Company number 10272838

THE COMPANIES ACT 2006

ARTICLES OF ASSOCIATION

OF

THE GOOD BOX CO LABS LTD

Incorporated 12 July 2016

Adopted on [●]

CONTENTS

Company number: 10272838

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

THE GOOD BOX CO LABS LTD

(the Company)

ARTICLES OF ASSOCIATION

1 PRELIMINARY

1.1 The articles contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (the **Model Articles**) shall apply to the Company except to the extent that they are excluded or varied by these articles and the Model Articles (save as so excluded or varied) and these articles shall be the regulations of the Company.

1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

1.3 In these Articles:

1.3.1 article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;

1.3.2 words denoting the singular include the plural and *vice versa* and reference to one gender includes the other gender and neuter and *vice versa*;

1.3.3 reference to **issued Shares** of any class shall exclude any Shares of that class held as Treasury Shares from time to time, unless stated otherwise; and

1.3.4 reference to the **holders** of Shares or a class of Share shall exclude the Company holding Treasury Shares from time to time, unless stated otherwise.

2 INTERPRETATION

2.1 In these articles the following expressions have the following meanings:

Accepting Shareholder has the meaning given in Article 27.5;

Act means the Companies Act 2006, including any statutory modification or re-enactment of such act for the time being in force;

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 from time to time);

Allocation Notice has the meaning given in Article 24.8.2;

Applicant has the meaning given in Article 24.8.2;

Appointor has the meaning given in Article 14.1;

Asset Sale means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);

Associate in relation to any person means:

(a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);

(b) any Member of the same Group; and

(c) any Member of the same Fund Group;

Associated company has the meaning given to such expression by section 256 of the Act;

Authenticated in respect of documents sent to the Company has the meaning given in section 1146 of the Act;

Available Profits means profits available for distribution within the meaning of part 23 of the Act;

Board means the group of Directors and Observers of the Company as appointed from time to time.

Bonus Issue or **Reorganisation** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves or any consolidation or sub-division or any repurchase or redemption of shares or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company in each case other than shares issued as a result of the events set out in Article 21.5;

Business Day means any day (other than a Saturday or Sunday) on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London;

Called Shareholder has the meaning given in Article 28.1;

Called Shares has the meaning given in Article 28.2.1;

Civil Partner means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;

Company means Good Box Co. Labs Ltd (company number 10272838);

Company's Lien has the meaning given in Article 41.1;

Competitor means any person offering materially similar services to the Company (where "materially similar" shall be finally determined at the Board's sole discretion);

Conflict Situation means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, including (without limitation) any such situation or matter which relates to the exploitation of property, information or opportunity (irrespective of whether the Company could take advantage of the property, information or opportunity);

Conflicted Person means any person whose own interests are in material conflict with those of the Company (where "material conflict" shall be finally determined at the Board's sole discretion);

Controlling Interest means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010;

CTA 2010 means the Corporation Tax Act 2010;

Date of Adoption means the date on which these Articles were adopted;

Director(s) means a director or directors of the Company from time to time;

Drag Along Notice has the meaning given in Article 28.2;

Drag Along Option has the meaning given in Article 28.1;

Drag Completion Date has the meaning given in Article 28.6;

Drag Consideration has the meaning given in Article 28.4;

Drag Documents has the meaning given in Article 28.6;

Drag Purchaser has the meaning given in Article 28.1;

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 means an individual who is employed by or who provides consultancy services to, the Company or any member of the Group;

Encumbrance means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

Equity Securities has the meaning given in sections 560(1) to (3) inclusive of the Act and for the avoidance of doubt an allotment of Equity Securities includes a transfer of shares which immediately before such transfer were held by the Company as Treasury Shares;

Executed means any mode of execution;

Expert Valuer has the meaning given in Article 25.1.1;

Fair Value is as determined in accordance with Article 25;

Family Trusts means as regards any particular individual member or deceased or former individual member, trusts (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 individual and/or Privileged Relations of that individual; 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 such person or any voting or other rights attaching thereto are exercisable by or as directed by 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;

FCA means the Financial Conduct Authority;

Financial Year has the meaning set out in section 390 of the Act;

Fund Manager means a person whose principal business is to make, manage or advise upon investments in securities;

Group means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **Group Company** shall be construed accordingly;

Holding Company means a newly formed holding company, pursuant to which the membership, *pro rata* shareholdings and classes of shares comprised in such holding company matches that of the Company (excluding Treasury Shares) immediately prior to the transfer of the issued share capital of the Company to such holding company;

Lien Enforcement Notice has the meaning given in Article 41.3.1;

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

(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 or advised by that Fund Manager;

(c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager; or

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

Member of the same Group means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

Minimum Transfer Condition has the meaning given in Article 24.2.4;

New Shareholder has the meaning given in Article 28.11;

New Securities means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 21.5) excluding for the avoidance of doubt any Treasury Shares transferred by the Company after the Date of Adoption;

NGI Systems means NGI Systems & Solutions Limited, company number 9070535;

the Office means the registered office of the Company;

Ordinary Shares means the ordinary shares of £0.005 each in the capital of the Company from time to time;

Observer means an individual who is permitted to attend and participate in meetings of the board of directors and to receive and access all information provided or accessible to members of the board of directors (including minutes of Board meetings), but who is not permitted to formally vote on matters submitted for a vote.

Permitted Transfer means a transfer of Shares in accordance with Article 23;

Permitted Transferee means any person who is not:

(a) a Competitor; or

(b) a Conflicted Person;

Priority Rights means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 24.6;

Privileged Relation in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);

Proposed Purchaser means a proposed purchaser who at the relevant time has made an offer on arm's length terms;

Proposed Sale Date has the meaning given in Article 27.3;

Proposed Sale Notice has the meaning given in Article 27.3;

Proposed Seller means any person proposing to transfer any shares in the capital of the Company;

Proposed Transfer has the meaning given in Article 27.3;

Qualifying Company means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);

Regulated Activities means any activities, acts or other things undertaken by the Company or any of its Directors which requires approval from the FCA including, for the avoidance of doubt, any variation to the Board;

Sale Agreement has the meaning given in Article 28.2.5;

Sale Shares has the meaning given in Article 24.2.1;

Secretary means the secretary of the Company or any director or other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

Seller has the meaning given in Article 24.2;

Sellers' Shares has the meaning given in Article 28.1;

Selling Shareholders has the meaning given in Article 28.1;

Shares means any shares in the capital of the Company from time to time and **share** shall be construed accordingly;

Shareholder means the holder of shares from time to time;

Subsidiary, **Subsidiary Undertaking** and **Parent Undertaking** have the respective meanings set out in sections 1159 and 1162 of the Act; and

Supplemental Consideration has the meaning given in Article 27.7.1;

Tag-Along Offer has the meaning set out in Article 27.2;

Tag-Along Offer Period has the meaning set out in Article 27.3;

Transfer Notice shall have the meaning given in Article 24.2;

Transfer Price shall have the meaning given in Article 24.2;

Treasury Shares means shares in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act; and

Trustees in relation to a Shareholder means the trustee or the trustees of a Family Trust.

2.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Act or the Model Articles shall have the same meanings in these Articles, but excluding any statutory modification not in force when these Articles are adopted. Headings are for convenience only and shall not affect construction.

3 SHARE CAPITAL

3.1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.

3.2 Subject to the approval of the Board and the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.

3.3 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "*that the shares are fully paid; and*" with the words "*the amount paid up on them; and*".

3.4 In article 25(2) of the Model Articles, the words "*payment of a reasonable fee as the directors decide*" in paragraph (c) shall be deleted and replaced by the words "*payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine*".

3.5 For the avoidance of doubt, the Company shall not exercise any right in respect of any Treasury Shares, including without limitation any right to:

3.5.1 receive notice of or to attend or vote at any general meeting of the Company;

3.5.2 receive or vote on any proposed written resolution; and

3.5.3 receive a dividend or other distribution,

save as otherwise permitted by section 726(4) of the Act.

4 DIVIDENDS

4.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 3.

4.2 Any Available Profits which the Board may determine to distribute in respect of any Financial Year; will be distributed among the holders of the Equity Securities (*pari passu* as if the Equity Securities constituted one class of shares) *pro rata* to their respective holdings of Equity Securities.

4.3 Subject to the Act and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period.

4.4 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.

4.5 If there are nil paid or partly paid share(s), any holder of such share(s) shall only be entitled, in case of any dividend, to be paid an amount equal to the amount of the dividend multiplied by the percentage of the amount that is paid up (if any) on such share(s) during any portion or portions of the period in respect of which a dividend is paid.

4.6 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any sums unpaid on existing Shares held by the persons entitled to such capitalised sum.

4.7 If:

4.7.1 a Share is subject to the Company's Lien; and

4.7.2 the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company by the holder of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice. Money so deducted shall be used to pay any of the sums payable in respect of that Share and/or used to discharge any other indebtedness owing from the holder of that Share to the Company (as the Board may decide). The Company shall notify the distribution recipient in writing of:

(a) the fact and sum of any such deduction;

(b) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and

(c) how the money deducted has been applied.

4.8 Article 31(1) of the Model Articles shall be amended by:

4.8.1 the replacement of the words "*either in writing or as the directors may otherwise decide*" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "*in writing*"; and

4.8.2 the replacement of the words "*either in writing or by such other means as the directors decide*" from the end of paragraph (d) of that article 31(1) with the words "*in writing*".

5 COMMITTEES

Where a provision of these Articles refers to the exercise of power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of power, authority or discretion by the committee. Article 7 of the Model Articles shall be modified accordingly.

6 CALLING A DIRECTORS' MEETING

Notice of every meeting of the directors shall be given to each director and his alternate, including directors and alternate directors who may for the time being be absent from the United Kingdom and have given the Company an address within the United Kingdom for service. Article 9.3 of the Model Articles shall be modified accordingly.

7 PARTICIPATION IN DIRECTORS' MEETINGS

Article 10.1 of the Model Articles shall be amended by substituting for the words: "*…directors participate in a directors' meeting, or part of a directors' meeting…*" the following words:

> "*…directors (including alternate directors) participate in a directors' meeting or a meeting of a committee of the directors, or a part of any such meeting…*"

8 QUORUM FOR DIRECTORS' MEETINGS

8.1 Article 11.2 of the Model Articles shall be amended by the addition of the following words at the end of that Article: "*If and for so long as there is a sole director, he or she may exercise all the powers and authorities vested in the directors by these Articles and accordingly the quorum for the transaction of business in these circumstances shall be one*".

8.2 Article 11.3 of the Model Articles shall be amended by the addition of the words "*Subject to Article 6.1...*" at the start of such Article.

9 DIRECTORS' CONFLICTS OF INTEREST

9.1 Subject to the provisions of the Act and these Articles, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director notwithstanding his office:

9.1.1 may, subject to the prior approval of the Board (exclusive of such interested director's vote):

(a) be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

(b) be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

(c) act for any firm or company of which he is a member or director may act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

9.1.2 shall not by reason of his office be accountable to the Company for any benefit which: (i) has been approved by the Board (exclusive of such interested director's vote); and (ii) he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

9.1.3 shall not be entitled to vote on any resolution, but shall be counted in the quorum at, and permitted to attend, any meeting of the directors of the Company:

(a) on any matter referred to in any of articles 9.1.1 to 9.1.2 (inclusive); or

(b) on any other resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever.

9.2 Subject to article 9.3, if a question arises at a meeting of the directors or of a committee of the directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair whose ruling in relation to any director other than the chair is to be final and conclusive.

9.3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

9.4 Subject to article 9.6, the directors are empowered for the purposes of section 175 of the Act to authorise any conflict situation that may arise and to amend or vary any such authorisation so given. Any such authorisation, amendment or revocation shall be given by resolution of the directors made in accordance with these Articles and, in the case of such authorisation, section 175 of the Act. The directors may give any such authorisation subject to such terms as they shall consider appropriate and reasonable in the circumstances.

9.5 Any authorisation of a conflict situation by the directors or shareholders shall, subject to any express terms of such authorisation to the contrary, be automatically deemed to extend to any actual or possible conflict situation which may reasonably be expected to arise out of the conflict situation so authorised.

9.6 For the purposes of any meeting (or part of any meeting) held pursuant to article 9.4 to authorise a conflict situation, if all the directors are conflicted such that there are no Eligible Directors and accordingly the quorum requirements for such meeting (or part of a meeting) are not met, then for the purposes of section 175 of the Act such conflict situation shall not be considered by the directors and shall instead be considered by the shareholders who shall have the power to authorise by resolution such conflict situation subject to such terms as they shall consider appropriate and reasonable in the circumstances and to amend or vary any such authorisation so given.

9.7 For the purposes of any meeting (or part of any meeting) held pursuant to article 9.4 to authorise a conflict situation, 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.

9.8 Authorisation, with no conditions attaching to it, is given by the shareholders of the Company for the time being on the terms of these Articles to each director in respect of any conflict situation that exists as at the date of adoption of these Articles or that subsequently arises solely by virtue of the relevant director being or having been a party to an agreement, arrangement or understanding or circumstance under which he is or may become an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or a direct or indirect investor in/and or otherwise commercially involved with or economically interested in any company which is a member of the same group (as that term is defined in section 1261 of the Act) as the Company time to time or which is associated with any company which is a member of the same group as the Company. Any such director so authorised shall be entitled from time to time to disclose to any such company such information concerning the business and affairs of the Company as he shall at his discretion see fit.

9.9 Provided that such conflict situation has been authorised by the Board or shareholders in accordance with this article 9 (and subject to any express terms of such authorisation to the contrary), any director the subject of a conflict situation shall:

9.9.1 be entitled to receive notice (including any relevant Board papers) of, attend, count in the quorum towards and vote at Board meetings relating in any way to, and deal generally with, matters concerning, connected with or arising from the conflict situation concerned;

9.9.2 be entitled to (but not be obliged to) excuse himself from reviewing any relevant Board papers and/or absent himself from the whole or any part of any Board meeting relating in any way to matters concerning, connected with or arising from the conflict situation;

9.9.3 be entitled to keep confidential and not disclose to the Company (or use for its benefit) any information which comes into his possession as a result of such conflict situation where such information is confidential as regards any third party; and

9.9.4 not be liable to account to the Company for any benefit he may derive as a result of or arising in connection with such conflict situation,

and anything done (or omitted to be done) by such director in accordance with this article 9.9 (or otherwise in accordance with the terms of such conflict authorisation) will not constitute a breach by him of his duties under sections 171 to 177 of the Act.

9.10 Article 14 of the Model Articles shall not apply to the Company.

10 RECORDS OF DECISIONS TO BE KEPT

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.

11 BORROWING POWERS

The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 549 of the Act to grant any mortgage, charge or standard security over its undertaking, property, and uncalled capital, or any part of its undertaking, property and uncalled capital, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

12 NUMBER OF DIRECTORS AND OBSERVERS

The number of Directors shall not be more than five. The number of Observers shall not be more than three.

13 APPOINTMENT OF DIRECTORS AND OBSERVERS

13.1 The Shareholders shall, by ordinary resolution, appoint persons from time to time to serve as Directors or Observers. Two of the appointed Directors shall satisfy the following requirements:

13.1.1 a Technology Director, with CTO level experience of having built products operated at scale, led teams in excess of 20 people and managed budgets and vendors; and

13.1.2 a Regulatory and Compliance Director, with experience working with financial regulators in a senior compliance role,

13.2 The Shareholders shall, by ordinary resolution, be entitled to remove any Director or Observer so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place.

13.3 NGI Systems for so long as it and its Permitted Transferees holds not less than three per cent of the Equity Securities in issue shall be entitled to appoint one Observer. NGI Systems shall be entitled to remove their nominated Observer so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in their place.

13.4 An appointment or removal of a Director or Observer under either Article 13.1, 13.3 or 13.3 shall take effect at and from the time when the relevant written notice is received by the Company or produced to a meeting of the directors of the Company.

13.5 Any Director may be appointed to the Company notwithstanding that approval and authorisation from the FCA has not been obtained at the time of their appointment (a **Pending Approval Director**). Until such time as a Pending Approval Director is approved and authorised by the FCA, they shall not be an Eligible Director for the purposes of taking actions, making decisions, and voting on resolutions that may affect or influence any Regulated Activities and all actions, decisions and voting on resolutions that relate to the Regulated Activities shall be taken only by the remaining Eligible Directors.

13.6 The Company shall use best endeavours to seek, obtain and maintain all necessary approvals for each Director to carry out Regulated Activities.

13.7 Article 17 of the Model Articles shall not apply to these Articles.

14 ALTERNATE DIRECTORS

14.1 Any director (the **appointor**) may appoint as an alternate any other director or any other person approved by resolution of the directors, to:

14.1.1 exercise that director's powers; and

14.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

14.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

14.3 The notice must:

14.3.1 identify the proposed alternate; and

14.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

14.4 An alternate director has the same rights, in relation to any directors' meeting or any decision of the directors, as the alternate's appointor.

14.5 Except as these Articles specify otherwise, alternate directors:

14.5.1 are deemed for all purposes to be directors;

14.5.2 are liable for their own acts and omissions;

14.5.3 are subject to the same restrictions as their appointors; and

14.5.4 are not deemed to be agents of their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of meetings of committees of directors of which his appointor is a member.

14.6 A person who is an alternate director but not a director:

14.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating); and

14.6.2 may participate in a unanimous decision of the directors (but only if his appointor is an Eligible Director in relation to that decision, and does not himself participate).

14.7 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an Eligible Director in relation to that decision).

14.8 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

14.9 An alternate director's appointment as an alternate terminates:

14.9.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

14.9.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director; or

14.9.3 when the alternate's appointor's appointment as a director ceases for whatever reason.

15 DIRECTORS' EXPENSES

Article 20 of the Model Articles shall be amended by the insertion of the words "*, alternate directors and the secretary*" before the words "*properly incur*".

16 DIRECTORS' APPOINTMENTS

Subject to the provisions of the Act, the directors may appoint one or more of their number to the post of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

17 GRATUITIES AND PENSIONS

Subject to the Act, the directors may give and provide pensions, annuities, gratuities or any other benefits to or for past or present directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in section 1260 of the Act) of the Company and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of such powers.

18 CHANGE OF NAME

Subject to the Act, the directors may resolve to change the name of the Company from time to time without the need for a shareholder resolution.

19 SHARE CAPITAL

19.1 Save as may be provided by Article 36 of the Model Articles all shares which the directors propose to issue shall first be offered to the shareholders in proportion to the number of the existing shares held by them respectively and at the same price unless the Company shall by special resolution otherwise direct. Each such offer shall be made by notice specifying the total number of shares being offered to the shareholders as a whole, the proportionate entitlement of the shareholder to whom the offer is made and the price per share and shall require each shareholder to state in writing within a period (not being less than fourteen days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said shares up to his proportionate entitlement. An offer, if not accepted within the period specified as regards any shares, will be deemed to be declined as regards those shares. After the expiration of such period, those shares so deemed to be declined shall be offered in the same manner as set out above to the persons who have, within the specified period, accepted all the shares offered to them; such further offer shall be made in the same terms and in the same manner and limited by the same period as the original offer. Any shares not accepted pursuant to such offer or further offer as referred to in this article 19.1 or not capable of being offered pursuant to that offer or further offer except by way of fractions shall not be issued. Any shares released from the provisions of this article by any special resolution referred to in this article shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms and in such manner as they think fit. No share shall be issued at a discount or otherwise in breach of the provisions of these Articles or of the Act.

19.2 In accordance with section 567 of the Act, sections 561 and 562 (inclusive) of the Act shall not apply to the Company.

19.3 Subject to compliance with all relevant provisions of the Act, the Company may purchase its own shares with cash up to an amount in a financial year not exceeding the lower of £50,000 or the value of 5 per cent of its share capital. To exceed these limits for a given financial year, an ordinary resolution of the shareholders shall be needed to specify higher limits for the respective financial year.

20 SHARE CERTIFICATES

In Article 25.2(c) of the Model Articles, the words "*evidence, indemnity and the payment of a reasonable fee*" shall be replaced with the words "*evidence and indemnity*".

21 ALLOTMENT OF NEW SECURITIES: PRE-EMPTION

21.1 Sections 561(1) and 562(2) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.

21.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any New Securities, those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Securities (the **Subscribers**) on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of Equity Securities (as if the Equity Securities constituted one and the same class) held by those holders (as nearly as may be without involving fractions). The offer:

21.2.1 shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the **Subscription Period**) and give details of the number and subscription price of the New Securities; and

21.2.2 may, in the discretion of the Board, stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.

21.3 If, at the end of the Subscription Period, the number of New Securities applied for is:

21.3.1 equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a *pro rata* basis to the number of Equity Securities held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him); and

21.3.2 less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities 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 Subscribers.

21.4 Subject to the requirements of Articles 21.2 to 21.3 (inclusive), and to the provisions of section 551 of the Act (if the Company has more than one class of Shares), any New Securities shall be at the disposal of the Board 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.

21.5 The provisions of Articles 21.2 to 21.3 (inclusive) shall not apply to:

21.5.1 New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved by the Board;

21.5.2 New Securities which the Board has agreed should be issued without complying with the procedure set out in this Article 21; and

21.5.3 New Securities issued as a result of a Bonus Issue or Reorganisation which has been approved by the Board.

21.6 No Shares shall be allotted (nor any Treasury Shares be transferred) to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.

22 TRANSFERS OF SHARES — GENERAL

22.1 In Articles 22 to 28 (inclusive), reference to the transfer of a Share includes the transfer or assignment 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.

22.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

22.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

22.4 Any transfer of a Share by way of sale which is required to be made under Articles 22 to 28 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

22.5 The Directors may refuse to register a transfer if:

22.5.1 it is a transfer of a Share to a bankrupt or a minor;

22.5.2 the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;

22.5.3 it is a transfer of a Share which is not fully paid:

(a) to a person of whom the Directors do not approve; or

(b) on which Share the Company has a lien;

22.5.4 the transfer is not lodged at the registered office or at such other place as the Directors may appoint;

22.5.5 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

22.5.6 the transfer is in respect of more than one class of Shares; or

22.5.7 these Articles otherwise provide that such transfer shall not be registered.

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

22.6 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 22.6 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

22.7 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

22.7.1 the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question); or

22.7.2 the withholding of payment of all dividends or other distributions otherwise attaching to the relevant shares or to any further shares issued in respect of those shares; and

22.7.3 the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in 22.7.1 and 22.7.2 above may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in 22.7.3 above.

22.8 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.

22.9 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:

22.9.1 the Transfer Price for the Sale Shares will be as agreed between the Board (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

22.9.2 it does not include a Minimum Transfer Condition (as defined in Article 24.2.4); and

22.9.3 the Seller wishes to transfer all of the Shares held by it.

22.10 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

22.10.1 the transferor; and

22.10.2 (if any of the shares is partly or nil paid) the transferee.

22.11 If a member defaults in transferring any Shares that it is required to transfer pursuant to the Articles (including pursuant to Article 22, Article 26 or Article 28):

22.11.1 the Board (or, in the case of a transfer pursuant to Article 28, the Selling Shareholders) may authorise any individual to execute, complete and deliver in the name of and as agent for that member any instruments of transfer and other documents necessary to give effect to the transfer of the Shares to the transferee and the Company shall (subject to the transfer being duly stamped) register the transferee as the holder of the Shares in the Company's register of members (whether or not the certificates in respect of such Shares have been delivered to the Company);

22.11.2 the Company's receipt of the purchase money shall be a good discharge to the transferee on behalf of the selling member, and the Company shall hold such purchase money on trust for the selling member and pay the proceeds of sale into a separate bank account in the Company's name and if and when the transferor shall deliver up its certificates in respect of such Shares to the Company (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificates) it shall thereupon be paid the purchase money, without interest and less any sums owed to the Company by the holder pursuant to the Articles or otherwise (and if such certificates shall comprise any Shares which the holder has not become bound to transfer the Company shall issue to such holder a balance certificate for such Shares);

22.11.3 once the name of the purchaser has been entered in the register of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person and the transferee shall not be bound to see to the application of the consideration; and

22.11.4 if, in relation to a Drag Along Notice, **Drag Consideration** for the purposes of Article 28.4 includes an offer to subscribe for or acquire any share, debt instrument or other security in the capital of the Proposed Purchaser, or any group undertaking of the Proposed Purchaser, as an alternative (whether in whole or in part), the Board shall have full and unfettered discretion to elect which alternative to accept in respect of each defaulting transferor (and may elect for different alternatives for different defaulting transferors) and neither the Directors so acting, nor the Company, shall have any liability to such defaulting transferor in relation thereto.

23 PERMITTED TRANSFERS

23.1 A Shareholder (who is not a Permitted Transferee) (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise, provided that such Original Shareholder has confirmed in writing with the Company prior to such transfer that such proposed transferee is indeed a Permitted Transferee (i.e. not a Competitor, nor a Conflicted Person).

23.2 Shares previously transferred as permitted by Article 23.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

23.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.

23.4 If a Permitted Transferee who was a:

23.4.1 Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares; or

23.4.2 Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.

23.5 Trustees may transfer Shares:

23.5.1 to a Qualifying Company;

23.5.2 to the Original Shareholder or to another Permitted Transferee of the Original Shareholder; or

23.5.3 to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

23.6 No transfer of Shares may be made to Trustees unless the Board is satisfied:

23.6.1 with the terms of the trust instrument and in particular with the powers of the trustees;

23.6.2 with the identity of the proposed trustees;

23.6.3 the proposed transfer will not result in 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

23.6.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

23.7 If a Permitted Transferee who is a:

23.7.1 Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board) to have given a Transfer Notice in respect of such Shares; or

23.7.2 spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:

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

(b) give a Transfer Notice to the Company in accordance with Article 24.2, failing which he shall be deemed to have given a Transfer Notice.

23.8 On the death (subject to Article 23.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

23.9 A transfer of any Shares approved by the Board may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.

23.10 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board.

23.11 The Company shall only be permitted to sell or transfer any Shares held as Treasury Shares to any person with the prior approval of the Board.

24 TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

24.1 Save where the provisions of Articles 23, 27 and 28 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 22.

24.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a **Transfer Notice**) to the Company specifying:

24.2.1 the number of Shares which he wishes to transfer (the **Sale Shares**);

24.2.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;

24.2.3 the price at which he wishes to transfer the Sale Shares; and

24.2.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a **Minimum Transfer Condition**).

If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the **Transfer Price**) must be agreed by the Board. In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board. In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within five Business Days of the Company receiving the Transfer Notice.

24.3 Except as otherwise specified in these Articles, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

24.4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

24.5 As soon as practicable following the later of:

24.5.1 receipt of a Transfer Notice; and

24.5.2 in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 25, the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 24.6 and 24.7. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

24.6 Priority for offer of Sale Shares

The Sale Shares shall be offered to the holders of Equity Securities (as if the Equity Securities constituted one and the same class), in each case on the basis set out in Article 24.7.

24.7 Transfers: Offer

24.7.1 The Board shall offer the Sale Shares pursuant to the Priority Rights to all applicable shareholders other than the Seller (the **Continuing Shareholders**) inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.

24.7.2 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Article 24.7 will be conditional on the fulfilment of the Minimum Transfer Condition.

24.7.3 If, at the end of the Offer Period, the number of Sale Shares applied for is:

(a) equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of the relevant class(es) of Shares bears to the total number of the relevant class(es) of Shares held by those Continuing Shareholders who have applied for Sale Shares, which procedure shall be repeated until all Sale Shares have been allocated, but 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; or

(b) less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 24.8.5.

24.8 Completion of transfer of Sale Shares

24.8.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 24.7 stating the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

24.8.2 If:

(a) the Transfer Notice does not include a Minimum Transfer Condition; or

(b) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares, the Board shall, when no further offers are required to be made under Article 24.7 and once the requirements of Article 27 have been fulfilled to the extent required, give written notice of allocation (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (an **Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than five Business Days nor more than 10 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

24.8.3 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

24.8.4 If the Seller fails to comply with the provisions of Article 24.8.3:

(a) the chairman of the Board or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may 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

(iii) (subject to the transfer being duly stamped) enter the Applicants in the Company's register of members as the holders of the Shares purchased by them; and

(b) the Company shall arrange for the Transfer Price to be paid into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).

24.8.5 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 24.8.6, the Seller may, within 40 Business Days after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.

24.8.6 The right of the Seller to transfer Shares under Article 24.8.5 does not apply if the Board is of the opinion on reasonable grounds that:

(a) the transferee is a person (or a nominee for a person) who the Board determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the 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 provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

24.9 Any Sale Shares offered under this Article 24 to a Shareholder may be accepted in full or part only by a Member of the same Fund Group as that Shareholder or a Member of the same Group as that Shareholder in accordance with the terms of this Article 24.

25 VALUATION OF SHARES

25.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 22.9, 24.2 or otherwise then, on the date of failing agreement, the Board shall either:

25.1.1 appoint an expert valuer in accordance with Article 25.2 (the **Expert Valuer**) to certify the Fair Value of the Sale Shares; or

25.1.2 if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks, specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares that are the subject of the Transfer Notice.

25.2 The Expert Valuer will be either:

25.2.1 the Auditors; or

25.2.2 if otherwise agreed by the Board and the Seller:

(a) an independent firm of Chartered Accountants to be agreed between the Board and the Seller; or

(b) failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice, to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.

25.3 The **Fair Value** of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

25.3.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;

25.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

25.3.3 that the Sale Shares are capable of being transferred without restriction;

25.3.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares (excluding any Shares held as Treasury Shares) without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and

25.3.5 reflecting any other factors which the Expert Valuer reasonably believes should be taken into account.

25.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

25.5 The Expert Valuer shall be requested:

25.5.1 to determine the Fair Value within 20 Business Days of their appointment; and

25.5.2 to notify the Board of their determination.

25.6 The Expert Valuer shall act as an expert and not as an arbitrator and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).

25.7 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company, subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.

25.8 The Expert Valuer shall deliver their certificate to the Company. As soon as reasonably practicable upon the Company's receipt of such certificate it shall deliver a copy of such certificate to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy of the Expert Valuer's certificate, cancel the Company's authority to sell the Sale Shares.

25.9 The cost of obtaining the certificate shall be paid by the Company, unless:

25.9.1 the Seller cancels the Company's authority to sell the Sale Shares; or

25.9.2 the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Shares before the Expert Valuer was instructed,

in which case the Seller shall bear the cost, at first instance by deducting such costs from any sales proceeds to be received by the Seller in respect of the Sale Shares and thereafter from the Seller's own resources.

26 COMPULSORY TRANSFERS — GENERAL

26.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.

26.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:

26.2.1 to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or

26.2.2 to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 26.2 shall not be fulfilled to the satisfaction of the Directors, a Transfer Notice shall be deemed to have been given in respect of each such Share, save to the extent that the Directors may otherwise determine.

26.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a *bona fide* restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.

26.4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice.

27 TAG-ALONG OFFER ON A CHANGE OF CONTROL

27.1 Except in the case of Permitted Transfers and transfers pursuant to Article 26, after going through the pre-emption procedure in Article 16, the provisions of Article 27.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Equity Securities (the **Proposed Transfer**) which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.

27.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the **Tag-Along Offer**) to the other Shareholders to acquire all of the Equity Securities for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 27.7).

27.3 The Tag-Along Offer must be given by written notice (a **Proposed Sale Notice**) at least 10 Business Days (the **Tag-Along Offer Period**) prior to the proposed sale date (**Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents:

27.3.1 the identity of the Proposed Purchaser;

27.3.2 the purchase price and other terms and conditions of payment;

27.3.3 the Proposed Sale Date; and

27.3.4 the number of Shares proposed to be purchased by the Proposed Purchaser.

27.4 If any other holder of Equity Securities is not given the rights accorded him by this Article 27, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.

27.5 If the Tag-Along Offer is accepted by any Shareholder (an **Accepting Shareholder**) within the Tag-Along Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by the Accepting Shareholders.

27.6 Notwithstanding that the Proposed Transfer is subject to the pre-emption provisions of Article 22, the purchase of the Accepting Shareholders' shares by the Proposed Purchaser pursuant to this Article 27 shall not be subject to Article 22.

27.7 For the purpose of this Article 27:

27.7.1 the expression **Specified Price** shall mean in respect of each Equity Share a sum in cash equal to the highest price per Equity Share offered or paid by the Proposed Purchaser:

(a) in the Proposed Transfer; or

(b) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the Relevant Sum, as defined in Article 27.7.2, of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the **Supplemental Consideration**); and

27.7.2 **Relevant Sum** = C ÷ A

where:

A = the number of Equity Securities being sold in connection with the relevant Proposed Transfer; and

C = the Supplemental Consideration.

28 DRAG-ALONG

28.1 If the holders of in excess of 75 per cent. of the Ordinary Shares (excluding any Treasury Shares) (the **Selling Shareholders**) wish to transfer all their interest in Shares (the **Sellers' Shares**) to a Proposed Purchaser, the Selling Shareholders shall have the option (the **Drag Along Option**) to compel each other holder of Shares (each a **Called Shareholder** and, together, the **Called Shareholders**) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the **Drag Purchaser**) in accordance with the provisions of this Article 28. The provisions of this Article 28 may be enforced in relation to a transfer to a Holding Company as if that Holding Company was the Proposed Purchaser.

28.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **Drag Along Notice**) to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that:

28.2.1 the Called Shareholders are required to transfer all their Shares (the **Called Shares**) under this Article 28;

28.2.2 the person to whom they are to be transferred;

28.2.3 the consideration (whether in cash or otherwise) for which the Called Shares are to be transferred (calculated in accordance with this Article);

28.2.4 the proposed date of transfer, and

28.2.5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the **Sale Agreement**), (and, in the case of paragraphs 28.2.2 to 28.2.4 above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms, except those specifically provided for in this Article 28.

28.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

28.4 The form (in cash or otherwise), amount and manner of payment (including in respect of any deferral or escrow) of the consideration payable for each Called Share (the **Drag Consideration**) shall be equal to the consideration to be paid by the Proposed Purchaser for each of the Sellers' Shares (together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by any Selling Shareholder which, having regard to the transaction as a whole, can reasonably be regarded as an addition to the consideration paid or payable), provided that for these purposes where any offer being made by the Proposed Purchaser includes, as an alternative to cash (whether in whole or in part), an offer to any Selling Shareholder to subscribe for or acquire any share, debt instrument or other security in the capital of any member of the Proposed Purchaser's group, only the cash offer shall be included in determining the form and amount of consideration payable for each Called Share in accordance with this Article 28.4.

28.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for any lost share certificate(s) in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except customary warranties as to its capacity to enter into a Drag Document and the full title guarantee of the Shares held by such Called Shareholder.

28.6 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the **Drag Completion Date**), each Called Shareholder shall deliver:

28.6.1 duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;

28.6.2 the relevant share certificate(s) (or a duly executed indemnity for any lost share certificate(s) in a form acceptable to the Board) to the Company; and

28.6.3 a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

(together the **Drag Documents**).

28.7 On the Drag Completion Date, the Company shall pay or transfer to each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid, allotted or transferred such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. Following the Company's receipt of the Drag Consideration, but pending its payment or transfer to the Called Shareholder, the Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.

28.8 Each Called Shareholder shall pay its pro rata share (as a deduction from, and calculated by reference to, the gross pre-tax proceeds to be received by all Selling Shareholders and Dragged Called Shareholders in respect of their shares and other securities to be sold or redeemed in connection with the relevant transaction, without prejudice to any other deductions lawfully required to be made) of the costs incurred by the Selling Shareholders in connection with the transfer of the Sellers' Shares and the Called Shares.

28.9 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid, allotted or transferred the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 28 in respect of their Shares.

28.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 22.

28.11 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer for the Called Shareholder's Shares pursuant to this Article 28 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid, allotted or transferred the Drag Consideration to the Company for the Called Shareholder's Shares offered to them. The Board shall then authorise registration of the transfer once appropriate stamp duty (if any is required) has been paid. The defaulting Called Shareholder shall surrender their share certificate for their Shares (or provide a suitable executed indemnity in respect of any missing share certificates) to the Company. On surrender (or provision of such suitable indemnity), such Called Shareholder shall be entitled to the Drag Consideration due to them.

28.12 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice and such New Shareholder shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser and the provisions of this Article shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

Asset Sale

28.13 In the event that an Asset Sale is approved by the Board, the holders of in excess of 90 per cent. of the Ordinary Shares (excluding any Treasury Shares) shall have the right, by notice in writing to all other Shareholders, to require such Shareholders to take any and all such actions as it may be necessary in order to give effect to or otherwise implement such Asset Sale.

29 CONVENING GENERAL MEETINGS

The directors may call general meetings and, on the requisition of shareholders pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or the shareholders requisitioning the meeting (or any of them representing more than half of the total voting rights of them all) may call a general meeting. If the Company has only a single shareholder, such shareholder shall be entitled to call a general meeting.

30 QUORUM FOR GENERAL MEETINGS

Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative, shall be a quorum.

31 VOTES IN GENERAL MEETING AND WRITTEN RESOLUTIONS

31.1 The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

31.2 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

31.3 At any general meeting of the Company, all resolutions and all questions proposed for the consideration of the Shareholders shall be decided on a poll.

31.4 Any Shareholder which requires approval or vetting by the FCA by virtue of their shareholding in the Company shall not be entitled to vote at any meeting in respect of any resolution pertaining to any Regulated Activity until such time as they have obtained the necessary FCA approval.

31.5 No voting rights attached to a share which is nil paid or partly paid may be exercised:

31.5.1 at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or

31.5.2 on any proposed written resolution,

unless all of the amounts payable to the Company in respect of that share have been paid.

32 WRITTEN RESOLUTIONS

A proposed written resolution will lapse if not passed before the period of 14 days beginning with the circulation date. A written resolution shall be deemed to have been executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them shall be sufficient.

33 PROXIES

33.1 Article 45.1(d) of the Model Articles shall be deleted and replaced with the words "*is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate*".

33.2 Article 45.1 of the Model Articles shall be amended by the insertion of the words "*and a proxy notice which is not delivered in such manner shall be invalid, unless the directors,* *in their discretion, accept the notice at any time before the meeting*" as a new paragraph at the end of that article.

34 CORPORATE REPRESENTATIVES

Subject to the Act, a company which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative or representatives at a meeting of the company or at a separate meeting of the holders of a class of shares of the Company (**corporate representative**). A director, the secretary or any other person authorised for the purpose by the directors may require a corporate representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

35 MATTERS REQUIRING SHAREHOLDER CONSENT

Unless approved or determined by ordinary resolution of Shareholders, the Company shall not:

35.1 Create any fixed or floating charge, lien (other than a lien arising by operation of law) or other Encumbrance over the whole or any part of the undertaking, property or assets of the Company except for the purpose of securing the indebtedness of the Company to its bankers for sums borrowed in the ordinary and proper course of the business of the Company.

35.2 Borrow any sum in excess of a maximum aggregate sum outstanding at any time of £1,500,000.

35.3 Make any loan or advance or give any credit (other than normal trade credit) in excess of £50,000 to any person, except for the purpose of making deposits with bankers which shall be repayable upon the giving of no more than seven days' notice.

35.4 Give any guarantee or indemnity to secure the liabilities or obligations of any person (other than a wholly-owned subsidiary of the Company).

35.5 Sell, transfer, lease, assign, or otherwise dispose of a material part of the undertaking, property and/or assets of the Company (or any interest in the undertaking, property and/or assets of the Company and/or any or its subsidiaries), or contract so to do otherwise than in the ordinary and proper course of the business of the Company.

35.6 Enter into any contract, arrangement or commitment involving expenditure on capital account or the realisation of capital assets if the amount or the aggregate amount of that expenditure or realisation by the Company would exceed £300,000 in any one year or in relation to any one project. The aggregate amount payable under any agreement for hire, hire purchase, or purchase on credit sale or conditional sale terms shall be deemed to be capital expenditure incurred in the year in which that agreement is entered into. Regular purchase of inventory assets for sale or lease is excluded from this limitation.

35.7 Engage any employee or consultant at total remuneration cost which could exceed the rate of £150,000 per annum.

35.8 Increase the remuneration of any employee or consultant to a rate which could exceed the rate of £150,000 per annum or increase the remuneration of any employee whose existing remuneration could exceed that rate.

35.9 Create or issue any new Shares, except as expressly permitted by these Articles.

35.10 Alter any rights attaching to any class of Share.

35.11 Subject also to sections 641 to 644 of the Act, reduce, consolidate, sub-divide, convert, cancel, or redeem any of the Company's share capital, unless permitted otherwise in these Articles.

35.12 Issue renounceable allotment letters or permit any person entitled to receive an allotment of Shares to nominate another person to receive that allotment except on terms that no such renunciation or nomination shall be registered unless the renouncee or person nominated is approved by the Board.

35.13 Create, acquire or dispose of any subsidiary or of any shares in any subsidiary.

35.14 Enter into any partnership or profit sharing agreement with any person.

35.15 Do or permit or suffer to be done any act or thing as a result of which the Company may be wound up (whether voluntarily or compulsorily), save where the Company or subsidiary is insolvent or as otherwise expressly provided for in this agreement.

35.16 Issue any debentures or other securities convertible into shares or debentures or any share warrants or any options in respect of Shares.

35.17 Enter into any contract or transaction except in the ordinary and proper course of the Business on arm's length terms.

35.18 Acquire, purchase or subscribe for any shares, debentures, mortgages or securities (or any interest in any shares, debentures, mortgages or securities) in any company, trust or other body.

35.19 Hold any meeting of Shareholders or purport to transact any business at any such meeting unless there shall be present duly authorised representatives or proxies for each of the Shareholders.

36 SECRETARY

In accordance with the Act, the Board may from time to time appoint any person willing to act as the secretary of the Company for such term, at such remuneration and upon such conditions as it may think fit, and any secretary so appointed may be removed by the Board.

37 NOTICES

37.1 Save where otherwise required by applicable law, all notices in connection with these Articles shall be sent via email to the email address maintained on file by the Company for each Director and Shareholder.

37.2 A notice sent by email shall, if properly addressed, be deemed to have been given one hour after the notice was sent.

37.3 In the case of joint holders of a share, service or delivery of any notice, document or other information on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. The Company may accept instructions from one joint holder only without reference to the other joint holder

38 INSURANCE

Without prejudice to the provisions of any other article, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time:

38.1 directors, officers, employees or auditors of the Company, or of any other company which is the holding company or of any body (whether or not incorporated) in which the Company or such holding company or any of the predecessors of the Company has any interest whether director or indirect or which is in any way allied to or associated with the Company, or to any subsidiary undertaking of the Company or of any such other body; or

38.2 trustees of any pension fund or employees' share scheme in which employees of the Company or of any other such company or subsidiary undertaking are interested,

including, without limitation, insurance against any liability incurred by any such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any other such company, subsidiary undertaking or such pension fund or employees' share scheme (and all costs, charges, losses, expenses and liabilities incurred by him in relation to such matters).

39 INDEMNITY

39.1 Subject to the provisions of, and so far as may be permitted by and consistent with, the Act, every director and every director of each of the associated companies of the Company may be indemnified by the Company out of its own funds against:

39.1.1 any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by such director of the Company or such director of an associated company in relation to the Company or any associated company of the Company (as the case may be):

(a) any liability to the Company or any associated company; and

(b) any liability of the kind referred to in section 234(3) of the Act; and

39.1.2 any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

39.2 Subject to the Act, the Company may indemnify a director, any officer of the Company (other than the auditors) and any director of any associated company of the Company if it is the trustee of an occupational pension scheme (within the meaning of section 235(6) of the Act).

39.3 Where a director, officer of the Company (other than the auditors) or any director of an associated company of the Company is indemnified against any liability in accordance with this article 39, such indemnity shall extend to all related costs, charges, losses, expenses and liabilities incurred by such director.

39.4 Articles 52 and 53 of the Model Articles shall not apply to the Company.

40 DEFENCE EXPENDITURE

40.1 Subject to the provisions of and so far as may be permitted by the Act, the Company may:

40.1.1 provide a director, officer of the Company or any director of any associated company of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or an associated company of the Company or in connection with any application for relief under the provisions mentioned in section 205(5) of the Act; and

40.1.2 do anything to enable any such person to avoid incurring such expenditure.

40.2 The terms set out in section 205(2) of the Act shall apply to any provision of funds or other things done under article 40.1.

40.3 Subject to the provisions of and so far as may be permitted by the Act, the Company:

40.3.1 may provide a director, officer of the Company or any director of any associated company of the Company with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by such Director or director in relation to the Company or any associated company of the Company; and

40.3.2 may do anything to enable any such director or director to avoid incurring such expenditure.

41 LIEN

41.1 The Company shall have a first and paramount lien (the **Company's Lien**) over every Share (whether or not a fully paid share) for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable.

41.2 The Company's Lien over a Share:

41.2.1 shall take priority over any third party's interest in that Share; and

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

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.

41.3 Subject to the provisions of this Article 411, if:

41.3.1 a notice complying with Article 41.4 (a **Lien Enforcement Notice**) has been given by the Company in respect of a Share; and

41.3.2 the person to whom the notice was given has failed to comply with it,

the Company shall be entitled to sell that Share in such manner as the Directors decide.

41.3.3 A Lien Enforcement Notice:

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

(b) must specify the Share concerned;

(c) must require payment of the sum payable within 14 days of the notice;

(d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and

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

41.4 Where any Share is sold pursuant to this Article 411:

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

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

41.5 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

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

41.5.2 secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity for lost certificate in a form acceptable to the Board has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.

41.6 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:

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

41.6.2 subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.