

No. 09976001

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CORLIFE LIMITED

**(Adopted by Written Special Resolution
passed on 27th January 2022)**

MILLS & REEVE



INTRODUCTION

1 **Definitions and interpretation**

1.1 In these Articles, unless the context requires otherwise:

"Accountants" means the auditors of the company for the time being or, if the company has lawfully not appointed auditors, its accountants for the time being, or, if in either case such firm is unable or unwilling to act in any particular case, such independent firm of accountants jointly appointed by the directors and the Seller (as defined in article 18.2) or, in the absence of agreement between them on the identity of the accountants within 10 business days of one party serving details by written notice of a suggested firm of accountants 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 or any successor body (acting as an expert and not as an arbitrator);

"Articles" means the company's articles of association for the time being in force;

"associated company" means any subsidiary or holding company of the company or any other subsidiary of the company's holding company;

"Board" means the board of directors of the company from time to time acting by the resolution of a duly convened and quorate meeting or by unanimous decision in accordance with article 4 of these Articles;

"business day" means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

"CA 2006" means the Companies Act 2006;

"Companies Acts" means the Companies Acts (as defined in section 2 CA 2006) in so far as they apply to the company;

the **"company"** means CorLife Limited (company registration number 09976001);

"Conflict" has the meaning given in article 10.1;

"Controlling Interest" mean an interest in shares conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in the company;

"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);

"Family Trust" means a trust (whether arising under a settlement inter vivos or a testamentary disposition made by any person or on an intestacy) under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than a particular shareholder or deceased or former shareholder and his Privileged Relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the shareholder concerned or a Privileged Relation of such shareholder;

"Founder Director" means a Founder Shareholder who is also a director of the company;

"Founder Shareholders" means Dr Adam Henry Carey, Alisoun Hazel Carey and Dr Francis Wadsworth, and a **"Founder Shareholder"** shall mean any of them

"Founder Shares" means the Ordinary Shares held by the Founder Shareholders;

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

"Non-Founder Shares" means the Ordinary Shares held by the Non-Founder Shareholders;

"Non-Founder Shareholders" means those Shareholders who are not Founder Shareholders, and a **"Non-Founder Shareholder"** shall mean any of them;

"Ordinary Shares" means the ordinary shares of £0.001 each in the capital of the company;

"Permitted Transfer" means a transfer of shares authorised by Articles 18.1.1 to 18.1.4 (inclusive);

"Privileged Relation" means, in relation to a shareholder, his or her spouse or civil partner, widower or widow, any child or grandchild (including step and adopted children and their issue) and step and adopted children of the shareholder's children;

"Relevant Majority" means the holders of at least 50% in nominal value of the issued shares;

"relevant officer" means any director or other officer of the company or an associated company, but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

"Shareholder" means a holder of shares in the company from time to time; and

"Share Plan" means any scheme for the grant of HM Revenue & Customs approved or unapproved share options or Enterprise Management Incentive share options pursuant to Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 to employees, officers and/or consultants of the company or any subsidiary of the company established and as amended or superseded from time to time.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 have the same meanings in these Articles.
- 1.3 Headings in these Articles are for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.5.1 any subordinate legislation from time to time made under it; and
- 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 A reference in these Articles to a “subsidiary”, “holding company”, “undertaking”, “subsidiary undertaking” or “parent undertaking” shall be construed in accordance with section 1159 and section 1162 of CA 2006.
- 1.8 Any words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.9 The Model Articles apply to the company, except in so far as they are modified or excluded by these Articles.
- 1.10 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 42-47, 49, 52 and 53 of the Model Articles do not apply to the company.

2 Liability of members

- 2.1 The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

DIRECTORS

3 Directors to take decisions collectively

- 3.1 Article 7 of the Model Articles is amended by:
- 3.1.1 the insertion of the words “for the time being” at the end of article 7(2)(a); and
- 3.1.2 the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.

4 Unanimous decisions

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

5 Calling a directors' meeting

- 5.1 Any director may call a directors' meeting by giving not less than 5 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

6 Quorum for directors' meetings

- 6.1 Subject to Article 3.1 and to Article 6.2, the quorum for the transaction of business at a meeting of directors is any three eligible directors including at least one Founder Director.
- 6.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 10.1 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

7 Founder Director's right to appoint proxy

- 7.1 If any Founder Director is unable to participate in a meeting of the directors, he / she may appoint another Founder Director as his / her proxy to participate in that meeting and vote on his / her behalf on any decision of the directors which the appointing Founder Director is eligible to vote on, in addition to that other Founder Director's own vote (if the other Founder Director is also eligible to vote on the same decision).

8 Casting vote

- 8.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

9 Transactions or other arrangements with the company

- 9.1 Subject to the provisions of CA 2006 and provided he has declared the nature and extent of any interest of his (unless the circumstances in any of sections 177(5) and 177(6) or sections 182(5) and 182(6) CA 2006 apply, in which case no disclosure is required), a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company, notwithstanding his office:
- 9.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- 9.1.2 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;
- 9.1.3 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 promoted by the company or in which the company is otherwise (directly or indirectly) interested;
- 9.1.4 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 CA 2006)) derives from any such contract,

transaction or arrangement or from any such office or employment or from any interest in any such body corporate which he is permitted to hold or enter into by virtue of Articles 9.1.1, 9.1.2 or 9.1.3 and no such contract, 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 CA 2006 and

9.1.5 shall subject to Article 10.1, be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) and shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, on any matter referred to in Articles 9.1.1 to 9.1.3 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any such resolution his vote shall be counted.

9.2 For the purposes of this Article 9, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

9.3 Any disclosure required by Article 9.1 may be made at a meeting of the directors, by notice in writing or by general notice or otherwise in accordance with section 177 CA 2006.

10 Directors' conflicts of interest

10.1 For the purposes of section 175 CA 2006, the directors may authorise any matter proposed to them in accordance with these Articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the company (a "Conflict"). Any such authorisation will be effective only if:

10.1.1 any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and

10.1.2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The directors may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions they may expressly impose but such authorisation is otherwise given to the fullest extent permitted. The directors may vary or terminate any such authorisation at any time, but this will not affect anything done by the director in question prior to such variation or termination, in accordance with the terms of such authorisation.

For the purposes of these Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

10.2 A director shall be under no duty to the company with respect to any information which he obtains or has obtained otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a Conflict, this Article

applies only if the existence of that relationship has been approved by the directors pursuant to Article 10.1. In particular, the director shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 CA 2006 (inclusive) because he fails:

10.2.1 to disclose any such information to the board or to any director or other officer or employee of the company; and/or

10.2.2 to use or apply any such information in performing his duties as a director of the company.

10.3 Where the existence of a director's relationship with another person has been approved by the board pursuant to Article 10.1 and his relationship with that person gives rise to a Conflict, the director shall not be in breach of the general duties he owes to the company by virtue of sections 171 to 177 CA 2006 (inclusive) because he:

10.3.1 absents himself from meetings of the board at which any matter relating to the Conflict will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or

10.3.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the Conflict sent or supplied by the company and/or for such documents and information to be received and read by a professional adviser,

for so long as he reasonably believes such Conflict subsists.

10.4 The provisions of Articles 10.2 and 10.3 are without prejudice to any equitable principle or rule of law which may excuse the director from:

10.4.1 disclosing information, in circumstances where disclosure would otherwise be required under these Articles; or

10.4.2 attending meetings or discussions or receiving documents and information as referred to in Article 10.3, in circumstances where such attendance or receipt of such documents and information would otherwise be required under these Articles.

10.5 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 a general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

11 Records of decisions to be kept

11.1 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a permanent form, so that they may be read with the naked eyes.

12 Appointment of directors

- 12.1 Without prejudice to any other rights they may have, the holders for the time being of more than 50 per cent. in nominal value of all of the Ordinary Shares held by the Non-Founder Shareholders (taken together) as at the relevant time ("**Independent Majority**") shall have the right at any time to appoint either:
- 12.1.1 a non-executive director to the Board; or
 - 12.1.2 an observer, who shall be entitled to (a) receive notice of Board meetings and all other information in respect of such meetings that any other director would be entitled to receive (such notice and information to be received at the same time as the other directors receive it) and (b) attend, observe and speak (but not vote) at Board meetings, provided that any observer so appointed shall not be a director of the company and shall not be counted in the quorum required for any board meeting.
- 12.2 Any appointment pursuant to Article 12.1 shall be made by notice in writing delivered to the registered office of the company by the Independent Majority, who may in a similar manner remove any person so appointed and appoint any other person in his/her place. Any such appointment or removal shall take effect when notice is received by the company, or on such later date (if any) specified in the notice.
- 12.3 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 12.4 The company shall have no more than six directors at any time and from time to time.

13 Directors' expenses

- 13.1 Article 20 of the Model Articles is amended by:
- 13.1.1 the deletion of the word "may" and insertion of the word "must" in its place before the words "pay any reasonable expenses"; and
 - 13.1.2 the insertion of the words "and the secretary" before the words "properly incur".

14 Secretary

- 14.1 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

15 Directors' authority to allot shares

- 15.1 For so long as the company has only one class of shares in issue, the directors may exercise any power of the company to allot shares of that class or to grant rights to subscribe for or to convert any security into such shares.

16 Exclusion of statutory pre-emption rights

- 16.1 Pursuant to section 567 CA 2006, the provisions of section 561 CA 2006 (existing shareholders' right of pre-emption) and section 562 CA 2006 (communication of pre-emption offers to shareholders) shall not apply to an allotment of equity securities (as defined in section 560 CA 2006) made by the company.
- 16.2 Unless otherwise agreed by special resolution, if the company proposes to allot any equity securities (other than any equity securities, or rights to subscribe for equity securities, to be allotted, or granted, pursuant to any Share Plan), those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:
- 16.2.1 shall be in writing, shall be open for acceptance for a period of 10 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
- 16.2.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities ("**Excess Securities**") for which he wishes to subscribe.
- 16.3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 16.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 16.2. If there are insufficient equity securities to satisfy such requests, the equity securities shall be allotted to the applicants for Excess Securities pro rata to the number of shares held by such applicants immediately before the offer was made to shareholders in accordance with Article 16.2 (as nearly as possible without involving fractions or increasing the number of equity securities allotted to any shareholder beyond that applied for by him). After that allotment, any equity securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.
- 16.4 Subject to Articles 16.2 and 16.3 and to sections 550 or 551 of CA 2006, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 16.5 No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election with the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

17 Replacement share certificates

- 17.1 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" are deleted and replaced with the words "evidence and indemnity".

18 Share transfers – permitted transfers and transfer procedure

- 18.1 Subject to Article 18.12, no shareholder shall transfer any share or any interest in any share and the directors shall not register any transfer of any share except for:
- 18.1.1 any transfer by a shareholder to a Privileged Relation;
 - 18.1.2 any transfer by a shareholder to trustees to be held upon a Family Trust which he is the settlor;
 - 18.1.3 where any shares are held by trustees upon a Family Trust:
 - (i) on any change of trustees, any transfer to the new trustees of that Family Trust;
 - (ii) any transfer to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor;
 - 18.1.4 any transfer by a corporate shareholder to any holding company of it or to any wholly owned subsidiary of it or of such holding company;
 - 18.1.5 subject to Articles 19 and 20, any transfer made with the prior written consent of the Relevant Majority; or
 - 18.1.6 any transfer made in accordance with the provisions of this Article 18.
- 18.2 Every shareholder who wishes to transfer all or any of his shares or to dispose of any interest in them ("**Seller**") shall give notice in writing ("**Transfer Notice**") to the company, such notice to be accompanied by the relevant share certificate(s). A Transfer Notice may include more than one share and shall operate as a separate notice in respect of every share included in it. The Transfer Notice shall:
- 18.2.1 state the number of shares which the Seller desires to transfer or dispose of ("**Sale Shares**") and whether the Seller is willing to sell part of the Sale Shares or only the whole of them;
 - 18.2.2 specify the price per share in cash at which the Seller is prepared to sell the Sale Shares;
 - 18.2.3 appoint the company as the agent of the Seller for the sale of any of the Sale Shares and all rights in them at the Sale Price (as defined in Article 18.11); and
 - 18.2.4 give details of any person to whom the Seller wishes to transfer any of the Sale Shares in the event that no purchaser shall have been found pursuant to Articles 18.4 to 18.7.
- 18.3 The Seller may withdraw the Transfer Notice by notice in writing given to the company within 3 days after communication to him pursuant to Article 18.11 of the fair value of the Sale Shares as certified by the Accountants in accordance with Article 18.11. Save as set out before or as provided in Article 18.7, a Transfer Notice once given or deemed to be given shall be irrevocable.
- 18.4 Within 7 days of receiving a Transfer Notice or of a Transfer Notice being deemed to have been given or, if later, within 7 days after the Sale Price shall have been determined (the Seller not having exercised his right of withdrawal under Article 18.3

or such right having ceased to be exercisable (as the case may be)), the company shall offer the Sale Shares, giving details in writing of the number of the Sale Shares and the Sale Price, to all shareholders (other than the Seller) pro rata as nearly as may be in proportion to their respective shareholdings and inviting each shareholder to state in writing within 21 days from the date of the offer ("**Acceptance Period**") whether he is willing to purchase any of the Sale Shares at the Sale Price and, if so, the maximum number of shares that he is willing to purchase. The company shall also give details to the shareholders of the person, if any, to whom the Seller wishes to transfer the Sale Shares in the event that no purchaser for them is found pursuant to Articles 18.4 to 18.7. A shareholder wishing to accept the offer shall, before the expiry of the Acceptance Period, give notice in writing to the company specifying the number of shares that he wishes to purchase.

- 18.5 If the shareholders accepting the offer in relation to all the Sale Shares to which they are respectively entitled shall have also accepted (or otherwise stated their willingness to purchase) additional Sale Shares; with the result that purchasers have been found for all the Sale Shares, the shareholders concerned shall on expiry of the Acceptance Period be deemed to have accepted and offered to purchase such additional Sale Shares. If acceptances are received for more additional Sale Shares than the number available for further purchase such acceptances shall be scaled down pro-rata (without involving fractions of a share) in the proportions in which such shareholders have offered to purchase them).
- 18.6 Upon expiry of the Acceptance Period the company shall offer any remaining Sale Shares to the shareholders who have accepted the offer in relation to all the Sale Shares to which they are respectively entitled, and if more than one shareholder shall have accepted the offer, in proportion (without involving fractions of a share) to their respective shareholdings at that time (including any shares accepted pursuant to the provisions of this article). Any such further offer which has not been accepted within 14 days of the date upon which it is made ("**Further Acceptance Period**") shall be deemed to have been refused.
- 18.7 As soon as practicable after expiry of the Acceptance Period or the Further Acceptance Period, the company shall give notice to the Seller of the numbers of Sale Shares which shareholders are willing to purchase stating the name and address of each proposed purchaser and the number of shares agreed to be purchased by him. If the company has found shareholders willing to purchase some but not all of the Sale Shares, the Seller may within 7 days of the receipt of such notice from the directors give a counter-notice in writing to the directors withdrawing the Transfer Notice. If the company has found shareholders willing to purchase all the Sale Shares or the Seller does not give a counter-notice within such 7-day period, the Seller shall be bound, on receipt of the Sale Price per share, to transfer the Sale Shares (or those for which the company has found purchasers) to the purchasers notified by the company in accordance with this article. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the company when, against payment of the Sale Price for each share and any relevant stamp duty, the purchaser(s) shall be registered as the holder(s) of the transferred shares in the register of members and share certificate(s) in the names of such purchaser(s) and in respect of the transferred shares shall be delivered.
- 18.8 If the Seller, after having become bound to transfer any Sale Shares to a purchaser, makes default in so doing, the company shall authorise some person to execute any necessary transfer of the Sale Shares in favour of the purchaser and shall register the purchaser in the register of members as the holder of such of the Sale Shares as shall have been transferred to him. The company shall receive the purchase money

on behalf of the Seller but shall not be bound to earn or pay interest on it. The receipt of the company for the purchase money shall be a good discharge to any purchaser who shall not be bound to see to the application of it, and after the name of the purchaser has been entered in the register of members in accordance with this article the validity of the proceedings shall not be questioned by any person.

- 18.9 If by the end of the applicable acceptance periods specified above the company shall not have found purchasers for all the Sale Shares and the Seller shall not have given a counter-notice as referred to in Article 18.7, the Seller shall be at liberty to sell and transfer all or any of the Sale Shares for which no purchasers shall have been found at any time within the following 3 months to the person, if any, specified in the Transfer Notice as the person to whom the Seller wishes to transfer the Sale Shares or, if no such person is specified, any person or persons whatsoever pursuant to a bona fide sale at any price not being less than the Sale Price.
- 18.10 If a Seller shall sell any of the Sale Shares to any person under the provisions of Article 18.9, the directors may, before registering the transfer of such shares to such person, require the Seller and the purchaser to furnish the company with such information as they may consider necessary in order to be satisfied that such shares are being transferred pursuant to a bona fide sale for a consideration not being less than the Sale Price without any deduction, rebate or allowance whatsoever to the purchaser and that the transfer is not part of a larger transaction or one of a series of related transactions under which compensatory benefit is given by or on behalf of the Seller and if the directors are not so satisfied they shall refuse to register the transfer or instrument concerned.
- 18.11 For the purposes of this Article 18 the expression "**Sale Price**" shall mean the price per share (if any) specified in the Transfer Notice or (if no such price is so specified) the fair value per share as the Seller and the directors shall agree or failing agreement as the Accountants (acting as an expert and not as arbitrators) shall state in writing to be in their opinion the fair selling value of the Sale Shares on the open market having regard to the fair value of the business of the company as a going concern and on the basis of an arm's length transaction as between a willing seller and a willing purchaser but disregarding the fact that the Sale Shares may comprise only a minority holding in the company. The determination of the Accountants shall be final and binding on all concerned. The cost of obtaining the certificate of the Accountants shall be borne by the Seller. For this purpose the directors shall give the Accountants and the Accountants shall take account of, all information which a prudent prospective purchaser of the entire issued share capital of the company might reasonably require if such purchaser were proposing to purchase it from a willing seller by private treaty and at arm's length. The directors shall procure that a copy of the Accountant's certificate is sent to the Seller as soon as practicable after it is issued.
- 18.12 For the purpose of ensuring that a transfer of shares is in accordance with the provisions of this Article 18 and duly authorised under Article 18.1 or of ascertaining whether a Transfer Notice ought to have been given the directors may require any shareholder, the legal personal representatives of a deceased shareholder, the trustee in bankruptcy of a bankrupt shareholder or the liquidator of any corporate shareholder or any person named as transferee in any transfer lodged for registration to furnish to the company such information and evidence as the directors may think fit regarding any matter they consider relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after such request, or if any such information or evidence discloses that a Transfer Notice ought to be given in respect of any shares, the directors shall

refuse to register the transfer in question and shall be entitled to serve a Transfer Notice in respect of the shares concerned and the provisions of these Articles shall take effect accordingly.

- 18.13 Any Sale Shares sold pursuant to this Article 18 shall be transferred free from any claims, equities, liens and encumbrances and with all rights attached to them as at the date of service of the Transfer Notice, but without the benefit of any other warranties or representations whatsoever.

19 Drag along

- 19.1 If an offer or offers in writing are made by or on behalf of any purchaser acting in good faith ("**Offeror**") for the entire issued share capital of the Company ("**Qualifying Offer**") and the Relevant Majority wish to accept such offer (such persons being referred to in this Article 19 as "**Accepting Shareholders**"), the provisions of this Article 19 shall apply.

- 19.2 The Accepting Shareholders shall give written notice ("**Drag Along Notice**") to the remaining members ("**Other Shareholders**") of their wish to accept the Qualifying Offer and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer the shares registered in their names to the Offeror (or his nominee) free from all liens, charges and encumbrances and together with all rights attached to them and with full title guarantee on the date specified by the Accepting Shareholders. Each Other Shareholder who becomes bound to accept a Qualifying Offer pursuant to this Article 19.2 shall not be required to give any other representations, warranties, covenants, undertakings indemnities or other contractual commitments to the Offeror.

- 19.3 A Drag Along Notice may be given at any time before the completion of the transfer of the Accepting Shareholders' shares to the Offeror or its nominee and shall specify:

- 19.3.1 the identity of the Offeror (and, if relevant, any nominee to whom it directs that shares are to be transferred);
- 19.3.2 the amount and form of consideration for which the shares are to be transferred (determined in accordance with Article 19.4);
- 19.3.3 the proposed place, date and time of transfer;
- 19.3.4 an undertaking by the Offeror that neither it nor any persons acting in concert with it (as defined in the City Code on Takeovers and Mergers) has entered into or agreed (nor will it/they enter into or agree) more favourable terms as to consideration with any other Shareholder; and
- 19.3.5 to the extent not set out in the accompanying documents, any other terms and conditions on which the Offeror is proposing to effect the Qualifying Offer,

and shall be accompanied by all documents required to be executed by any Other Shareholder to give effect to the transfer.

- 19.4 The amount of consideration to be paid by the Offeror or its nominee pursuant to the Qualifying Offer shall be the same for each share in the company. The consideration shall be paid in cash or in such other form of non-cash consideration as shall be determined by the Offeror, provided that the form of any non-cash consideration and

the proportion of cash to (any) non-cash consideration shall be the same for each Shareholder (although the Offeror may also offer the Other Shareholders another form of consideration and/or a different proportion of cash to non-cash consideration which they may elect to receive as an alternative, in whole or in part, to the consideration otherwise payable to them under the Qualifying Offer).

- 19.5 Completion of the sale and purchase of the shares which are subject to the Drag Along Notice shall take place on the same date and at the same time and place as the sale of the Accepting Shareholders' shares to the Offeror or its nominee ("**Principal Completion**"), provided that the Accepting Shareholders may specify more than one time/date in the Drag Along Notice if necessary for ensuring that any rights to acquire shares become exercisable (so long as any such time/date is not more than 10 business days after Principal Completion).
- 19.6 On or before the scheduled completion date each Other Shareholder shall deliver to the company:
- 19.6.1 a duly executed transfer of the shares in the company registered in its name in favour of the Offeror or its nominee (as applicable); and
- 19.6.2 the relevant share certificate(s) in respect of its shares (or an indemnity in a form reasonably satisfactory to the directors for any lost certificate(s)).
- 19.7 If, at the time specified for the scheduled completion date, any Other Shareholder is in default of its obligations under Article 19.6, such Other Shareholder shall be deemed to have irrevocably appointed any director to be its agent to execute any necessary transfer(s) of the shares held by such Other Shareholder and indemnities for lost share certificates (if appropriate) on such Other Shareholder's behalf in favour of the Offeror or its nominee (as applicable) and, where the Qualifying Offer provides for any election to be made between any forms of consideration, to make the relevant election on behalf of that Other Shareholder, all against receipt by the company (on trust for such Other Shareholder) of the consideration (where relevant, in cleared funds) payable for the shares transferred. The directors shall then enter the name of the Offeror in the Register of Members as the holder of such shares.
- 19.8 References in this article to "**Other Shareholders**" include those persons who acquire shares pursuant to the exercise of options or other rights held at the date of acceptance of the Qualifying Offer by the Accepting Shareholders. The obligation on members to accept the Qualifying Offer in Article 19.1 shall extend to those shares acquired pursuant to such options or other rights.
- 19.9 For the avoidance of doubt, in the event of a Qualifying Offer being accepted by the Accepting Shareholders under Article 19.1 the pre-emption rights contained in Articles 18.2 to 18.11 (inclusive) shall not apply.

20 **Tag along**

- 20.1 This Article 20 shall not apply to any sale of shares in the Company in respect of which a Drag Along Notice has already been served.
- 20.2 Save for any permitted transfer of shares under articles 18.1.1 to 18.1.4, no sale or transfer ("**Proposed Sale**") of the legal or beneficial interest in any shares in the company may be made or validly registered if as a result of such sale or transfer and registration thereof either:

20.2.1 a Controlling Interest would be obtained in the company by any person or group of persons acting in concert (for the purposes of this Article 20, as defined in the City Code on Takeovers and Mergers); or

20.2.2 where any person or group of persons acting in concert already owns/own a Controlling Interest, such Controlling Interest is increased by a further 1 per cent.,

unless the proposed transferee or transferees and any persons acting in concert with them ("**Tag Buyer**") is/are independent third party arms' length bona fide purchasers acting in good faith and has or have offered, either themselves or through their nominees, in accordance with this Article 20, to purchase the entire issued and to be issued shares in the company at the Specified Price (as calculated below) ("**Tag Offer**").

20.3 Notwithstanding Article 20.2, save for any permitted transfer of shares under articles 18.1.1 to 18.1.4, no Proposed Sale of any Founder Shares may be made or validly registered unless the Tag Buyer is/are independent third party arms' length bona fide purchasers acting in good faith and has or have offered, either themselves or through their nominees, in accordance with this Article 20, to purchase from each Non-Founder Shareholder such proportion of shares (issued and to be issued) in the company currently held by each Non-Founder Shareholder as is equal to the proportion which the shares in the company that the relevant Founder Shareholder(s) is/are proposing to transfer to the Tag Buyer bears to its/their total holding of shares in the company (issued and to be issued) at that time, at the Specified Price (as calculated below) ("**Partial Tag Offer**").

20.4 A Tag Offer must be made by notice in writing setting out:

20.4.1 the identity of the Tag Buyer and any person(s) acting in concert with it/them;

20.4.2 in the case of a Partial Tag Offer, the number of shares in the company that the relevant Founder Shareholder(s) is/are proposing to transfer to the Tag Buyer and the proportion that this bears to its/their total holding of shares in the company at that time, together with the number of shares in the company that the Tag Buyer is therefore offering to purchase from each Non-Founder Shareholders;

20.4.3 the Specified Price (calculated as set out below), the proportion payable in cash and the nature, amount and value of any non-cash consideration forming part of the Specified Price;

20.4.4 the proposed place, date and time of transfer;

20.4.5 a time (being not less than 15 business days) within which the Tag Offer or Partial Tag Offer (as applicable), if not accepted, will be deemed to be declined;

20.4.6 an undertaking by the Tag Buyer that it/they has/have not entered into or agreed (nor will it/they enter into or agree) more favourable terms as to consideration with any other Shareholder; and

20.4.7 to the extent not set out in the accompanying documents, any other terms and conditions on which the Tag Buyer is proposing to effect the

Proposed Sale and the purchase of any shares acquired as a result of acceptances of the Tag Offer or Partial Tag Offer (as applicable),

and shall be accompanied by all documents required to be executed by any Shareholder accepting the Tag Offer or Partial Tag Offer (as applicable).

20.5 If any part of the Specified Price is to be paid except by cash then the Relevant Majority may, at their option, elect to take a price per share of such cash sum as may be agreed by them and the Tag Buyer having regard to the transaction as a whole.

20.6 In this Article the "**Specified Price**" means:

20.6.1 the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the Tag Buyer or his or their nominees for the shares (a) being acquired pursuant to the Proposed Sale and (b) where relevant, any other shares in the company acquired to secure the relevant Controlling Interest), plus

20.6.2 the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable, plus all arrears and accruals of the dividends on such shares calculated down to the date of sale or transfer.

In the event of disagreement the calculation of the Specified Price shall be referred to the Accountants for determination whose decision shall be final and binding. If the Accountants reasonably consider that the proposed transfer is not bona fide arms' length and representing a reasonable market value for the shares the Specified Price shall be an amount determined by the Accountants as being a fair value for such shares in accordance (mutatis mutandis) with the provisions of Article 18.11.

20.7 The amount and form of consideration and the proportion of cash and/or securities which the Tag Buyer shall offer for each share which is the subject of the Tag Offer or Partial Tag Offer (as the case may be) shall be the same as that offered and to be paid for each of the shares being transferred to the Tag Buyer pursuant to the Proposed Sale.

20.8 Each Shareholder who accepts the Tag Offer or Partial Tag Offer (as the case may be) within the offer period (for the purposes of this Article 20 an "**Accepting Shareholder**") shall, on completion, transfer the legal and beneficial title to all of his shares to the Tag Buyer free from all liens, charges and encumbrances and together with all rights attaching to them and with full title guarantee. Each Accepting Shareholder shall not be required to give any other representations, warranties, covenants, undertakings, indemnities or other contractual commitments to the Tag Buyer.

20.9 Completion of the sale and purchase of any shares in respect of which the Tag Offer or Partial Tag Offer (as the case may be) has been accepted shall be conditional upon, and shall take place on the same date and at the same time and place as, the completion of the Proposed Sale, save that if any Accepting Shareholder fails to comply with his obligations under Article 20.8 on or before the completion of the Proposed Sale:

- 20.9.1 the completion of the Proposed Sale may be made without the completion of the sale and purchase of that Accepting Shareholder's shares (provided that it shall be on no more favourable terms and conditions to the Proposed Sellers than those stated in the original Tag Offer or Partial Tag Offer, as the case may be); and
- 20.9.2 the Tag Buyer shall not be under any further obligation to purchase that Accepting Shareholder's shares.
- 20.10 If some or all of the Shareholders who receive the Tag Offer or Partial Tag Offer (as the case may be) do not accept it within the offer period, the completion of the Proposed Sale may be made within three months of the end of that period (provided that it shall be on no more favourable terms and conditions than those stated in the original Tag Offer or Partial Tag Offer, as the case may be).
- 20.11 For the avoidance of doubt, the provisions of Articles 18.2 to 18.11 shall not apply to any transfer of shares made in accordance with this Article 20.

21 Transmission of shares

- 21.1 Article 27(3) of the Model Articles is amended by the insertion of the words ", subject to article 12," after the word "But".

22 Transmittees bound by prior notices

- 22.1 Article 29 of the Model Articles is 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".

23 Payment of dividends and other distributions

- 23.1 Articles 31(a) to (c) (inclusive) of the Model Articles are amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles is amended by the deletion of the words "either" and "or by such other means as the directors decide".

ADMINISTRATIVE ARRANGEMENTS

24 Service of notices and other documents

- 24.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 24.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 24.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

- 24.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 24.1.4 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.

For the purposes of this article, no account shall be taken of any part of a day that is not a business day.

- 24.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was addressed to an address permitted for the purpose by CA 2006.

25 Indemnity

- 25.1 Subject to the provisions of, and so far as may be consistent with, the Companies Acts and any other provision of law, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the company shall indemnify every relevant officer out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties and/or the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office, including (without prejudice to the generality of the foregoing) any liability incurred by him in relation to any proceedings (whether civil or criminal) or any regulatory investigation or action which relate to anything done or omitted or alleged to have been done or omitted by him as a relevant officer provided that, in the case of any director, any such indemnity shall not apply to any liability of that director:

- 25.1.1 to the company or to any of its associated companies;

- 25.1.2 to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or

- 25.1.3 incurred:

- (i) in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the company, or any of its associated companies, in which judgment is given against him; or

- (ii) in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief,

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234(5) CA 2006.

- 25.2 Every director shall be entitled to have funds provided to him by the company to meet expenditure incurred or to be incurred in connection with any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a director, provided that he will be obliged to repay such amounts no later than:

- 25.2.1 in the event he is convicted in proceedings, the date when the conviction becomes final;
- 25.2.2 in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or
- 25.2.3 in the event of the court refusing to grant him relief on any application under any statute for relief from liability, the date when refusal becomes final

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234(5) CA 2006.

26 Insurance

- 26.1 The directors shall purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 26.2 In this article a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer’s duties or powers in relation to the company, any associated company or any employees’ share scheme of the company or associated company.