

Company Number: 00299128

The Companies Act 2006

PRIVATE COMPANY LIMITED BY SHARES

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# ARTICLES OF ASSOCIATION

THE LCH GROUP LIMITED

Incorporated on 1 April 1935

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**Jordans Corporate Law Limited**

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# **THE COMPANIES ACT 2006**

## **PRIVATE COMPANY LIMITED BY SHARES**

### **ARTICLES OF ASSOCIATION OF**

#### **THE LCH GROUP LIMITED**

#### **1. PRELIMINARY**

- 1 1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No 3229) (the "Model Articles") shall apply to the Company save in so far as they are excluded or modified hereby and such Model Articles and the articles set out below shall be the Articles of Association of the Company (the "Articles")
- 1 2 In these Articles, any reference to a provision of the Companies Act 2006 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force
- 1 3 Model Articles 7(2), 9(2), 9(3), 11, 13, 14, 19(5), 21, 24, 26(5), 28(3), 36(4) and 44(4) do not apply to the Company
- 1 4 The headings used in these Articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of these Articles
- 1 5 In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa, references to one gender include all genders and references to persons include bodies corporate and unincorporated associations

#### **2. DEFINED TERMS**

Model Article 1 shall be varied by the inclusion of the following definitions -

"A Shares" means the "A" Shares of £1 each in the share capital of the Company from time to time,

"A Shareholders" means the holders of the "A" Shares,

"A Shareholders' Representative" means an "A" Shareholder appointed as an "A" Shareholders' Representative by a Simple Majority Class Decision,

"A Director" means any director appointed by and holding office pursuant to Article 5 2,

"the Act" means the Companies Act 2006,

"appointor" has the meaning given in Article 7 1,

"B Shares" means the "B" Shares of £1 each in the share capital of the Company from time to time,

"B Shareholders" means the holders of the "B" Shares,

"B Shareholders' Representative" means "B" Shareholder appointed as "B" Shareholders' Representative by a Simple Majority Class Decision,

"B" Director" means any director appointed by and holding office pursuant to Article 5 2,

"Business Day" means any day other than a Saturday, Sunday or English public or bank holiday,

"call" has the meaning given in Article 11 1,

"call notice" has the meaning given in Article 11 1,

"call payment date" has the meaning given in Article 11 4,

"Expert" means the auditors for the time being of the Company,

"Family Member" means, in relation to any Shareholder, (a) the spouse or the widower or widow (including any widower or widow after re-marriage) of the Shareholder, (b) all the lineal descendants in direct line of the Shareholder and (c) the brothers and sisters of the Shareholder and their lineal descendants and so that for the purposes of this definition a step-child or an adopted or illegitimate child and those children shall be deemed to be lineal descendants of such person, and a brother or sister shall include a half-, adopted or illegitimate brother or sister,

"Family Trust" means, in relation to any Shareholder, any trust or settlement the beneficiaries or potential beneficiaries under which are exclusively that Shareholder and/or one or more of his Family Members,

"forfeiture notice" has the meaning given in Article 11 4,

"lien enforcement notice" has the meaning given in Article 10 4,

"Qualifying Offer" means an offer in writing by or on behalf of any person (the "Offeror") to the Shareholders to acquire all of their Shares,

"relevant rate" has the meaning given in Article 11 4,

"secretary" means the secretary of the Company, if any, appointed in accordance with Article 6 1 or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary,

"Share" means any share in the capital of the Company from time to time,

"Shareholders" means the holders of shares,

"Simple Majority Class Decision" means either

- (i) The written consent or agreement by such number of "A" Shareholders or "B" Shareholders (as the case may be) whose "A" Shares or "B" Shares (as the case may be) aggregate at that time to more than 50% of the issued "A" Shares or "B" Shares (as the case may be) or,
- (ii) The consent or agreement to a resolution passed at a class meeting of "A" Shareholders or "B" Shareholders (as the case may be),

"Transfer notice" means as defined in Article 29 2, and

"working day" means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the Company is registered

### **3. PROCEEDINGS OF DIRECTORS**

- 3 1 Notice of a meeting of the directors shall be deemed to be given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the director concerned. Notice shall be given in this manner to all directors including any director who is absent from the United Kingdom at the relevant time. A director may waive notice of any meeting either prospectively or retrospectively. In this Article references to in writing include the use of electronic communications subject to such terms and conditions as the directors may decide.
- 3 2 In the case of an equality of votes the chairman of a meeting of the directors shall not have a second or casting vote.
- 3 3 The quorum at any meeting of the directors shall be two directors, of whom one must be an "A" Director and one must be a "B" Director. No business shall be transacted at any meeting of the directors unless a quorum is present at the commencement of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes from the time appointed for the relevant meeting then the meeting shall be adjourned to the same day in the next week at the same time and place or to such a time and place as the director or directors present may determine. If at any adjourned meeting a quorum is not present within five minutes from the time appointed for the meeting the director or directors present shall form a quorum (and so that for this purpose one director shall be capable of constituting a meeting).
- 3 4 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number but if and so long as there shall be no "A" Director or "B" Director in office the continuing directors or director may act
- (a) for the purpose of summoning a general meeting of the Company or of the holders of any class of shares, and
  - (b) for the purpose of exercising the powers vested in and the duties imposed on the directors by Article 27,
- but for no other purpose.
- 3 5 Notwithstanding the fact that a proposed decision of the directors concerns or relates to any matter in which a director has, or may have, directly or indirectly, any kind of interest whatsoever, that director may participate in the decision-making process for both quorum and voting purposes.
- 3 6 If the directors propose to exercise their power under section 175(4)(b) of the Act to authorise a director's conflict of interest, the director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes.
- 3 7 Subject to the provisions of the Act, and provided that (if required to do so by the said Act) he has declared to the directors the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office -
- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,
  - (b) may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested, and
  - (c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate

and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest

#### **4 UNANIMOUS DECISIONS**

- 4 1 Model Article 8(2) shall be amended by the deletion of the words "copies of which have been signed by each eligible director" and the substitution of the following "where each eligible director has signed one or more copies of it" in its place Model Article 8(2) shall be read accordingly

#### **5 APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 5 1 The number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two, comprising of one "A" Director and one "B" Director The actual number of directors at the date of the adoption of these articles shall be 6 (comprising 3 "A" Directors and 3 "B" Directors) If either class of Shareholder wishes to appoint an additional "A" Director or "B" Director (as the case may be) consent to the increase in the number of directors (but not the individual) must be obtained from the other class of Shareholders (by way of a Simple Majority Class Decision) may be given conditional upon the consenting class of Shareholder being entitled to appoint an additional director (whether at the same time or at any time in the future whilst the number of "A" Directors and "B" Directors remains unequal)
- 5 2 The holders of a majority of "A" shares for the time being shall be entitled to appoint (by way of a Simple Majority Class Decision) half of the directors of the Company (any such directors so appointed being called "A" Directors) and the holders of a majority of the "B" shares for the time being shall be entitled to appoint (by way of a Simple Majority Class Decision) half of the directors for the Company (any such directors appointed being called "B" Directors)
- 5 3 Any "A" Director may at any time be removed from office by the holders of a majority of the "A" Shares and any "B" Director may at any time be removed from office by the holders of a majority of the "B" Shares (in each case by way of a Simple Majority Class Decision) The persons so removing a director shall be responsible for and shall indemnify the Company against any claim by such director for unfair or wrongful dismissal arising out of such removal
- 5 4 If any "A" Director or "B" Director shall die or be removed from or vacate office for any cause, the "A" Shareholders (by way of a Simple Majority Class Decision) (in the case of an "A" Director) or the "B" Shareholders (by way of a Simple Majority Class Decision) (in the case of a "B" Director) shall appoint in his place another person to be an "A" Director or a "B" Director (as the case may be)
- 5 5 Any appointment or removal of a director pursuant to this Article shall be in writing and signed by or on behalf of the holder of a majority of the "A" Shares or the "B" Shares (as the case may be) and served on the Company at the office, marked for the attention of the Company Secretary, or delivered at a duly constituted meeting of the directors Any such appointment or removal shall take effect at the time of such service or delivery or at such later time as may be specified in such notice
- 5 6 The right to appoint and to remove "A" or "B" Directors under this Article shall be a class right attaching to the "A" Shares and to the "B" Shares respectively
- 5 7 If no "A" Shares or "B" Shares remain in issue following any redesignation of shares under these Articles, any director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation
- 5 8 No "A" Director or "B" Director shall be appointed or removed otherwise than pursuant to this Article, save as provided by law

## **6. SECRETARY**

- 6 1 The directors may appoint a secretary to the Company for such period, for such remuneration and upon such conditions as they think fit, and any secretary so appointed by the directors may be removed by them

## **7. ALTERNATE DIRECTORS**

- 7 1 (a) Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by a decision of the directors, to -
- (i) exercise that director's powers, and
  - (ii) carry out that director's responsibilities,
- in relation to the taking of decisions by the directors in the absence of the alternate's appointor
- (b) 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. The notice must -
- (i) identify the proposed alternate, and
  - (ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of his appointor
- 7 2 (a) An alternate director has the same rights to participate in any directors' meeting or decision of the directors reached in accordance with Model Article 8, as the alternate's appointor
- (b) Except as these Articles specify otherwise, alternate directors -
- (i) are deemed for all purposes to be directors,
  - (ii) are liable for their own acts or omissions,
  - (iii) are subject to the same restrictions as their appointors, and
  - (iv) are not deemed to be agents of or for their appointors
- (c) A person who is an alternate director but not a director -
- (i) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
  - (ii) may sign or otherwise signify his agreement in writing to a written resolution in accordance with Model Article 8 (but only if that person's appointor has not signed or otherwise signified his agreement to such written resolution)
- (d) No alternate may be counted as more than one director for such purposes
- (e) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration payable to that alternate's appointor as the appointor may direct by notice in writing made to the Company
- (f) Model Article 20 is modified by the deletion of each of the references to "directors" and the replacement of each such reference with "directors and/or any alternate directors"

- 7 3 An alternate director's appointment as an alternate terminates -
- (a) when his appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
  - (b) 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 office as director,
  - (c) on the death of his appointor, or
  - (d) when his appointor's appointment as a director terminates

## **8. SHARE CAPITAL**

- 8 1 The Company's share capital that the directors are authorised to issue in accordance with the provisions of Article 9 2 below is £50,000 divided into
- 25,000 "A" Shares, and  
25,000 "B" Shares
- 8 2 The "A" Shares and the "B" Shares shall be separate classes of shares having the rights and restrictions set out in these Articles, but in all other aspects the "A" Shares and the "B" Shares shall rank *pari passu*
- 8 3 Unless all members otherwise agree in writing, any new ordinary shares issued to a holder of "A" Shares shall be "A" shares and any new shares issued to a holder of "B" Shares shall be "B" Shares including any new shares issued pursuant to Model Article 36

## **9 ISSUE OF NEW SHARES**

- 9 1 The issued share capital of the Company shall consist only of the "A" Shares and "B" Shares in equal proportions
- 9 2 New shares in the capital of the Company shall be issued only in such a manner as to establish or maintain an equal proportion of "A" Shares and "B" Shares and so that on each occasion (unless all the Shareholders otherwise agree) "A" Shares and "B" Shares are issued at the same price and otherwise on the same terms. No "A" Share or "B" Share shall be issued otherwise than to Shareholders holding shares of the same class except with the prior written consent of all the Shareholders. As between holders of the same class any shares shall be issued in proportion to their existing holdings of such shares or in such other proportions as may be agreed between them
- 9 3 In accordance with section 567 of the Act sections 561 and 562 of the Act shall not apply to the Company
- 9 4 The directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the share capital stated in Article 8 1 above at any time or times during the period of 5 years from the date of adoption of these Articles and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said section 551) be renewed, revoked or varied by ordinary resolution
- 9 5 Shares may be issued as nil, partly or fully paid
- 9 6 On a winding up or other repayment of capital, the assets of the Company (including capital uncalled at the commencement of the winding up) remaining after paying and discharging the debts and liabilities of the Company and the costs of winding up, shall

be applied in repaying the sums paid up or credited as paid up on all the issued shares without distinction as to class. The residue (if any) shall be divided among the holders of the issued shares in proportion to the nominal amount paid up or credited as paid up on such shares without distinction as to class.

**10. LIEN**

10.1 The Company has a first and paramount lien on all shares (whether or not such shares are fully paid) standing registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder thereof or is one of two or more joint holders, for all moneys payable by him or his estate to the Company (whether or not such moneys are presently due and payable)

10.2 The Company's lien over shares -

- (a) takes priority over any third party's interest in such shares, and
- (b) extends to any dividend or other money payable by the Company in respect of such shares and (if the Company's lien is enforced and such shares are sold by the Company) the proceeds of sale of such shares

10.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

10.4 (a) Subject to the provisions of this Article, if -

- (i) a notice of the Company's intention to enforce the lien ("lien enforcement notice") has been sent in respect of the shares, and
- (ii) the person to whom the lien enforcement notice was sent has failed to comply with it,

the Company may sell those shares in such manner as the directors decide

(b) A lien enforcement notice -

- (i) may only be sent in respect of shares if a sum is payable to the Company by the sole registered holder or one of two or more joint registered holders of such shares and the due date for payment of such sum has passed,
- (ii) must specify the shares concerned,
- (iii) must include a demand for payment of the sum payable within 14 days,
- (iv) must be addressed either to the holder of such shares or to a person entitled to such shares by reason of the holder's death, bankruptcy or otherwise, and
- (v) must state the Company's intention to sell the shares if the notice is not complied with

(c) If shares are sold under this Article -

- (i) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
- (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale



- (d) 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 -
  - (i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and
  - (ii) second, in payment to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice
- (e) A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been sold to satisfy the Company's lien on a specified date -
  - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
  - (ii) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share

## **11 CALLS ON SHARES AND FORFEITURE**

- 11 1 (a) Subject to these Articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the Company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice
- (b) A call notice -
  - (i) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium),
  - (ii) must state when and how any call to which it relates is to be paid, and
  - (iii) may permit or require the call to be paid by instalments
- (c) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the call notice was sent
- (d) Before the Company has received any call due under a call notice the directors may -
  - (i) revoke it wholly or in part, or
  - (ii) specify a later time for payment than is specified in the call notice,
 by a further notice in writing to the member in respect of whose shares the call was made
- 11 2 (a) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which the call is required to be paid
- (b) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share

- (c) Subject to the terms on which shares are allotted, the directors may, when issuing shares, make arrangements for a difference between the holders in the amounts and times of payment of calls on their shares
- 11 3 (a) A call notice need not be issued in respect of sums which are specified, in the terms on which a share is allotted, as being payable to the Company in respect of that share (whether in respect of nominal value or premium) -
  - (i) on allotment,
  - (ii) on the occurrence of a particular event, or
  - (iii) on a date fixed by or in accordance with the terms of issue
- (b) But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture
- 11 4 (a) If a person is liable to pay a call and fails to do so by the call payment date -
  - (i) the directors may send a notice of forfeiture (a "forfeiture notice") to that person, and
  - (ii) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate
- (b) For the purposes of this Article -
    - (i) the "call payment date" is the date on which the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date, and
    - (ii) the "relevant rate" is the rate fixed by the terms on which the share in respect of which the call is due was allotted or, if no such rate was fixed when the share was allotted, five percent per annum
  - (c) The relevant rate must not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998
  - (d) The directors may waive any obligation to pay interest on a call wholly or in part
- 11 5 A forfeiture notice -
  - (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,
  - (b) must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
  - (c) must require payment of a call and any accrued interest by a date which is not less than 14 days after the date of the forfeiture notice,
  - (d) must state how the payment is to be made, and
  - (e) must state that if the forfeiture notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited
- 11 6 If a forfeiture notice is not complied with before the date by which payment of the call is required in the forfeiture notice, the directors may decide that any share in respect of

which it was given is forfeited and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

- 11 7 (a) Subject to the following provisions of this Article 11 7, the forfeiture of a share extinguishes -
- (i) all interests in that share, and all claims and demands against the Company in respect of it, and
  - (ii) all other rights and liabilities incidental to the share as between the person in whose name the share is registered and the Company
- (b) Any share which is forfeited -
- (i) is deemed to have been forfeited when the directors decide that it is forfeited,
  - (ii) is deemed to be the property of the Company, and
  - (iii) may be sold, re-allotted or otherwise disposed of as the directors think fit
- (c) If a person's shares have been forfeited -
- (i) the Company must send that person notice that forfeiture has occurred and record it in the register of members,
  - (ii) that person ceases to be a member in respect of those shares,
  - (iii) that person must surrender the certificate for the shares forfeited to the Company for cancellation,
  - (iv) that person remains liable to the Company for all sums due and payable by that person at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
  - (v) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- (d) At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on such terms as they think fit
- 11 8 (a) If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer
- (b) A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been forfeited on a specified date -
- (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
  - (ii) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share
- (c) A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share

- (d) If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which -

- (i) was, or would have become, payable, and

- (ii) had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them

- 11 9 (a) A member may surrender any share -

- (i) in respect of which the directors may issue a forfeiture notice,

- (ii) which the directors may forfeit, or

- (iii) which has been forfeited

- (b) The directors may accept the surrender of any such share

- (c) The effect of surrender on a share is the same as the effect of forfeiture on that share

- (d) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

## **12. SHARE CERTIFICATES**

- 12 1 (a) The Company must issue each member with one or more certificates in respect of the shares which that member holds

- (b) Except as is otherwise provided in these Articles, all certificates must be issued free of charge

- (c) No certificate may be issued in respect of shares of more than one class

- (d) A member may request the Company, in writing, to replace -

- (i) the member's separate certificates with a consolidated certificate, or

- (ii) the member's consolidated certificate with two or more separate certificates

- (e) When the Company complies with a request made by a member under (d) above, it may charge a reasonable fee as the directors decide for doing so

- 12 2 (a) Every certificate must specify -

- (i) in respect of how many shares, of what class, it is issued,

- (ii) the nominal value of those shares,

- (iii) whether the shares are nil, partly or fully paid, and

- (iv) any distinguishing numbers assigned to them

- (b) Certificates must -

- (i) have affixed to them the Company's common seal, or

- (ii) be otherwise executed in accordance with the Companies Acts

### **13 CONSOLIDATION OF SHARES**

- 13 1 (a) This Article applies in circumstances where -
- (i) there has been a consolidation of shares, and
  - (ii) as a result, members are entitled to fractions of shares
- (b) The directors may -
- (i) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable, and
  - (ii) authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser
- (c) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland
- (d) A person to whom shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions
- (e) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale

### **14 DIVIDENDS**

- 14 1 (a) Except as otherwise provided by these Articles or the rights attached to the shares, all dividends must be -
- (i) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
  - (ii) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid
- (b) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly
- (c) For the purpose of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount

### **15 CAPITALISATION OF PROFITS**

- 15 1 A capitalised sum which was appropriated from profits available for distribution may be applied -
- (a) in or towards paying up any amounts unpaid on any existing nil or partly paid shares held by the persons entitled, or
  - (b) in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct
- 15 2 Model Article 36(5)(a) is modified by the deletion of the words "paragraphs (3) and (4)" and their replacement with "Model Article 36(3) and Article 15 1"

## **16 WRITTEN RESOLUTIONS OF MEMBERS**

- 16 1 (a) Subject to Article 16 1(b), a written resolution of members passed in accordance with Part 13 of the Act is as valid and effectual as a resolution passed at a general meeting of the Company
- (b) The following may not be passed as a written resolution and may only be passed at a general meeting -
- (i) a resolution under section 168 of the Act for the removal of a director before the expiration of his period of office, and
  - (ii) a resolution under section 510 of the Act for the removal of an auditor before the expiration of his period of office
- 16 2 (a) Except as otherwise provided by these Articles or the rights attached to the shares, on a written resolution, a member has one vote in respect of each share held by him
- (b) No member may vote on a written resolution unless all moneys currently due and payable in respect of any shares held by him have been paid

## **17 NOTICE OF GENERAL MEETINGS**

- 17 1 (a) Every notice convening a general meeting of the Company must comply with the provisions of -
- (i) section 311 of the Act as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting, and
  - (ii) section 325(1) of the Act as to the giving of information to members regarding their right to appoint proxies
- (b) Every notice of, or other communication relating to, any general meeting which any member is entitled to receive must be sent to each of the directors and to the auditors (if any) for the time being of the Company

## **18 QUORUM AT GENERAL MEETINGS**

- 18 1 Except as otherwise provided by these Articles or the rights attached to the shares -
- (a) If and for so long as the Company has one member only who is entitled to vote on the business to be transacted at a general meeting, that member present at the meeting in person or by one or more proxies or, in the event that the member is a corporation, by one or more corporate representatives, is a quorum
  - (b) If and for so long as the Company has two or more members entitled to vote on the business to be transacted at a general meeting, a general meeting of the Company or of the holders of any class on its shares shall be valid and effective for all purposes if one "A" Shareholder and one "B" Shareholder are present (in person or by proxy)
  - (c) Model Article 41(1) is modified by the addition of a second sentence as follows -  
  
"If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved "

## **19. VOTING AT GENERAL MEETINGS**

19 1 Except as otherwise provided by these Articles or by the rights attached to shares -

- (a) Subject to Article 19 2 below, on a vote on a resolution at a general meeting on a show of hands -
  - (i) each member who, being an individual, is present in person has one vote,
  - (ii) if a member (whether such member is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies so appointed and in attendance at the meeting have, collectively, one vote, and
  - (iii) if a corporate member appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the Act, one vote
- (b) Subject to Article 19 2 below, on a resolution at a general meeting on a poll, every member (whether present in person, by proxy or authorised representative) has one vote in respect of each share held by him

19 2 No member may vote at any general meeting or any separate meeting of the holders of any class of shares in the Company, either in person, by proxy or, in the event that the member is a corporation, by corporate representative in respect of shares held by that member unless all moneys currently due and payable by that member in respect of any shares held by that member have been paid

19 3 (a) Model Article 44(2) is amended by the deletion of the word "or" in Model Article 44(2)(c), the deletion of the " " after the word "resolution" in Model Article 44(2)(d) and its replacement with ", or" and the insertion of a new Model Article 44(2)(e) in the following terms -

"by a member or members holding shares conferring a right to vote at the meeting"

(b) A demand for a poll made by a person as proxy for a member is the same as a demand made by the member

19 4 Polls must be taken at the general meeting at which they are demanded and in such manner as the chairman directs

19 5 The chairman of the meeting shall not, in the case of an equality of votes whether on a show of hands or on a poll, be entitled to exercise a second or casting vote

## **20 CLASS MEETINGS**

20 1 The provisions of these Articles relating to general meetings of the Company or to proceedings thereat shall, with the necessary changes being made, apply to every separate meeting of the holders of any class of Shares, except that the necessary quorum shall be two persons holding or representing by proxy at least forty per cent in nominal amount of the issued shares of that class

## **21 DELIVERY OF PROXY NOTICES**

21 1 Model Article 45(1) is modified, such that a "proxy notice" (as defined in Model Article 45(1)) and any authentication of it demanded by the directors must be received at an address specified by the Company in the proxy notice before the time appointed for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote, and any proxy notice received at such address after the time appointed for the start of the meeting or adjourned meeting shall be invalid

## **22 COMMUNICATIONS**

- 22 1 Subject to the provisions of the Act, a document or information may be sent or supplied by the Company to a person by being made available on a website
- 22 2 (a) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by electronic means is entitled to have notices sent to him at that address, but otherwise no such member is entitled to receive any notices from the Company
- (b) If any share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders
- 22 3 (a) If the Company sends or supplies notices or other documents by first class post and the Company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting
- (b) If the Company sends or supplies notices or other documents by electronic means and the Company proves that such notices or other documents were properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied
- (c) If the Company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website
- (d) For the purposes of this Article 22 3, no account shall be taken of any part of a day that is not a working day

## **23 COMPANY SEALS**

- 23 1 Model Article 49(1) is modified, such that any common seal of the Company may be used by the authority of the directors or any committee of directors
- 23 2 Model Article 49(3) is modified by the deletion of all words which follow the "," after the word "document" and their replacement with "the document must also be signed by -
- (a) one authorised person in the presence of a witness who attests the signature, or
- (b) two authorised persons"

## **24 TRANSMISSION OF SHARES**

- 24 1 Model Article 27 is modified by the addition of new Model Article 27(4) in the following terms -
- "Nothing in these Articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member "
- 24 2 All the Articles relating to the transfer of shares apply to -
- (a) any notice in writing given to the Company by a transmittee in accordance with Model Article 28(1), and
- (b) any instrument of transfer executed by a transmittee in accordance with Model Article 28(2),



as if such notice or instrument were an instrument of transfer executed by the person from whom the transmittee derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

## **25 WINDING UP**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may determine, but no member shall be compelled to accept any assets upon which there is a liability

## **26. RIGHTS OF PURCHASE**

- 26 1 If the "A" Shareholders decide by way of a Simple Majority Class Decision ("the Sale Decision") to offer to the "B" Shareholders the opportunity for the "B" Shareholders to make an offer to acquire all of the "A" Shares then the provisions of this Article shall apply. If the "B" Shareholders decide by way of Simple Majority Class Decision to offer the "A" Shareholders the opportunity for the "A" Shareholders to make an offer to acquire all of the "B" Shares then the provisions of this Article shall apply with references to "A" Shareholders and "B" Shareholders, "A" Shares and "B" Shares and "A" Director and "B" Director being reversed
- 26 2 The "A" Shareholders shall serve notice ("Sale Notice") on the "B" Shareholders within 15 Business Days of the Sale Decision stating that the "B" Shareholders have the opportunity to make an offer to the "A" Shareholders within 90 Business Days of the Sale Notice to acquire the "A" Shares at a price and on payment terms specified by the "B" Shareholders and as determined by the "B" Shareholders by way of a Simple Majority Class Decision ("an Offer"). An Offer shall be irrevocable and subject to the provisions of these Articles
- 26 3 Upon receipt of an Offer (which will state, inter alia, which "B" Shareholders are offering to purchase the "A" Shares and confirm that financial resources are available to enable such "B" Shareholders to pay the total offer price) the "A" Shareholders shall have the option (by way of a Simple Majority Class Decision) to do either of the following, by serving a counter-notice on the "B" Shareholders within 60 Business Days of receiving the "Offer" (the first day is the date after the day of receipt)
- (a) accept the Offer (in which case the provisions of Article 26 6 shall apply),
  - (b) reject the Offer and elect instead to acquire all of the "B" shares at the total offer price set out in the Offer and subject to the payment terms contained in the Offer (with necessary changes) (in which case the provisions of Article 26 7 shall apply) or,
  - (c) to call for the sale or liquidation of the Company (in which case the provisions of Article 26 8 shall apply)
- 26 4 In the event that the "A" Shareholders do not serve a counter-notice on the "B" Shareholders in accordance with Article 26 3 then the provisions of Article 26 8 shall apply
- 26 5 At any stage during the 90 Business Day period after the date of a Sale Notice, the "A" Shareholders' Representative or the "B" Shareholders' Representative may instruct the Company's auditors to certify (within the lesser of 30 Business Days and the period up until 5 Business Days prior to the expiry of the 90 Business Days period) the fair value of the Company. Such valuation will not be binding on the "A" Shareholders or the "B" Shareholders and will be for guidance only. The costs of the auditors in preparing a

valuation will be paid pro rata by the class of Shareholder which requisitions the valuation. For the purpose of this Article the fair value of a Share will be a proportion of the value at the date of the request for a valuation of all the Shares equal to the proportion by which the amount paid up or credited as paid up on such Shares bears to capital paid up or credited as paid up on all the issued Shares in the capital of the Company

26 6 In the event of the "A" Shareholders accepting an Offer it shall be binding on all of the "A" Shareholders and all of those "B" Shareholders (who elected to make the Offer) and the "B" Shareholders who elect to make the Offer shall be liable (pro rata to the "A" Shares they are to acquire) to pay to the "A" Shareholders' Representative (as trustee for each of the "A" Shareholders) the total price set out in the Offer (subject to the payment terms contained therein) within 20 Business Days of the acceptance by the "A" Shareholders of the Offer. Upon receipt of the total moneys due to the "A" Shareholders on completion, each of the "A" Shareholders shall

- (a) deliver to the "B" Shareholders' Representative a transfer of the "A" Shares which are registered in their name (subject only to leaving blank details of the transferees which the "B" Shareholders' Representative shall have authority to complete in favour of the "B" Shareholders pro rata to the proportions in which they have financed the acquisition of the "A" Shares),
- (b) deliver or procure the delivery to the "B" Shareholders' Representative of relevant share certificates and other documents of title in respect of the "A" Shares which are registered in their name,
- (c) deliver to the "B" Shareholders' Representative any form of consent or waiver reasonably required from the "A" Shareholders to enable the transfer of the "A" Shares to be registered in accordance with the Articles,
- (d) use their reasonable endeavours to procure registration of the transfers of the "A" Shares forthwith (subject to the transfer being stamped with any necessary stamp duty at the expense of the "B" Shareholders purchasing the "A" Shares),
- (e) if requested by the "B" Shareholders' Representative, a letter of resignation in respect of each "A" Director whereby they acknowledge that (subject to the payment of outstanding remuneration) they have no claim against the Company for unfair or wrongful dismissal, and
- (f) do such things and execute such documents as shall be reasonably necessary or as the "B" Shareholders may reasonably request to give effect to the sale of the "A" Shares on the terms of the Offer

26 7 In the event of the "A" Shareholders rejecting the Offer and electing to acquire the "B" Shares in accordance with Article 26 3(b) such election shall be binding on all of the "A" Shareholders who elect to acquire the "B" Shares and "B" Shareholders and the "A" Shareholders who elect to acquire the "B" Shares shall be liable to pay (pro rata to "B" Shares they are to acquire) to the "B" Shareholders' Representative (as trustee for each of the "B" Shareholders) the total offer price set out in the Offer (subject to the payment terms (with the necessary changes) contained therein) within 20 Business Days of the notification of the election to acquire the "B" Shares. Upon receipt of the total monies due to the "B" Shareholders on completion, each of the "B" Shareholders will

- (a) deliver to the "A" Shareholders' Representative a transfer of the "B" Shares which are registered in their name (subject only to leaving blank details of the transferees which the "A" Shareholders' Representative shall have authority to complete in favour of the "A" Shareholders pro rata to the proportions in which they have financed the acquisition of the "B" Shares),

- (b) deliver or procure the delivery to the "A" Shareholders' Representative of relevant share certificates and other documents of title in respect of the "B" Shares which are registered in their name,
- (c) deliver to the "A" Shareholders' Representative any form of consent or waiver reasonably required from the "B" Shareholders to enable the transfer of the "B" Shares in accordance with the Articles,
- (d) use their reasonable endeavours to procure the resignation of the transfer of the "B" Shares forthwith (subject to the transfer being stamped with any necessary stamp duty at the expense of the "A" Shareholders purchasing the "B" Shares),
- (e) if requested by the "A" Shareholders' Representative, a letter of resignation in respect of each "B" Director whereby they acknowledge that (subject to the payment of outstanding remuneration) and they have no claim against the Company for unfair or wrongful dismissal, and
- (f) do such things and execute such documents as shall be reasonably necessary or as the "A" Shareholders may reasonably request to give effect to the sale of the "B" Shares on the terms of the Offer (with the necessary changes to reflect that it has been reversed)

26 8 In the event of the "A" Shareholders rejecting an Offer and calling for the sale or winding-up of the Company or the "B" Shareholders not serving a counter-notice pursuant to Article 26 3 then the Shareholders shall instruct their respective directors to take immediate steps to find a buyer for the entire issued share capital of the Company. In the event that an offer is made within 12 months from the date on which the directors are authorised to find a buyer for the Company and holders of not less than 51% of each of the "A" Shares and the "B" Shares (the "Accepting Shareholders") wish to accept the offer, then the provisions of this Article shall apply

- (a) the Accepting Shareholders shall give written notice to the remaining (the "Other Shareholders") of their wish to accept the offer and the Other Shareholders shall thereupon become bound to accept the offer and to transfer their shares to the offeror (or his nominee) with a covenant as to title to the Shares owned by him,
- (b) if any Other Shareholder shall not, within 10 Business Days of being required to do so, execute and deliver transfers in respect of the equity shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to, and shall be entitled to authorise and instruct such person as he thinks fit to execute the necessary transfer(s) and indemnities on the Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the offeror (or his nominee) and register such offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person

26 9 In the event that the directors have not procured a sale of the Company within 12 months of the directors being authorised to find a Buyer then the Shareholders shall take immediate steps to procure that the Company is put into liquidation

26 10 Each Shareholder hereby irrevocably appoints the Company as his attorney (with the power to appoint any member of the board of directors as they substitute and to delegate to the substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this Power of Attorney) to give effect to the provisions of the Articles

26 11 In the event that a Sale Notice is served under this Article the "A" Shareholders and "B" Shareholders shall each respectively appoint an "A" Shareholders' Representative and

a "B" Shareholders' Representative who shall be authorised to bind the holders of their respective class of shares in accordance with the provisions of these Articles

## **27. TRANSFER OF SHARES**

- 27 1 Subject to Model Article 26(5), the directors shall not have power to refuse any transfer of shares made in accordance with these Articles and shall register any such transfer
- 27 2 The directors shall refuse to register any transfer of shares made otherwise than in accordance with the Articles

## **28. PERMITTED TRANSFERS**

### **Family Transfers**

- 28 1 Any member (the "Original Holder") may at any time transfer any Share to a Family Member over the age of 18 or to the trustees of a Family Trust of his
- 28 2 The personal representatives of a deceased Original Holder may transfer any of the Shares registered in such Original Holder's name as sole holder or as sole surviving joint holder to any Family Member over the age of 18 or the trustees of any Family Trust of the deceased Original Holder under the will or on the intestacy of the deceased Original Holder
- 28 3 Any member who is a trustee of a Family Trust may at any time transfer any Share held by him in such capacity to,
- (a) the new or remaining trustees of the Family Trust upon any change of trustees of such trust,
  - (b) the trustees for the time being of any other Family Trust of the Original Holder,
  - (c) any person being a Family Member of the Original Holder upon such person becoming entitled to that share under the terms of the Family Trust
- 28 4 Any person to whom any Share is transferred pursuant to Articles 28 3(a), 28 3(b) or 28 3(c) may at any time transfer any Share to the Original Holder of such Share or to any person to whom the Original Holder could have transferred such share in accordance with this Article 28 but not otherwise

### **Nominees**

- 28 5 Any share may at any time be transferred by its beneficial owner ("Beneficial Owner") to a person shown to the reasonable satisfaction of the directors to be a nominee of the Beneficial Owner alone and where no beneficial interest in the share passes by reason of the transfer
- 28 6 Where any share has been transferred to a nominee pursuant to Article 28 5 such nominee may at any time transfer any share so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the directors to be a nominee only for the Beneficial Owner alone or to another person to whom the Beneficial Owner could have transferred such share in accordance with these Articles
- 28 7 Where any person to whom a share has been transferred as a nominee pursuant to this Article 28 ceases to hold such share as nominee only for the Beneficial Owner alone (other than by reason of a transfer in accordance with Article 28 6) he shall forthwith transfer such share to the Beneficial Owner or to another person shown to the reasonable satisfaction of the directors to be a nominee only for the Beneficial Owner alone or to another person to whom the Beneficial Owner could have transferred such share in accordance with these Articles and, in default of such transfer, he shall be deemed to have given a Transfer Notice

### **Transfer with consent of other Shareholders**

- 28 8 Any Shareholder may at any time transfer any share to any person (whether or not such a transfer would be permitted under any other provision of these Articles) with the prior written consent of all the other Shareholders

### **29. PRE-EMPTION**

- 29 1 Except as otherwise permitted by Articles 26 and 28, a member (the "Selling Member") shall not be entitled to sell, transfer, renounce, charge, donate or otherwise dispose of (whether by way of sale or otherwise) any shares (or any interest therein) to any person other than a member of the same class of Shares and then only in accordance with the provisions of the Article

- 29 2 A member wishing to transfer his Shares to another member of the same class of Shares must give to the Company notice in writing of his wish to do so (a "Transfer Notice") A Transfer Notice shall,

- (a) specify the number of shares which the Selling Member wishes to transfer (the "Sale Shares"),
- (b) identify the person (if any and being a member of the same class of Shares) to whom the Selling Member wishes to transfer the Sales Shares (the "Proposed Transferee"),
- (c) specify the price per share (the "Offer Price") at which the Selling Member wishes to transfer the Sale Shares,
- (d) be deemed to constitute to the Company the Selling Member's acceptance for the sale of the Sale Shares at the Sale Price (as defined in article 29 11) in the manner provided by these Articles,
- (e) (if the Selling Member so specifies) provide that unless buyers are found for all or not less than a specified number of the Sale Shares, the Selling Member shall not be bound to transfer any such shares (a "Minimum Transfer Condition") and any such provision shall be binding on the Company and so that, notwithstanding the other provisions of this Article 29, if the Transfer Notice contains a Minimum Transfer Condition the Company may not make any allocation of Sale Shares unless and until it has found buyers for at least the number of shares specified in the Minimum Transfer Condition

and so that a Transfer Notice once given may not be varied or withdrawn except as provided by these Articles

- 29 3 The Company shall, on or before the tenth Business Day following receipt of the Transfer Notice, give notice in writing to the other members holding shares of the same class offering for sale the Sale Shares at the Sale Price, specifying the Offer Price and explaining that the Sale Price will be determined in accordance with Article 29 11 The notice shall specify that such persons shall have a period of 60 Business Days from the date of such notice within which to apply in writing for some or all of the Sale Shares

- 29 4 If the total number of Sale Shares applied for by the other members is equal to the number of Sale Shares available the directors shall allocate the Sale Shares according to and in satisfaction of the applications received

- 29 5 If the total number of Sale Shares applied for is more than the number of Sale Shares available the directors shall allocate the Sale Shares to the members wishing to acquire Sale Shares in accordance with the following formula (and so that this formula

shall be applied repeatedly until such time as there are no Sale Shares remaining to be allocated and so that each application of the formula is referred to as an "iteration"),

$$A = \frac{B \times D}{C}$$

where,

"A" is the number of Sale Shares to be allocated to the relevant member in the iteration

"B" is the number of shares held by the relevant member (ignoring allocations from previous iterations)

"C" is the number of shares held by all members to whom the iteration is being applied (ignoring allocations from previous iterations)

"D" is the number of Sale Shares or, after the first iteration, the number of Sale Shares remaining unallocated by previous iterations

- 29 6 If, in any iteration, a member would be allocated all or more than all of the Sale Shares for which he applied (including allocations from previous iterations) then any excess will not be allocated to that member. That member will not take part in any further iterations and the excess Sale Shares (if any) will be available for allocation in the next iteration. In each iteration, allocations shall be rounded down to the nearest whole number of Sale Shares and the aggregate of all fractional entitlements shall be allocated in such a manner as the directors consider, in their absolute discretion, to be fair and reasonable.
- 29 7 If the total number of Sale Shares applied for by the other members is less than the number of Sale Shares available the directors shall allocate the Sale Shares according to and in satisfaction of the applications received provided that if any Minimum Transfer Condition would not thereby be satisfied no such allocations shall be made, the Company shall notify the Selling Member accordingly and the provisions of Article 29 15 shall apply.
- 29 8 Allocations of Sale Shares made by the Company pursuant to this Article 29 shall constitute the acceptance by the persons to whom they are allocated of the offer to purchase the Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the maximum number of Sale Shares for which he has applied.
- 29 9 The Company shall, forthwith upon the exhaustion of the provisions of Articles 29 3 to 29 6, give notice in writing (a "Sale Notice") to the Selling Member and to each person to whom Sale Shares have been allocated of the number of Sale Shares so allocated. Completion of the sale and purchase of the Sale Shares shall take place within 10 Business Days after the agreement or determination of the Sale Price in accordance with Article 29 9 whereupon the Selling Member shall be bound (save as provided in Article 29 13), upon payment of the purchase price due in respect thereof, to transfer the Sale Shares specified in the Sale Notice to the persons to whom they have been allocated and to deliver the relevant share certificates.
- 29 10 If the Selling Member defaults in transferring any Sale Shares pursuant to Article 29 9, the directors may authorise some person to execute a transfer of such Sale Shares in the name and on behalf of the Selling Member and may give a good receipt for the purchase price of such Sale Shares and may register the transferee as the holder thereof and issue certificates for the same and thereupon the transferee shall become indefeasibly entitled thereto and the Selling Member shall in such case be bound to

deliver up his certificate for such Sale Shares and on delivery shall be entitled to receive the purchase price for such Sale Shares (without interest)

29 11 The Sale Price shall be

- (a) the Offer Price, or, if such price is not agreed between the Selling Member and those members who have been allocated a majority of the Sale Shares ("Buying Members"),
- (b) such price as the Selling Member and the Buying Members shall agree within 20 Business Days of the date of the Sale Notice, or
- (c) failing such agreement within such period such price as the Expert shall determine pursuant to Article 29,12

and the Company shall thereupon serve written notice on the recipients of the Sale Notice notifying them of the Sale Price as so agreed or determined (the "Sale Price Notice")

29 12 If the Sale Price fails to be determined by the Expert

- (a) the directors shall forthwith instruct the Expert to determine the Sale Price which, in the Expert's opinion, represents a fair price for the Sale Shares as at the date of the Transfer Notice as between a willing buyer and a willing seller and so that in making such determination
  - (i) the Company's issued share capital as a whole shall first be valued and the same allocated amongst the classes of shares in issue,
  - (ii) shares of different classes shall be of equal value,
  - (iii) each share in each particular class shall be deemed to be of equal value (whether the shares being valued are a majority or minority of the issued shares and whatever the present circumstances or other holdings of the Selling Member, the Buying Members or any other person and whatever may be the effect in relation to the control of the Company of a transfer of all or any of the Sale Shares whether to one or more persons) and shall be deemed to be freely transferable and registrable disregarding the restrictions in these Articles
- (b) the Expert shall determine the Sale Price as soon as reasonably practicable after being instructed to do so by the Company,
- (c) in so determining, the Expert shall be deemed to be acting as an expert and not as an arbitrator and the determination of the Sale Price by the Expert shall, in the absence of manifest error, be final and binding,
- (d) the fees and costs of the Expert in making such determination shall be borne by the parties who could not agree or settle the Sale Price in equal shares

29 13 In the event that the Selling Member is not willing to accept the Sale Price as determined by the Expert he shall be entitled to withdraw the Transfer Notice (either so far as concerns all the Sale Shares or so far as concerns the Sale Shares in respect of which the Expert has determined the Sale Price) by serving written notice on the Company within 10 Business Days of receipt by him of the Sale Price Notice provided that such notice of withdrawal contains an undertaking by the Selling Member to pay on demand the fees and costs of the Expert in determining the Sale Price

29 14 In the event that any Buying Member is not willing to accept the Sale Price agreed or determined by the Expert he shall be entitled to withdraw his application for Sale

Shares by serving written notice on the Company within 10 Business Days of receipt by him of the Sale Price Notice provided that such withdrawal notice contains an undertaking by such Buying Member to pay on demand the fees and costs of the Expert in determining the Sale Price. In the event that the Buying Member so withdraws his application for Sale Shares, such Sale Shares shall be offered to those Buying Members who have not withdrawn their applications. Such Sale Shares shall be offered in accordance with this Article 29 save that the Sale Price of such shares shall be the Sale Price as already agreed or determined and the Buying Members to whom such Sale Shares are offered shall have a further 5 Business Days to apply for all or some of such Sale Shares

29 15 If all Sale Shares are not allocated pursuant to the provisions of this Article 29 (in which event the Company shall notify the Selling Member accordingly forthwith following the exhaustion of such provisions) or if, through no fault of the Selling Member, the sale and purchase of any Sale Shares shall not be completed within 10 Business Days after the last date for completion provided under Article 29 9 (but not if the Selling Member withdraws his Transfer Notice pursuant to Article 29 13) the Selling Member shall, at any time within six months after the expiry of such period of 10 Business Days or, as the case may be, after the date on which he receives notification under Article 29 7 or 29 14, be entitled to sell or transfer to the Proposed Transferee (provided they remain a member of that class of Shares) the Sale Shares or, as the case may be, any unallocated or unsold Sale Shares provided that

- (a) if the Sale Notice stipulated a Minimum Transfer Consideration which has not been satisfied, the Selling Member shall not be entitled to transfer any Sale Shares pursuant to this Article 29 15 unless such transfer will satisfy the Minimum Transfer Consideration,
- (b) in the case of a sale such sale is at a price which is not less than the Sale Price (or, if there is more than one Sale Price, the lowest Sale Price) and that any such sale shall be a sale of good faith and the directors may require to be satisfied (in such manner as they reasonably require) that such Sale Shares are being sold at a price in accordance with this Article without any deduction, rebate or allowance whatsoever and if not so satisfied may refuse to register the transfer,
- (c) in the case of a transfer otherwise than on sale such transfer is for no consideration (whether in money or money's worth) and is a bona fide gift and the directors may require to be satisfied (in such manner as they reasonably require) that such Sale Shares are being transferred for no consideration and if not so satisfied may refuse to register the transfer

29 16 The provisions of this Article 29 shall equally apply where the Company purchases or proposes to purchase any of the Shares

### **30 BRING ALONG**

30 1 In the event that any person, being a bona fide purchaser at arm's length shall make a general offer to acquire the entire issued share capital of the Company not already owned by such person which offer treats all holders of Shares alike (save only as provided below) and is for a consideration or price which is considered to be fair and reasonable by a member or members (not including the person making the offer) holding more than 50 per cent of each class of Shares and who wish to accept the offer (the "Majority") then, if the Majority so require, each member shall be obliged to accept such offer and to sell and transfer his shares accordingly. If any member shall fail to execute when required any form of transfer of other document required in order to accept such offer and to sell and transfer his shares accordingly the directors may authorise some person to accept the offer or take any action required under the terms of the offer on part of a member who has accepted the offer. The directors may in particular authorise some person to execute a transfer of any shares in favour of the



offeror (or its nominee) and the Company may give a good receipt for the purchase price for such shares and may register the offeror (or its nominee) as holder of such shares and issue to it (or as it may direct) certificates for the same. In any such case the member concerned shall be bound to deliver up his certificate for his shares to the Company whereupon such member shall be entitled to receive the purchase price for such shares which shall in the meantime be held by the Company on trust for such member but without interest. Notwithstanding any other provision of these Articles the directors shall register the transfer in favour of the offeror (or its nominee) of any share in respect of which the offer has been accepted by or on behalf of the member concerned. After the name of the offeror (or its nominee) has been entered into the register of members in purported exercise of these powers, the validity of such proceedings shall not be questioned by any person.

### **31 TAG ALONG**

- 31 1 In the event that any member or members ("Proposed Sellers") propose to transfer or sell other than pursuant to Article 26 and 28 and 29 (whether in one or a series of related transactions) the legal and beneficial interest in all or any of their holdings of shares ("Specified Shares") which would result if made and registered in a person (whether or not already a member but not being an offeror for the purposes of Article 29) together with any persons who are in relation to such person connected (within the meaning of section 839 Income and Corporation Taxes Act 1988) and acting in concert with such person (within the meaning of the City Code on Take-Overs and Mergers) owning or holding more than 50 per cent of the issued shares in the capital of the Company, then no such sale or transfer of the Specified Shares shall be made unless the Proposed Sellers procure that an offer is made by the proposed transferee (or any person acting in concert as aforesaid) to purchase all issued shares in the capital of the Company other than the Specified Shares at the Specified Price (as defined in Article 31 2) and otherwise on the same terms and conditions as apply to the proposed sale of the Specified Shares but so that such offer shall be open for acceptance for at least 28 days.
- 31 2 The Specified Price shall mean a price per share which is not less than that offered or paid or payable by the proposed transferee to the Specified Sellers for the Specified Shares plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Proposed Sellers or the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can fairly and reasonably be regarded as an addition to the price paid or payable for the Specified Shares. In the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales at the request of any of the parties concerned) whose decision shall be final and binding.
- 31 3 The directors shall not register any transfer of any Specified Share unless the provisions of this Article 31 are complied with. Provided that the provisions of this Article 31 are complied with the directors shall register any transfer of any share in favour of the proposed transferee (or its nominee).

### **32 DEEMED / REQUIRED TRANSFER NOTICES**

- 32 1 The personal representatives of a deceased member or the trustee in bankruptcy of any member who is adjudged bankrupt shall be bound to give a Transfer Notice in respect of all the shares registered in the name of such deceased (unless the provisions of Article 28 2 apply) or bankrupt member as sole holder or as sole surviving joint holder at the date of his death or bankruptcy (as the case may be) and the date of any Transfer Notice which is given or deemed to be given pursuant to this Article 32 1 shall be deemed to be the date of the death or bankruptcy (as the case may be).

- 32 2 A member being a body corporate shall be deemed to have given a Transfer Notice in respect of all the shares held by it (otherwise than only as nominee for some other person) upon and in the event of the receivership, liquidation, administration or winding up of such member or in the event that there is a change of control in such member or any holding company of such member and so that for this purpose
- (a) "change of control" means any event (including without limitation any sale, transfer or other disposal of shares or any interest or right therein) as a consequence of which any person or group of connected persons (whether or not a member or members of such body corporate on the date of adoption of these Articles) obtains control of the body corporate, and
  - (b) whether any person is a "connected" person shall be determined in accordance with section 839 Income and Corporation Taxes Act 1988 (provided that a person shall not be deemed to be connected with another person by reason only that they are both shareholders of the body corporate in question),
  - (c) "control" means a holding or aggregate holdings of shares carrying more than 50 per cent of the voting rights attributable to the share capital of that body corporate which are exercisable in all circumstances at a general meeting of that body corporate
- 32 3 In any case where under the provisions of these Articles the directors may require a Transfer Notice to be given or a person become bound to give a Transfer Notice 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 (except and to the extent that a transfer of any such shares in favour of a person to whom they may be transferred pursuant to Article 28 shall have been lodged for registration prior to the expiry of such period) be deemed to have been given on the expiry of such period
- 32 4 The provisions of Article 29 shall apply mutatis mutandis to any Transfer Notice deemed to have been given under these Articles or given under this Article save that Article 29 2 (e) shall not apply

### **33. COMPLIANCE**

- 33 1 For the purpose of ensuring compliance with the share transfer provisions in these Articles, the directors may from time to time require any member or former member (or the personal representatives, trustee in bankruptcy, receiver, liquidator or administrator of any member or former member) or any person who is the proposed transferee of any share or any person named as transferee in any instrument of transfer lodged for registration to provide to the Company in writing such information and evidence as the directors may reasonably require regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being provided in writing to the reasonable satisfaction of the directors within a reasonable time after request, the directors may refuse to register the transfer in question or (if there is no transfer) require by notice in writing that a Transfer Notice be given or a transfer be made in respect of the shares concerned. If, in the reasonable opinion of the directors, such information or evidence discloses that a Transfer Notice ought to have been given or a transfer ought to have been made in respect of any shares the directors may by notice in writing require that a Transfer Notice to be given or transfer made in respect of the shares concerned