

**ARTICLES OF ASSOCIATION: GOOD LEAVER/BAD LEAVER**

*Definitions used in this document, to be included in Definitions/Interpretation section of Articles of Association:*

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

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(c) in the case of an employee, by reason of dismissal by [the Company] [the Relevant Group Company] which is determined, by an employment tribunal or a court of competent jurisdiction from which there is no right of appeal, to be unfair, wrongful or constructive;

(d) in the case of a consultant, by reason of the unlawful termination of the consultancy agreement by [the Company] [the relevant Group Company]; or

(e) whom the Board[, with the approval of the Investor Director,] approves shall be treated as a Good Leaver.

**[Group** means the Company and each Subsidiary from time to time of the Company and **Group Company** means each company in the Group.]

**Independent Accountant** has the meaning given in Article 2.2.

**[Investor Director** means the Director appointed to the Board from time to time pursuant to Article 2.1.]

**Issue Price** (paid) in respect of a Share that has been acquired by the transferee for that Share.

**Relevant Shares** means the Relevant Shares in respect of which a Deemed Transfer Notice has been served.

(a) a Share which is held by a Departing Employee, on the Termination Date but in respect of which a Deemed Transfer Notice has not been served.

(b) a Share which is held by a Shareholder who is not a Departing Employee, on the Termination Date but in respect of which a Deemed Transfer Notice has not been served.

**Share** means any and any other share or interest in the Company.

**Shareholder** means any person who is registered as a shareholder in the Register of Members of the Company and the Register of Members of any Subsidiary of the Company.

**Shareholder** means any person who is registered as a shareholder in the Register of Members of the Company and the Register of Members of any Subsidiary of the Company.

**Termination Date** means the date on which the employment of a Departing Employee is terminated; [the Company]

(b) the date on which the employment of a Departing Employee is terminated; [the Company]

(c) the date on which the employment of a Departing Employee is terminated; [the Company]

(d) the date on which the employment of a Departing Employee is terminated; [the Company]

*Include as new*

**1 Good Leaver**

1.1 Subject to Article 1.2, if an Employee Shareholder becomes a Departing Employee a transfer notice (a **Deemed Transfer Notice**) shall be deemed to have been served on the Termination Date in respect of all the Relevant Shares.

1.2 The Board may[, with the approval of the Investor Director,] and prior to or within [20 Business Days] after the Termination Date waive the deemed service of a Deemed Transfer Notice either in respect of all or part of the Relevant Shares.

- 1.3 The transfer price of the Relevant Shares (the **Transfer Price**) shall be
- (a) if the Departing Employee is a Bad Leaver, the lower of the aggregate [nominal value/Issue Price] for the Relevant Shares and the aggregate Fair Value of the Relevant Shares; or
  - (b) if the Departing Employee is a Good Leaver, the aggregate Fair Value of the Relevant Shares.

- 1.4 Following as determined by the Board, the Departing Employee shall, if and when required by the Board, transfer to the Company, including in respect of the Relevant Shares;
- (a)
  - (b)
  - (c)

1.5 The Board may exercise such rights in accordance with the provisions of the Articles, in any event, of their transfer.

## 2 Fair Value

- 2.1 The Fair Value of the Relevant Shares shall be determined by the Board, with the approval of the Board, or by an independent firm of accountants appointed by the Departing Employee or, in the absence of agreement between the Company and the Departing Employee on the identity of such firm within 10 Business Days of either of them requiring such agreement, an independent firm of accountants appointed on the terms agreed on an interim basis by the Board, or by the Board, on the basis of a minority discount to the value of the Relevant Shares, on the basis of a minority discount to the value of the Relevant Shares.
- (a)
  - (b)

- 2.2 The Independent Firm of Accountants shall be appointed by the Board, or by an independent firm of accountants appointed by the Company and the Departing Employee or, in the absence of agreement between the Company and the Departing Employee on the identity of such firm within 10 Business Days of either of them requiring such agreement, an independent firm of accountants appointed on the terms agreed on an interim basis by the Board, or by the Board, on the basis of a minority discount to the value of the Relevant Shares, on the basis of a minority discount to the value of the Relevant Shares.
- (a) if the Company and Departing Employee agree in writing, the accountants or auditors of the Company; or
  - (b) an independent firm of accountants jointly appointed by the Company and the Departing Employee or, in the absence of agreement between the Company and the Departing Employee on the identity of such firm within 10 Business Days of either of them requiring such agreement, an independent firm of accountants appointed on the terms agreed on an interim basis by the Board, or by the Board, on the basis of a minority discount to the value of the Relevant Shares, on the basis of a minority discount to the value of the Relevant Shares.

the joint application of the Company and the Departing Employee by the President for the time being of the Institute of Chartered Accountants in England and Wales.

2.3 The Independent Accountant shall:

(a) act as an expert and not as an arbitrator and its determination shall, in the absence of fraud or manifest error, be binding on the Shareholders (including the Departing Employee) and the Company;

(b) [redacted] tion in such on;

(c) [redacted] sonably mination; and

(d) [redacted] siness Days of any, following y to the

2.4 The Cor be spec Indeper Departi me period to the ny or the

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**3 Transf**

3.1 The ser Departi made p Transfe determi t of the Each offer number and such offer (as

3.2 As soon the Tra Releva the Boa ermination of ll offer the so resolved by

(a) [redacted] Group];

(b) [redacted] p Company;

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3.3 If any R Article 3 the othe Board s rred to in nsfer Price to erson(s) as the

3.4 Where acceptances have been received in respect of some or all of the Relevant Shares and no further offers or acceptances are to be made under this Article 3, the Board shall give notice in writing to the Departing Employee and to each person to whom Relevant Shares have been allocated (a **Purchaser**) of the allocations of the Relevant Shares (an **Allocation Notice**). The Allocation Notice shall specify the number of Relevant Shares allocated to each Purchaser and the time and place for completion of the sale and purchase of those Relevant

Shares, being not less than [5] Business Days and not more than [15] Business Days following the date of the Allocation Notice.

3.5 On the date for completion specified in the Allocation Notice:

(a) the Departing Employee shall deliver to the Company executed transfers of the Relevant Shares in favour of the Purchasers in accordance with the allocations of the Relevant Shares, together with the share certificate(s) for those Relevant Shares; and

(b) [Redacted] on the [Redacted] of [Redacted] for each Relevant Share.

3.6 If the Director is not satisfied with the transfers, the Director may, at any time, revoke or vary any such transfers and deliver any such Shares to the Company. The Director shall then

3.7 Pending the completion of the transfers, the Relevant Shares shall hold all the rights and benefits of the Shares as if the Purchasers were the holders of the Shares, and the Director shall consent to the registration of the Relevant Shares in the name of the Purchasers.

3.8 The Shares shall be transferred to the Purchasers in accordance with the transfers made by the Company, and the Director shall be bound by the transfers made by the Company.

3.9 Any transfers made in accordance with these Articles shall be deemed to be made in accordance with the provisions of the Companies Act 2006.

3.10 If any Share is transferred to a Purchaser, the Company shall be deemed to have issued a new Share to the Purchaser, and the Company shall be deemed to have cancelled the Share transferred to the Purchaser.

