

COMPANY NO. 09997053

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CITY & CONTINENTAL LIMITED

(Adopted by special resolution passed on 1 March 2019)

INTRODUCTION

## 1. Interpretation

1.1 In these Articles, the following words have the following meanings:

**Adoption Date:** 1 March 2019

**Allia Director:** any director appointed to the Company pursuant to article 11;

**Allia Limited** Allia Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014 incorporated in England and Wales with number 28861R whose registered office is at Future Business Centre Kings Hedges Road, King's Hedges Road, Cambridge, United Kingdom, CB4 2HY;

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

**A Share:** an A ordinary share of £1 in the capital of the Company designated as an A Share;

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

**CA 2006:** the Companies Act 2006;

**Conflict:** a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;

**Deemed Transfer** a Transfer Notice that is deemed to have been

<b>Notice:</b>	served under any provisions of these Articles;
<b>Eligible Director:</b>	A Director who would be entitled to vote on the matter at a meeting of directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);
<b>Fair Value:</b>	in relation to shares, as determined in accordance with article 17;
<b>Interested Director:</b>	has the meaning given in article 9.1;
<b>Model Articles:</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;
<b>Ordinary Share:</b>	an ordinary share of £1 in the capital of the Company designated as an ordinary Share.
<b>Transfer Notice:</b>	a notice as defined in Article 15.2 of these Articles.
<b>Valuers:</b>	the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants or other professional advisors jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within five Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);
<b>Writing written:</b>	<b>or</b> the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise;

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these

Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

## 2. Adoption of the Model Articles

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(1)(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## DIRECTORS

### **3. Directors' meetings**

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.

### **4. Unanimous decisions of directors**

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

### **5. Number of directors**

The number of directors shall not be more than nine.

### **6. Calling a directors' meeting**

- 6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed by all the other directors) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:
  - 6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting; and
  - 6.2.2 copies of any papers to be discussed at the meeting.
- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree.

## 7. **Quorum for directors' meetings**

- 7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors, of whom one at least shall be an Allia Director.
- 7.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

## 8. **Chairing of directors' meetings**

The post of chairman of the board of directors will be held by an Allia Director. The chairman shall have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, Allia shall be entitled to appoint another of the Allia Directors to act as chairman at the meeting.

## 9. **Directors' interests**

- 9.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching their duty under section 175 of the CA 2006 to avoid conflicts of interest.
- 9.2 Any authorisation under this article will be effective only if:
  - 9.2.1 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - 9.2.2 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 9.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
  - 9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 9.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

- 9.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 9.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - 9.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 9.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 9.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 9.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.8 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company

enters into the transaction or arrangement in accordance with the CA 2006.

- 9.9 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared under article 9.8.
- 9.10 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 9.10.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
- 9.10.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 9.10.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or to participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 9.10.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 9.10.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 9.10.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or

other benefit constitute a breach of his duty under section 176 of the CA 2006.

**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 a form that enables the Company to retain a copy of such decisions.

**11. Appointment and removal of directors**

11.1 During such time as Allia Limited is the holder of at least 51% of the entire issued share capital of the Company, Allia Limited shall be entitled to appoint five persons to be Allia Directors of the Company.

11.2 Any Allia Director may at any time be removed from office by Allia Limited.

11.3 If any Allia Director shall die or be removed from or vacate office for any cause, Allia Limited may (provided that it still holds at least 51% of the entire issued share capital of the Company) appoint in his or her place another person to be an Allia Director.

11.4 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of Allia Limited and served on the Company at its registered office. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.

11.5 No Allia Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

**12. Alternate directors**

The directors may not appoint alternates.

**SHARES**

**13. Share capital**

13.1 Except as otherwise provided in these Articles, the A Shares and the Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

13.2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.

- 13.3 The holders of the A Shares and the holders of the Ordinary Shares may receive notice of and attend and vote at general meetings of the Company.
- 13.4 The Company may (subject to the Act) declare and pay dividends on the A Shares and/or on the Ordinary Shares and may declare different amounts of dividend on different classes of share.
- 13.5 On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any shares), the surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the A Shares and the holders of the Ordinary Shares according to the amount paid up or credited as paid up on each share held by them.
- 13.6 On the transfer of any share as permitted by these Articles:
- 13.6.1 a share transferred to a non-shareholder shall remain of the same class as before the transfer; and
- 13.6.2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.
- If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.
- 13.7 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 13.8 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:
- 13.8.1 any alteration in the Articles that changes the rights attaching to shares;

13.8.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital.

13.9 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the CA 2006.

#### 14. Share transfers: general

14.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

14.2 No share shall be transferred unless the transfer is made in accordance with these Articles or with the prior written consent of all shareholders for the time being.

14.3 The directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

#### 15. Pre-emption rights on the transfer of shares

15.1 In this Article, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

15.2 A shareholder (**Seller**) wishing to transfer its shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:

15.2.1 the number of Sale Shares;

15.2.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;

15.2.3 the price (in cash) at which the Seller wishes to sell the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (**Transfer Price**));

provided that no Transfer Notice may be given until after the date falling 12 months after the Adoption Date.

- 15.3 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 15.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 15.5 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

The Board shall offer the Sale Shares to all 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 falling 12 calendar months after the offer (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.

- 15.6 If:
- 15.6.1 at the end of the Offer Period, the total number of Sale Shares applied for is 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 which the Continuing Shareholders' existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy.
- 15.6.2 not all Sale Shares are allocated following allocations in accordance with article 15.6.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 15.6.1. The procedure set out in this article 15.6.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- 15.6.3 at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board

shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications.

- 15.7 If allocations under article 15.6 have been made in respect of some or all of the Sale Shares, the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to them (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least five Business Days, but not more than twenty Business Days, after the date of the Allocation Notice).
- 15.8 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.
- 15.9 If the Seller fails to comply with article 15.8:
- 15.9.1 the chairman of the Company (or, failing the chairman, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
- 15.9.1.1 complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- 15.9.1.2 receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
- 15.9.1.3 (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
- 15.9.2 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.
- 15.10 If an Allocation Notice does not relate to all of the Sale Shares then, subject to article 15.11 and within four weeks following service of the Allocation Notice, the Seller may transfer the Sale Shares or surplus Sale

Shares (as the case may be) to any person at a price at least equal to the Transfer Price.

- 15.11 The Seller's right to transfer Sale Shares under article 15.10 does not apply if the Board reasonably considers that:
- 15.11.1 the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the Company; or
  - 15.11.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
  - 15.11.3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.
- 15.12 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Sale Shares with the consent of shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article.

## **16. Compulsory transfers**

- 16.1 A shareholder is deemed to have served a Transfer Notice under article 15.2 immediately before any of the following events:
- 16.1.1 a bankruptcy petition being presented or an order being made for the shareholder's bankruptcy; or
  - 16.1.2 the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's group in which a new company assumes (and is capable of assuming) all the obligations of the shareholder; or
  - 16.1.3 any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
  - 16.1.4 the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
  - 16.1.5 the shareholder entering into a composition or arrangement with any of its creditors; or
  - 16.1.6 any chargee taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other

than by the appointment of a receiver, administrative receiver or manager); or

- 16.1.7 the shareholder ceasing to carry on its business or substantially all of its business; or
  - 16.1.8 the shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other shareholder requiring such remedy.
- 16.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 16.2.1 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 17;
  - 16.2.2 if the Continuing Shareholder does not accept the offer of shares comprised in the Deemed Transfer Notice within 12 calendar months of receipt of the Valuers' determination of the Fair Value, the Seller does not have the right to sell the Sale Shares to a third party and the Company shall be wound up immediately upon the Continuing Shareholder giving notice in writing to the Company to that effect within such 12 calendar month period.
- 16.3 A Deemed Transfer Notice under article 16.1.8 shall immediately and automatically revoke a Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 16.1.8.
- 16.4 If the Seller fails to complete a transfer of Sale Shares as required under this article 16, the Continuing Shareholders are irrevocably authorised to appoint any person it nominates for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholders may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest), giving a receipt that shall discharge the Continuing Shareholders.

## **17. Valuation**

- 17.1 As soon as practicable after (a) Fair Value of Sale Shares falls to be determined under Article 15.2.3. of these Articles or (b) deemed service

of a Transfer Notice under article 16, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.

- 17.2 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the shareholders in writing of their determination.
- 17.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
  - 17.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company with a premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
  - 17.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 17.3.3 the sale is to be on arms' length terms between a willing seller and a willing buyer on the open market;
  - 17.3.4 the Sale Shares are sold free of all encumbrances;
  - 17.3.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
  - 17.3.6 there are taken into account any other factors that the Valuers reasonably believe should be taken into account.
- 17.4 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 17.5 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation shall be borne by the shareholders in the proportion which the number of shares held by each shareholder in the Company bears to the total number of issued shares in the Company or in such other proportions as the Valuers shall direct.

## **DECISION MAKING BY SHAREHOLDERS**

### **18. Quorum for general meetings**

- 18.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom one shall be a holder of A Shares or a duly authorised representative of such holder.

18.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

## **19. Chairing general meetings**

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him or her shall be entitled to appoint another of its nominated directors present at the meeting to act as chair at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

## **20. Voting**

At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

## **21. Poll votes**

21.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.

21.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

## **22. Proxies**

22.1 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 general meeting (or adjourned meeting) to which they relate".

22.2 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" as a new paragraph at the end of that article.

## **ADMINISTRATIVE ARRANGEMENTS**

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

- 23.1 A notice given to a party under or in connection with these Articles:
- 23.1.1 shall be in writing;
  - 23.1.2 shall be signed by or behalf of the party giving it;
  - 23.1.3 shall be sent to the relevant party for the attention of the contact and to the address specified at the beginning of the shareholders' agreement in relation to the shares in the Company, or such other address as that party may notify to the other in accordance with the provisions of this clause;
  - 23.1.4 shall be:
    - 23.1.4.1 delivered by hand; or
    - 23.1.4.2 sent by pre-paid first class post or another next day working day delivery service.
- 23.2 Delivery of a notice is deemed to have taken effect (provided that all other requirements in this clause have been satisfied):
- 23.2.1 if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the address; or
  - 23.2.2 if sent by pre-paid first-class post or another next day working day delivery service to an address in the United Kingdom, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service.
- 23.3 If deemed receipt would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt.
- 23.4 A notice given under or in connection with these Articles is not valid if sent by email.

## **24. Indemnity and insurance**

- 24.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 24.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them.

- 24.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 24.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 24.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.
- 24.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 24.4 In this article:
- 24.4.1 a "relevant officer " means any director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- 24.4.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund of the Company.