

**Company Number 02319960**  
**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**CHAMPION SEAFOODS LIMITED**

(Adopted by special resolution passed on 21 July 2023)

## **INTRODUCTION**

### **1. Interpretation**

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

**Act:** the Companies Act 2006.

**acting in concert:** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

**Adoption Date:** the date of adoption of these Articles.

**Articles:** the Company's articles of association for the time being in force.

**Available Profits:** profits available for distribution within the meaning of part 23 of the Act.

**Bad Leaver:** means either (a) a Departing Employee or a Founder becomes a Leaver in circumstances where he is not a Good Leaver, or (b) where the Shareholder is a company, that Shareholder becomes (or is deemed to become) a Leaver in circumstances where (i) a third party obtains a Controlling Interest (not previously approved with Shareholder Consent), (ii) where the Shareholder (or any member of its Group) suffers an Insolvency Event, and/or (iii) where the Shareholder is in material breach of the Shareholders' Agreement, its Service Agreement, or of these Articles.

**Business Day:** a day other than a Saturday, Sunday or public holiday in London.

**Chairman:** has the meaning given to it in article 6.3;

**Company:** means the Champion Seafoods Limited (Company number 02319960).

**Company's Lien:** has the meaning given to it in article 26.1.

**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.

**Credit Institution:** 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).

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

**Departing Employee:** an Employee who ceases to be a director or employee of, or consultant to, any member of the Company's Group and who does not continue as, or become, a director or employee of, or consultant to, any member of the Company's Group,

**Departing Shareholder:** other than an Investor, a Shareholder (who is a corporate) who ceases to hold shares in Company (other than pursuant to a Permitted Transfer) or is obliged to sell or otherwise transfer its Shares by virtue of (i) a third party obtaining a Controlling Interest in that Shareholder, (ii) where the Shareholder (or any member of its Group) suffers an Insolvency Event, and/or (iii) where the Shareholder is in material breach of the Shareholders' Agreement, any Contribution Agreement (as defined in the Shareholders' Agreement) or of these Articles.

**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:** any Founder (who is a natural person) and any individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, any Group Company (and who has executed a Deed of Adherence as an "Employee Shareholder" (as those terms are defined in the Shareholders' Agreement)) but shall exclude, for the avoidance of doubt, any Investor (and any of their Permitted Transferees).

**Employee Shareholder:** means any Employee who also holds Shares (and/or his Permitted Transferee holding those Shares).

**Employee Trust:** a trust, the terms of which are approved with Shareholder Consent, whose beneficiaries are the bona fide employees of the Group.

**Equity Shares:** the Ordinary Shares.

**Excluded Shareholder**

- (a) each Shareholder (other than any Investor and/or its Permitted Transferees) whose proposed course of action (or that of any of his Permitted Transferees) is the subject of the relevant Shareholder Consent; and

- (b) each Shareholder (other than any Investor and/or its Permitted Transferees) holding Shares as a result of a Permitted Transfer from a Shareholder referred to in paragraph (a), but only to the extent that such Shares were acquired pursuant to a Permitted Transfer from that Shareholder.

**Exit Event:** a Share Sale, a Disposal or a Listing.

**Fair Value:** has the meaning given in article 19.2.

**Family Trust:** 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).

**Financial Year:** an accounting reference period (as defined in section 391 of the Act) of the Company.

**First Offer Shareholders:** in respect of an offer of Ordinary Shares, the holders of Ordinary Shares.

**Founder:** means any of Christopher Champion or Marc Champion and **Founders** means more than one of them and/or all of them (as the context may admit or require).

**Founder Director:** a director appointed in accordance with article 6.1.

**Fund Manager:** a person whose principal business is to make, manage or advise upon investments in securities.

**Good Leaver:** mean either (i) a Departing Shareholder who becomes a Leaver in circumstances where it is not a Bad Leaver, or (ii) a Departing Employee who becomes a Leaver by reason of:

- (a) death;
- (b) permanent disability or permanent incapacity through ill-health; or
- (c) voluntarily resigns on or after the third anniversary of the Adoption Date.

**Group:** in relation to a company (or other body corporate), any subsidiary or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of the company and each company in the Group is a **Group Company** (but for the avoidance of doubt, Ocean Champion Limited (Company No. 06780106) shall not be considered a "Group Company" of the Company).

**holding company:** has the meaning given in article 1.11.

**Independent Expert:** 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, with Shareholder Consent) or, in the absence of agreement between the Company and the Seller (or Shareholder Consent, as the case may be) on the identity of the expert within 10 Business Days of the expiry of the 20 Business Day period referred to in article 19.1, an independent firm of accountants appointed 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).

**Insolvency Event:** means, in relation to Shareholder who is a corporate:

- (a) the Shareholder stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due;
- (b) the Shareholder commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties);
- (c) a moratorium is declared in respect of any indebtedness of the Shareholder;
- (d) any action, proceedings, procedure or step is taken in relation to:
  - (i) the suspension of payments, a moratorium in respect of any indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Shareholder; or
  - (ii) a composition, compromise, assignment or arrangement with any creditor of the Shareholder; or
  - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Shareholder or any of its assets;
- (e) the value of the Shareholder's assets is less than its liabilities (taking into account contingent and prospective liabilities); and/or
- (f) any event occurs in relation to the Shareholder that is analogous to those set out in (a) to (e) above (inclusive) in any jurisdiction,

but shall exclude situations or events where Shares are voluntarily transferred by a Founder to its Permitted Transferee.

**Institutional Investor:** a fund, partnership, body corporate, trust or other person 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.

**Issue Price:** save as otherwise provided, for any Share acquired on or before the Adoption Date, it shall be £1.00 and, in respect of any Share acquired after the Adoption Date, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.

**Investor:** Prestige Seafood Holdings (UK) Limited a company incorporated and registered in England and Wales with company number 14936140 whose registered office is at 71-75 Shelton Street, Covent Garden, London, United Kingdom, WC2H 9JQ

**Investor Director:** a director appointed in accordance with article 6.2.

**Investor Consent:** the prior written consent of the holder(s) for the time being of not less than fifty (50) per cent. by nominal value of all Investor Shares.

**Investor Shares:** means those Ordinary Shares held by an Investor (or any of its Permitted Transferees).

**Leaver:** means either a Good Leaver or a Bad Leaver.

**Lien Enforcement Notice:** means a notice in writing which complies with the requirements of article 27.2.

**Listing:** the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).

**Member of the Same Group:** 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 provided always that the Investor and every member of the Company's Group are not, for the purposes of these Articles, Members of the Same Group.

**Member of the Same Fund Group:** if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **Investment Fund**) or a nominee of that person:

- (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);
- (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;
- (c) any trustee, nominee or custodian of such Investment Fund and vice versa;

- (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
- (e) any Member of the same Group as that Fund Manager.

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

**Options:** any option granted from time to time granted by the Company over Shares and which have been approved with Shareholder Consent

**Ordinary Shares:** the ordinary shares of £1.00 each in the capital of the Company.

**Permitted Transfer:** a transfer of Shares made in accordance with article 17.

**Permitted Transferee:** in relation to:

- (a) any Employee Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;
- (b) any Employee Shareholder who is an individual, any Employee Trust;
- (c) a Shareholder which is a company, a Member of the Same Group as that company or to any shareholder (who is a natural person) of that Shareholder; and
- (d) any Investor who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust.

**Privileged Relation:** 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) and such other relation that is approved by the Board in advance of any such transfer (and with such conditions as the Board may impose).

**Relevant Securities:** 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:

- (a) the grant of any options under any Options schemes (and the issue of Shares on the exercise of any such options);
- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles and/or the Shareholders' Agreement; and
- (c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Shareholder Consent.

**Relevant Shares:** in relation to an Employee or Departing Shareholder means all Shares held by:

- (a) the Employee or Departing Shareholder in question; and
- (b) any Permitted Transferee of that Employee (other than those Shares held by those persons that the Investor declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of his/her relationship with the Employee) or any Permitted Transferee of that Departing Shareholder,
- (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 20.7.

**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 18.2(a).

**Second Offer Shareholders:** in respect of an offer of Ordinary Shares, the remaining holders of Ordinary Shares.

**Seller:** has the meaning given in article 18.2.

**Selling Shareholders:** has the meaning given to it in article 22.1.

**Shareholder:** a holder for the time being of any Share or Shares, but excluding any member holding Shares in treasury and/or Options.

**Shareholder Consent:** the prior written consent of the holder(s) for the time being of not less than fifty (50) per cent. by nominal value of all Shares held by Shareholders (excluding, where relevant, any Shares held by an Excluded Shareholder).

**Shareholders' Agreement:** the shareholders' agreement dated on or around the Adoption Date between, amongst others, the Company and the Founder (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being).

**Shares:** shares (of any class) in the capital of the Company and **Share** shall be construed accordingly and any other shares which do not entitle the holder thereof to vote at a meeting of the Shareholders.

**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 him 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 1.11.

**Termination Date:** means (as the case may be):

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (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;
- (d) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated;
- (e) in any other case (other than in respect of an Investor), the date on which the employment or holding of office is terminated;
- (f) where the third party obtains a Controlling Interest in a Shareholder, the date on which the third party obtained such Controlling Interest;
- (g) where a Shareholder suffers an Insolvency Event, the date on which such event occurs; and/or
- (h) if a Shareholder is in material breach of any of the Shareholders' Agreement, the Contribution Agreement or these Articles, the earliest date of any such material breach.

**Transfer Notice:** has the meaning given in article 18.2.

**Transfer Price:** has the meaning given in article 19.

**Valuers:** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Shareholders or, in the absence of agreement between the Shareholders on the identity of the expert within five (5) Business Days of a Shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).

**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 include the sending or supply of notices, documents or information in electronic form (including by email)).

1.2 Headings in these Articles shall not affect the interpretation of these Articles.

1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.



- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
- (a) an **Article** is a reference to the relevant numbered article of these Articles; and
  - (b) a **model article** is a reference to the relevant article,
- unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time 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 in these Articles to a holder, or the holder(s), of Shares, Equity Shares or any class of Shares as the case may be shall, in each case, be deemed to exclude any member holding Shares in treasury.
- 1.11 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 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
- (a) another person (or its nominee), by way of security or in connection with the taking of security; or
  - (b) its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that: (a) references in sections

1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

## **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 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 2.4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

## **DIRECTORS**

### **3. Number of directors**

- 3.1 Unless otherwise determined by ordinary resolution, the number of Directors 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). 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 provided always that each of the Founder Director (and the Investor Directors (if any exists)) has approved the resolution or resolutions.

- 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 4.7 and article 4.8.
- 4.5 Model articles 5(1) to (3) (inclusive) and 6(2) shall be modified by the insertion of the words "(acting with Shareholder Consent)" following each reference to "the directors" in such model articles.
- 4.6 Meetings of the Directors shall take place at least four times in each year, with a period of not more than twelve weeks between any two meetings. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least five Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent in writing of an Investor Director, when meetings of the Directors may take place less frequently or on shorter notice).
- 4.7 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors; provided that a director appointed by a Founder and by an Investor is present. 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 Chairman determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.
- 4.8 For the purposes of any meeting (or part of a meeting) held pursuant to article 8. to authorise a Conflict (as defined in article 8.1), 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.
- 4.9 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:
- (a) appoint further Directors; or
  - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.

- 4.10 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 have a second or casting vote unless, in respect of a particular meeting (or part of a meeting), in accordance with the Articles, the Chairman (or other chairman of the meeting) is not an Eligible Director for the purposes of that meeting (or part of a meeting).
- 4.11 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.
- 4.12 The Directors (acting with Shareholder Consent) may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

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

- 5.1 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".
- 5.2 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:
- (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;
  - (b) save in the case of an Investor Director, a majority of the other Directors resolve that he cease to be a Director; and
  - (c) in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.

## **6. Directors, Chairman and observer**

- 6.1 Each Founder shall have the right, for so long as he, together with his Permitted Transferees, holds at least twenty (20) per cent. of more of the Shares in issue from time to time (excluding any Shares for the time being held in treasury), to appoint and maintain in office one natural person as a director of the Company (including himself) and to remove any director so appointed and, upon his removal whether by his appointor or otherwise, to appoint another person to act as a director in his place.
- 6.2 Each Investor shall have the right, for so long as he, together with his Permitted Transferees, holds at least twenty (20) per cent. or more of the Shares in issue from time to time (excluding any Shares for the time being held in treasury), to appoint and maintain in office [up to two]

natural persons as a director of the Company (including himself) and to remove any director so appointed and, upon his removal whether by his appointor or otherwise, to appoint another person to act as a director in his place.

- 6.3 A majority of the Investors shall have the right, for so long as they, together with his Permitted Transferees, holds at least ten (10) per cent. or more of the Shares in issue from time to time (excluding any Shares for the time being held in treasury), to appoint and maintain in office one natural persons as a director of the Company and as Chairman of the Company (including himself) and to remove any director or Chairman so appointed and, upon his removal whether by his appointor or otherwise, to appoint another person to act as a director in his place.
- 6.4 Any appointment or removal of Director made in accordance with article 6 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.
- 6.5 Any Director appointed to this article 6, shall be entitled to be appointed to any committee of the Directors established from time to time. On the receipt of the request in writing of his appointor(s), the Company shall procure that such Director shall be appointed as a director of any other Group Company, to the extent specified in such request (but such Director shall not be entitled to any additional fee).
- 6.6 Each Investor shall have the right, for so long as he, together with his Permitted Transferees, holds at least ten (10) per cent. or more of the Shares in issue from time to time (excluding any Shares for the time being held in treasury), to appoint any natural persons as an observer for the purpose of attending and reporting on board meetings of the Company (including himself) and to remove any observer so appointed and, upon his removal whether by his appointor or otherwise, to appoint another person to act as an observer in his place
- 6.7 The reasonable expenses of each Director and each observer shall be payable by the Company.

## **7. Transactions or other arrangements with the Company**

- 7.1 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:
  - (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) 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.

## 8. Directors' conflicts

- 8.1 The Directors may, in accordance with the requirements set out in this article 8, 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**).
- 8.2 Any authorisation under this article 8 will be effective only if:
  - (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (c) 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.
- 8.3 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
  - (c) subject to Shareholder Consent, provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
  - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 8.4 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.
- 8.5 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.
- 8.6 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 8.1 shall be necessary in respect of any such interest.
- 8.7 An Investor Director and/or any observer (appointed by an Investor) shall be entitled from time to time to disclose to his appointor(s) (and to any Permitted Transferee of such appointor(s)) such information concerning the business and affairs of the Company as he shall at his discretion see fit.
- 8.8 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.

## **9. Secretary**

- 9.1 The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

## **SHARES AND DISTRIBUTIONS**

### **10. Dividends**

- 10.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this article 10.
- 10.2 Subject to article 10.7 below, the board of directors of the Company may at any time, by majority vote of all directors (regardless of being an Eligible Director) declare and pay any dividend out of Available Profits of the Company in accordance with the Act.
- 10.3 Subject to article 10.2 and article 10.7, any further Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Equity Shares (pari passu as if they constituted Shares of the same class) pro rata to their respective holdings of Equity Shares.
- 10.4 Subject to the Act, the Directors may pay interim dividends provided that the Available Profits of the Company are sufficient.
- 10.5 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365-day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.
- 10.6 The Company shall procure that the profits of any other Group Company available for distribution shall from time to time (and to the extent lawful), be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company) to the extent necessary to permit lawful and prompt payment by the Company of the relevant dividend.
- 10.7 Notwithstanding any other provision of this article 10, no dividend may be paid to the Company in respect of any Shares held in treasury.



## **11. Liquidation preference**

11.1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:

- (a) first, if the event giving rise to this articles 11 occurs on or before the date falling 3-6 months from the Adoption Date, in paying the Investors £300,051.50 and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Investor Shares pro rata to the aggregate amounts due under this article 11.1(a) to each such Investor Share held;
- (b) secondly, in paying to the holders of the Ordinary Shares in respect of each Ordinary Share held the Issue Price of that Ordinary Share, together with a sum equal to any arrears and accruals of dividend in respect of that Ordinary Share and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Ordinary Shares pro rata to the aggregate amounts due under this article 11.1(b) to each such Ordinary Share held; and
- (c) finally, in distributing the balance among the holders of the Equity Shares pro rata to the number of Equity Shares held, as if they all constituted shares of the same class.

## **12. Exit Event provisions**

12.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in article 11. 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:

- (a) 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 11; and
- (b) each Shareholder shall take any reasonable action (to the extent lawful and within its control) required by an Investor Majority to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 11.

12.2 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 11, 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 by Shareholder

Consent (including, but without prejudice to the generality of this article 12.2, such action as may be necessary to put the Company into voluntary liquidation so that article 11 applies).

12.3 In the event of an Exit Event approved by the Directors (acting with Shareholder Consent and Investor Consent) (**Proposed Exit**), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful actions with respect to the Proposed Exit as are reasonably required by the Directors to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this article 12.3:

- (a) the Company shall be constituted the agent and attorney of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit;
- (b) the Directors may authorise an officer of the Company or a Shareholder to execute and deliver on behalf of such defaulting Shareholder all or any necessary documents; and
- (c) the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders (without any obligation to pay interest).

### **13. Variation of class rights**

13.1 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 seventy-five (75) per cent. in nominal value of the issued Shares of that class (excluding any holder(s) of Restricted Shares).

### **14. Exercise of Options**

14.1 Notwithstanding the provisions of article 15 and for the avoidance of doubt, the Shareholders hereby consent to the issue and allotment of Shares and waive any pre-emption rights in relation thereto in respect of any Shares issued and allotted pursuant to and in accordance with any Share Option Schemes from time to time; including, but not limited to, automatic and accelerated vesting on the occurrence of an Exit Event.

### **15. Pre-emption rights on the issue of further shares**

15.1 Save to the extent authorised by these Articles, the Directors shall not, save with Investor Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

15.2 Subject to the remaining provisions of this article 15, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into; and
- (c) otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

15.3 The authority referred to in article 15.2:

- (a) shall be limited to a maximum nominal amount of £1,097.00 of Ordinary Shares;
- (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- (c) may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

15.4 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.

15.5 Save with Investor Consent, if the Company proposes to allot any Relevant Securities, those Relevant Securities 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 Equity Shares (each an **Offeree**) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity 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 Securities are being, or are to be, offered to any other person.

15.6 An offer made under article 15.5 shall:

- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- (b) remain open for a period of at least 15 Business Days from the date of service of the offer; and
- (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 15.5 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.

- 15.7 If, on the expiry of an offer made in accordance with article 15.5, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 15.8 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 15.5 shall be used to satisfy any requests for Excess Securities made pursuant to article 15.6(c). 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 Equity Shares held by each such applicant bears to the total number of such Equity 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 15.11, be offered to any other person(s) as the Directors may, with Shareholder Consent, determine, at the same price and on the same terms as the offer to the Shareholders.
- 15.9 If, after completion of the allotments referred to in article 15.7 and article 15.8, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to the holders (on the date of this offer) of the Ordinary Shares on a pari passu basis and 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 Securities are being, or are to be, offered to any other person. Such offer shall be made in accordance with article 15.6 and the provisions of article 15.7 and article 15.8 shall, with necessary modifications, apply to such offer.
- 15.10 If, after completion of the allotments referred to in articles article 15.7, article 15.8 and article 15.9, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to article 15.11 be offered to any other person(s) as the Directors may, with Shareholder Consent, determine, at the same price and on the same terms as the offer to the Shareholders.
- 15.11 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.

**16. Transfers of shares: general**

- 16.1 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.

- 16.2 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 16.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 16.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with Shareholder Consent to the contrary, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 16.4 Any transfer of a Share by way of sale which is required to be made under article 20, article 21, article 22 or article **Error! Reference source not found.** shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 16.5 The Directors shall, 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 the Shareholders' Agreement, 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 16.5, 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.
- 16.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by an Investor Director, require:
- (a) any holder (or the legal representatives of a deceased holder); or
  - (b) any person named as a transferee in a transfer lodged for registration; or
  - (c) such other person as the Directors or an Investor Director 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.
- 16.7 If any such information or evidence referred to in article 16.6 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 (including an Investor Director) within 15 Business Days of receipt of such written notice, then, unless otherwise directed in writing by Shareholder Consent:
- (a) the relevant Shares shall cease to confer on the holder of them any rights:

- (i) 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;
  - (ii) to receive dividends or other distributions (other than the amount to which they may be entitled pursuant to the application of article 11) otherwise attaching to those Shares; or
  - (iii) to participate in any future issue of Shares issued in respect of those Shares; and
- (b) 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 (with Shareholder Consent) reinstate the rights referred to in article 16.7(a) at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 16.7(b) on completion of such transfer.

16.8 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:

- (a) it does not contain a Minimum Transfer Condition; and
- (b) 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).

16.9 Any Transfer Notice (but not an Offer Notice (as defined in article 21.) or a Drag Along Notice (as defined in article 22.)) 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.

## **17. Permitted transfers of shares**

17.1 Any Shareholder who is an individual may transfer all or any of his or its Shares to a Permitted Transferee. Any Shareholder, who is a company may, at any time, transfer all or any of its Shares to a Permitted Transferee.

17.2 Subject to article 17.1, where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

- (a) the original Shareholder or Founder;

- (b) any Privileged Relation(s) of the original Shareholder or Founder;
- (c) subject to article 17.3, the trustee(s) of another Family Trust of which the original Shareholder or Founder is the Settlor; or
- (d) subject to article 17.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

17.3 Subject to article 17.1, a transfer of Shares may only be made to the trustee(s) of a Family Trust if the Founder Directors are satisfied:

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

17.4 If the Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Member of the Same Group as the Shareholder (or ceases to be a shareholder of the Shareholder), transfer the Shares held by it to:

- (a) the original Shareholder; or
- (b) a Member of the Same Group as the 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 17.4, 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 17.4.

17.5 If the Shareholder is an Investment Fund (or nominee of such person) and a Permitted Transfer has been made, the Permitted Transferee shall, within 15 of Business Days of ceasing to be a Member of the Same Fund Group as the Shareholder, transfer the Shares held by it to:

- (a) the Shareholder; or
- (b) a Member of the Same Fund Group as the 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 17.5, 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 17.5.

17.6 If the Founder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Founder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 15 Business Days of ceasing to be a Privileged Relation of the Founder (whether by reason of death, divorce or otherwise) either:

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Founder (or to any Permitted Transferee of the Founder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with article 18,

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 17.6. This article 17.6 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Founder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

17.7 Notwithstanding any other provision of this article 17, 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.

## **18. Pre-emption rights on the transfer of shares**

18.1 Except where the provisions of article 17, article 21, article 22 or article **Error! Reference source not found.** apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 18.

18.2 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:

- (a) subject to article 16.8(b), the number of Shares he wishes to transfer (**Sale Shares**);
- (b) the name of the proposed transferee, if any;
- (c) subject to article 20.5, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
- (d) subject to article 16.8(a), whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).

18.3 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 is less than the Proposed Sale Price the Seller may, within 10 Business Days of



receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with Shareholder Consent.

18.4 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.

18.5 As soon as practicable following the later of:

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

the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 18.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 18. 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.

18.6 If the Sale Shares are Ordinary Shares being sold pursuant to a Deemed Transfer Notice under article 20, the Company shall offer them to the holders of Ordinary Shares on the basis set out in article 18.7 to article 18.15 (inclusive).

18.7 The Directors shall offer the Sale Shares in the order of priority referred to in article 18.6 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 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

18.8 If:

- (a) 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 (acting with Shareholder Consent)). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- (b) not all Sale Shares are allocated following allocations in accordance with article 18.8(a), 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 18.8(a). The procedure set out in this article 18.8(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

- (c) at the end of the 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 18.9.

18.9 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 20 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

18.10 If:

- (a) 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 (acting with Shareholder Consent)). No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;
- (b) not all Initial Surplus Shares are allocated following allocations in accordance with article 18.10(a), 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 18.10(a). The procedure set out in this article 18.10(b) 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
- (c) 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 18.11, be offered to any other person in accordance with article 18.15.

18.11 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation made under article 18.8 to article 18.10 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- (b) if the total number of Sale Shares applied for under article 18.8 to article 18.10 (inclusive) is less than the number of Sale Shares, 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.

18.12 Where either:

- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
- (b) 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 18.8 to article 18.10 (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 20 Business Days, but not more than 45 Business Days, after the date of the Allocation Notice).

18.13 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.

18.14 If the Seller fails to comply with article 18.13:

- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:
  - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
  - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
  - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant 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.

- 18.15 Where a Transfer Notice lapses pursuant to article 18.11(b) or an Allocation Notice does not relate to all the Sale Shares, then, subject to article 18.16, the Seller may, at any time during the 20 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 18.15 shall continue to be subject to any Minimum Transfer Condition.
- 18.16 The Seller's right to transfer Shares under article 18.15 does not apply if the Directors reasonably consider that:
- (a) the transferee is a person (or a nominee for a person) whom an Investor Director determines to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
  - (b) 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
  - (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in article 18.16(b).

## **19. Valuation**

- 19.1 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 20 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.
- 19.2 The Fair Value shall be the price per Sale Share determined by the Valuers on the following bases and assumptions:
- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - (d) the Sale Shares are sold free of all encumbrances;

- (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
  - (f) to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 19.3 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the Shareholders may reasonably require.
- 19.4 To the extent not provided for by this article 19, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 19.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the Shareholders in the absence of manifest error or fraud.
- 19.6 Each Shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the Shareholders in the proportion which the number of shares held by each Shareholder in the Company bears to the total number of issued shares in the Company or in such other proportions as the Valuers shall direct.
- 20. Compulsory transfers**
- 20.1 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.
- 20.2 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.
- 20.3 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 (other than the Investor), 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 Founder, it shall first be permitted to transfer those Shares back to the Founder from whom it received its Shares or to any other Permitted Transferee of that Founder before being required to serve a Transfer Notice. This article 20.3 shall not apply to a Shareholder that is an Investor.

- 20.4 If an Employee becomes a Departing Employee (or if a Shareholder becomes a Departing Shareholder) a Transfer Notice shall, unless the Directors (with Shareholder Consent) otherwise direct in writing in respect of any particular Relevant Shares prior to or within 20 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 Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee or Shareholder becomes a Leaver shall automatically lapse.
- 20.5 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Transfer shall, where the Leaver is:
- (a) a Bad Leaver, be restricted to a maximum amount equal to the lower of the aggregate Issue Price and the Fair Value of such Sale Shares; and
  - (b) a Good Leaver, be the maximum amount equal to the higher of the aggregate Issue Price and the Fair Value of such Sale Shares.
- 20.6 Notwithstanding the provisions of article 20.5, the Board may (with Investor Consent), 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 20.5.
- 20.7 Forthwith upon a Transfer Notice being deemed to be served under article 20 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:
- (a) 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;
  - (b) to receive dividends or other distributions otherwise attaching to those Shares; or
  - (c) to participate in any future issue of Shares issued in respect of those Shares, and

the Directors may (with Shareholder Consent) reinstate the rights referred to in article 20.7 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 20 on completion of such transfer.

20.8 Any Leaver who is also a Good Leaver and whose Shares are acquired by the Company (instead of another Shareholder), shall be paid the Transfer Price on the date of completion of such transfer.

**21. Mandatory offer on change of control (Tag-along Rights)**

21.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 17, article 20 or article 25.2, but after the operation of the pre-emption procedure set out in article 18.), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 21. shall apply.

21.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder and, in respect of all Equity Shares held in treasury, the Company (each an **Offeree**) on the date of the Offer other than any holder(s) of Restricted Shares, to buy all of the Equity Shares held by such Offerees on the date of the Offer for a consideration in cash per Equity Share (the **Offer Price**) which is equal to the highest price per Equity Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Equity Shares in connection with the Proposed Transfer or any transaction in the 12 calendar months preceding the date of completion of the Proposed Transfer.

21.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 15 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:

- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer);
- (b) the Offer Price and any other terms and conditions of the Offer;
- (c) the Sale Date; and
- (d) the number of Equity Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

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

- (a) the making of an Offer in accordance with this article 21.; and
  - (b) the completion of the transfer of any Equity 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 21.4.

21.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 21. shall not be, subject to the pre-emption provisions of article 18..

## **22. Drag along**

22.1 If Shareholders holding sixty-five (65) per cent. or more of the Shares in issue receive an offer for all of the Shares in the capital of the Company from a bona fides purchaser on arm's-length (a Proposed Buyer) and the resulting consideration to be received by those Shareholders will be equal to or greater than the Fair Value (determined in accordance with article 19.2) for their Shares, the relevant Shareholders may (acting together and in their absolute discretion), decide to accept the offer (the **Selling Shareholders**) and if they wish to transfer all of their interest in Equity Shares (**Sellers' Shares**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Equity Shares on the date of the request, including the Company in respect of Equity Shares held in treasury, if any (**Called Shareholders**) to sell and transfer all their interest in Equity Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 22.

22.2 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:

- (a) that the Called Shareholders are required to transfer all their Equity Shares (**Called Shares**) pursuant to this article 22.;
- (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
- (c) the consideration payable for the Called Shares calculated in accordance with article 22.4;
- (d) the proposed date of completion of transfer of the Called Shares.

22.3 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 Shareholder have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 45 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.

22.4 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 11.



- 22.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 22..
- 22.6 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:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
  - (b) that date is less than 20 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 20 Business Days after the date of service of the Drag Along Notice.
- 22.7 Within 15 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 Equity Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Equity Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 20 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 22.4 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 22.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 22.4 in trust for the Called Shareholders without any obligation to pay interest.
- 22.8 To the extent that the Proposed Buyer has not, on the expiration of the 20 Business Day period, put the Company in funds to pay the amounts due pursuant to article 22.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Equity Shares and the Called Shareholders shall have no further rights or obligations under this article 22. in respect of their Equity Shares.
- 22.9 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 and attorney 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 22.
- 22.10 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, Equity 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 Equity Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 22. shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Equity 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 23.11 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 Equity Shares.

- 22.11 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 18..
- 22.12 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**

### **23. General meetings**

- 23.1 No business other than, subject to article 23.2, 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. A quorum shall mean at least one Investor and one Founder being present at such meeting.
- 23.2 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.

### **24. Voting**

- 24.1 Subject to any other provisions in these Articles concerning voting rights, each 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.
- 24.2 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.

24.3 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.

24.4 Model article 45(1) shall be amended by:

- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
- (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, 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.

## **25. Purchase of own shares**

25.1 Subject to the Act but without prejudice to any other provision of these Articles (including, without limitation, article 13.2(e)), the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

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

25.2 Subject to the remaining provisions of this article 26, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:

- (a) hold the Shares (or any of them) in treasury;
- (b) deal with any of the Shares, at any time, in accordance with section 727; or
- (c) cancel any of the Shares, at any time, in accordance with section 729 of the Act.

25.3 The provisions of articles 16.4 to 16.11 (inclusive) shall apply to a sale or transfer of Shares held in treasury pursuant to article 26.2(b) save that, for the purposes of this article 26.3:

- (a) reference in article 16 to an allotment shall include the sale or transfer of Shares; and
- (b) 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

**26. Company's Lien over Shares**

- 26.1 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 he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- 26.2 The Company's Lien over a share:
- (a) takes priority over any third party's interest in that Share; and
  - (b) 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.
- 26.3 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.

**27. Enforcement of the Company's Lien**

- 27.1 Subject to the provisions of this article 27., if:
- (a) a Lien Enforcement Notice has been given in respect of a Share; and
  - (b) 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.
- 27.2 A Lien Enforcement Notice:
- (a) 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;
  - (b) must specify the Share concerned;
  - (c) 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);
  - (d) must be addressed either to the holder of the Share or to a transmittee of that holder; and
  - (e) must state the Company's intention to sell the Share if the notice is not complied with.
- 27.3 Where Shares are sold under this article 27.:

- (a) 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
  - (b) 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.
- 27.4 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:
  - (a) 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
  - (b) 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 his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.
- 27.5 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:
  - (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - (b) 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**

### **28. Means of communication to be used**

- 28.1 Subject to article 28.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
  - (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - (b) 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
  - (c) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or

- (d) 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
- (e) if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
- (f) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
- (g) if deemed receipt under the previous paragraphs of this article 28.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt, and

a copy of any such notice shall be sent to such person (a **"Shareholder Agent"**), in respect of any particular Shareholder (the **"Relevant Shareholder"**), who has been identified by the Relevant Shareholder as its "Shareholder Agent" and notified this to the Company (in writing at its registered address together with all of the relevant contact details of the Shareholder Agent) at least 48 hours before the transmission of any notice. For the avoidance of doubt, each Shareholder agrees and undertakes to each other Shareholder and to the Company, that delivery of any copy notice to the Shareholder Agent pursuant to this Article 28 shall be deemed delivery of the relevant notice to the Relevant Shareholder and constitute good and valid discharge of the sender's obligations under this Article 28. Furthermore, each Shareholder agrees and undertakes to each other Shareholder and to the Company that any failure on the part of a Shareholder Agent to notify the Relevant Shareholder shall not in any way invalidate or prejudice the deemed delivery of such notice to the Relevant Shareholder.

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

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

28.3 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.

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

## 29. Indemnity and insurance

29.1 Subject to article 29.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer:
  - (i) in the actual or purported execution and/or discharge of his duties, or in relation thereto ; and
  - (ii) in relation to the Company's (or other Group Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),  
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
- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 29.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

29.2 This article 29. 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.

29.3 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.

29.4 In this article 29.:

- (a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and
- (b) **Relevant Officer** means any director or other officer or former director or other officer of any Group Company (including any company with is a trustee of an occupational

pension scheme (as defined by section 235(6) of the Act), 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.

**30. Data protection**

- 30.1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a **Recipient**) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.
- 30.2 The personal data that may be processed for such purposes under this article 30. shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
- (a) a Member of the Same Group as the Recipient (each a **Recipient Group Company**);
  - (b) employees, directors and professional advisers of that Recipient or any Recipient Group Company; and
  - (c) funds managed by any of the Recipient Group Companies.
- 30.3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.