the Directors so decide, be payable to the Departing Employee in four equal six-monthly instalments, the first instalment being payable on the relevant Termination Date.

17.5 Notwithstanding the provisions of article 17.4, the Directors may, by notice in writing served on the Company and the relevant Seller(s), direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to article 17.4.

17.6 Forthwith upon a Transfer Notice being deemed to be served under article 17, the Relevant Shares (Restricted Shares) shall cease to confer on the holder of them any rights:

17.6.1 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;

17.6.2 to receive dividends or other distributions otherwise attaching to those Shares; or

17.6.3 to participate in any future issue of Shares.

17.7 The Directors may reinstate the rights referred to in article 17.6 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 17 on completion of such transfer.

## 18. MANDATORY OFFER ON CHANGE OF CONTROL

18.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 14, article 17 or article 23) , whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 18 shall apply.

18.2 The Company shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder (each an **Offeree**) on the date of the Offer, to buy all of the Shares held by such Offerees on the date of the Offer for a consideration in cash per Share (the **Offer Price**) which is equal to the highest price per Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Shares in connection with the Proposed Transfer.

18.3 If the Offer is in the form of non-cash or deferred consideration, the Offer shall include an offer to the B Shareholder such that the B Shareholder shall receive consideration for the Shares held by them in the form of cash, at a price per Share which takes into account (in allocating the aggregate consideration in accordance

with article 10) the market value of any non-cash consideration paid to any shareholder in relation to the relevant Exit.

18.4 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 10 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall specify:

18.4.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);

18.4.2 the Offer Price and any other terms and conditions of the Offer;

18.4.3 the Sale Date; and

18.4.4 the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

18.5 The completion of the Proposed Transfer shall be conditional in all respects on:

18.5.1 the making of an Offer in accordance with this article 18; and

18.5.2 the completion of the transfer of any Shares by any Offeree (each an **Accepting Offeree**) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this article 18.5.

18.6 Neither the Proposed Transfer nor the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 18 shall be subject to the pre-emption provisions of article 14.

18.7 In the legal agreement(s) effecting exchange and completion of the Proposed Transfer, the holders of the B Ordinary Shares shall not be obliged to give warranties or indemnities (except warranties as to their title to their B Ordinary Shares and their capacity to sell the same).

## 19. DRAG ALONG

19.1 If the holders of 70% by nominal value of the Ordinary Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in their 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 19.

19.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect to each Called Shareholder (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares to the Proposed Buyer. A Drag Along Notice shall specify:

- 19.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 19;
  - 19.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - 19.2.3 the consideration payable for the Called Shares in accordance with article 19.4;
  - 19.2.4 the proposed date of completion of transfer of the Called Shares.
- 19.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. 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 30 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.
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- 19.4 The consideration 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 10 provided always that the Called Shareholders shall be entitled to receive the consideration on the same terms as those upon which the Selling Shareholders are proposing to receive their consideration, save that if the Selling Shareholders propose to sell the Sellers' Shares for non-cash consideration, the consideration for which the Called Shareholders shall be obliged sell their Shares shall be in the form of cash, at a price per Share which takes into account (in allocating the aggregate consideration in accordance with article 10) the market value of any non-cash consideration paid to any shareholder in relation to the relevant Exit.
- 19.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 19, except that, subject to article 19.13, the Called Shareholders shall be required in the legal documentation implementing the sale to the Proposed Buyer to give such warranties, indemnities and other contractual commitments as is appropriate having regard to the nature of the role played in relation to the Company by the relevant Called Shareholder.
- 19.6 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:
- 19.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or
  - 19.6.2 that date is less than 7 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 15 Business Days after the date of service of the Drag Along Notice.
- 19.7 Within 10 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 10 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 19.4 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 19.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 19.4 in trust for the Called Shareholders without any obligation to pay interest.

19.8 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period, put the Company in funds to pay the amounts due pursuant to article 19.4, 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 19 in respect of their Shares.

19.9 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 them (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 their agent and attorney to execute and deliver all necessary transfers on their 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 19.

19.10 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, whether or not pursuant to a Share Option Scheme (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 them to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 19 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 19.10 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.

19.11 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 15.

19.12 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.

- 19.13 In the legal agreement(s) effecting exchange and completion of the sale and purchase of the Company's Shares to the Proposed Buyer (**Proposed Sale**), the holders of the B Ordinary Shares shall not be obliged to give warranties or indemnities (except warranties as to their title to their B Ordinary Shares and their capacity to sell the same).

## **DECISION-MAKING BY SHAREHOLDERS**

### **20. GENERAL MEETINGS**

- 20.1 No business other than, subject to article 20.2, the appointment of the chair 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.
- 20.2 The Chair shall chair general meetings. If there is no Chair in office for the time being, or the Chair 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 chair of the meeting must be the first business of the meeting.
- 20.3 The holders of the B Ordinary Shares shall be entitled to receive notice of and to attend but not to vote at any general meetings of the Company.

### **21. VOTING**

- 21.1 Subject to any other provisions in these Articles concerning voting rights, each Ordinary Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 21.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 21.3 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.
- 21.4 Model article 45(1) shall be amended by:
- 21.4.1 the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
- 21.4.2 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 model article.

## 22. PURCHASE OF OWN SHARES

22.1 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:

22.1.1 £15,000; and

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

22.2 Subject to the remaining provisions of this article 22, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:

22.2.1 hold the Shares (or any of them) in treasury;

22.2.2 deal with any of the Shares, at any time, in accordance with section 727 of the Act; or

22.2.3 cancel any of the Shares, at any time, in accordance with section 729 of the Act.

22.3 The provisions of articles 15.4 to 15.12 (inclusive) shall apply to a sale or transfer of Shares held in treasury pursuant to article 22.2.1 save that, for the purposes of this article 22.3:

22.3.1 reference in article 12 to an allotment shall include the sale or transfer of Shares; and

22.3.2 reference in the definition of "Relevant Securities" to Shares "issued after the Adoption Date" shall include Shares to be sold or transferred by the Company,

that immediately before the sale or transfer were, in each case, held by the Company as treasury shares

## 23. COMPANY'S LIEN OVER SHARES

23.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether they are the sole registered holder of the Share or one of several joint holders, for all monies payable by them (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

~~23.2 The Company's Lien over a share:~~

23.2.1 takes priority over any third party's interest in that Share; and

23.2.2 extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

- 23.3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

## **24. ENFORCEMENT OF THE COMPANY'S LIEN**

- 24.1 Subject to the provisions of this article 24, if:

24.1.1 a Lien Enforcement Notice has been given in respect of a Share; and

24.1.2 the person to whom the notice was given has failed to comply with it,  
the Company may sell that Share in such manner as the Directors decide.

- 24.2 A Lien Enforcement Notice:

24.2.1 may only be given in respect of a Share which is subject to the Company's Lien ~~and in respect of a sum payable to the Company for which the due date for payment has passed;~~

24.2.2 must specify the Share concerned;

24.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);

24.2.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and

24.2.5 must state the Company's intention to sell the Share if the notice is not complied with.

- 24.3 Where Shares are sold under this article 24:

24.3.1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and

24.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

- 24.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

24.4.1 first, in payment of so much of the sum for which the lien exists as was ~~payable at the date of the Lien Enforcement Notice;~~ and

24.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or their estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

24.5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

24.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

24.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

## **ADMINISTRATIVE ARRANGEMENTS**

### **25. MEANS OF COMMUNICATION TO BE USED**

25.1 Subject to article 25.4, any notice, document or other information shall be deemed received by the intended recipient:

25.1.1 if delivered by hand, at the time the notice, document or other information is left at the address;

25.1.2 if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting;

25.1.3 if sent by pre-paid airmail, at 9.00 am on the fifth Business Day after posting;

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

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

25.2 If deemed receipt under article 25.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 25.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.

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

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

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

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

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

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

- 25.5 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.

## 26. INDEMNITY AND INSURANCE

- 26.1 Subject to article 26.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

26.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a Relevant Officer in the actual or purported execution and/or discharge of their duties, or in relation thereto including any liability incurred by them in defending any civil or criminal proceedings, in which judgment is given in their favour or in which they are acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part, or in connection with any application in which the court grants them, in their 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

26.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred to in article 26.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

- 26.2 This article 26 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

- 26.3 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.

- 26.4 In this article 26:

26.4.1 **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); and

26.4.2 **Relevant Officer** means any 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 they are also a director or other officer), to the extent they act in their capacity as auditor.