



## **Articles of Association**

of

**SmartSensor Telemed Limited**

**Amended by special resolution passed on 4 June 2018**

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THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF SMARTSENSOR TELEMED LIMITED  
(COMPANY NUMBER 03772288)

(Adopted by special resolution passed on 4 June 2018)

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1. DEFINED TERMS**

**1.1** In these Articles, unless the context requires otherwise:

**"A Share"** means an A ordinary share of 1p of the company;

**"A Shareholder"** means a holder of an A Share;

**"Act"** means the Companies Act 2006;

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

**"auditors"** means the auditors for the time being of the company;

**"Baldwins"** means Matthew Baldwin and Christopher Perks Baldwin acting together;

**"bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

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

**"chairman"** has the meaning given in article 12;

**"chairman of the meeting"** has the meaning given in article 50;

**"Companies Acts"** means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the company;

**"connected person"** has the meaning given to it in section 839 of the Income and Corporation Taxes Act 1988;

**"CT Shares"** means 5516 of the A Shares held by James Jackson at the date of the adoption of these Articles;

**"director"** means a director of the company, and includes any person occupying the position of director, by whatever name called;

**"distribution recipient"** has the meaning given in article 42.2;

**"document"** includes, unless otherwise specified, any document sent or supplied in electronic form;

**"drag majority"** means the holders of not less than 70% by nominal value of all the issued A Shares except those A Shares held by James Jackson;

**"electronic form"** has the meaning given in section 1168 of the Act;

**"eligible director"** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

**"family trusts"** means, as regards any particular individual shareholder or deceased or former individual shareholder, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) in relation to which such shareholder and/or one or more privileged relations of such member is/are included as member(s) of the class of beneficiary/beneficiaries (whether or not any other person or persons or charity or

**"fully paid"** in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

**"hard copy form"** has the meaning given in section 1168 of the Act;

**"holder"** in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

**"Innovox"** means Innovox Limited (Company No: 3938986);

**"instrument"** means a document in hard copy form;

**"investor consent"** means the written consent of no fewer than two of the following: (1) Innovox; (2) the Woods; (3) the Baldwins;

**"member of the same group"** means, as regards a company, a company which is for the time being a subsidiary or holding company of that company or a subsidiary of any such holding company;

**"ordinary resolution"** has the meaning given in section 282 of the Act;

**"paid"** means paid or credited as paid;

**"participate"**, in relation to a directors' meeting, has the meaning given in article 10;

**"permanent disablement"** means physical or mental impairment that prevents James Jackson permanently from carrying out his duties as a director of the Company;

**"permitted transfer"** means a transfer permitted by article 34 and **"permitted transferee"** shall be construed accordingly;

**"privileged relation"** means, in relation to an individual shareholder or deceased or former individual shareholder, and includes:

- a) the husband or wife or the widower or widow (whether or not remarried) of the individual;
- b) all the lineal descendants and ascendants in direct line of that individual and the brothers and sisters of that individual and their lineal descendants and a husband or wife or widower or widow of any of the persons in this subparagraph (b) and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed the lineal descendant of that individual;

**"proxy notice"** has the meaning given in article 56;

**"relevant shares"** means (so far as the same remain for the time being held by trustees of any family trusts or by any transferee company) the shares originally acquired by such trustees or transferee company and any additional shares issued to such trustees or transferee company by way of capitalisation or acquired by such trustees or transferee company in exercise of any right or option granted or arising by virtue of the holding of such shares or any of them or the membership thereby conferred;

**"shareholder"** means a person who is the holder of a share;

**"shareholder related contract"** means any agreement, transaction or arrangement (including payment of any sum on an ex-gratia basis) made between a shareholder (or a person who in relation to a shareholder is a Connected Person) and the Company or any member of the same group;

**"shares"** means shares in the company;

**"special resolution"** has the meaning given in section 283 of the Act;

**"subsidiary"** has the meaning given in section 1159 of the Act;

**"transfer notice"** means a notice in accordance with article 35 that a shareholder desires to transfer his shares;

**"transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

**"triggering event for CT"** means one or more of the following for the purposes of Article 37.5:

- a) wilful breach of a trust or of a duty of confidentiality owed to the Company;
- b) the theft of property (including but not limited to intellectual property) owned by or licensed to the Company;
- c) sabotaging or wilfully damaging the property or lawful business interests of the Company;
- d) competing with the Company or acting in a manner that conflicts with the lawful business interests of the Company, in each case without the authority of the board of directors of the Company;
- e) the falsifying of Company records or the making of false expense claims to the Company;
- f) the removing of Company records or property from Company premises (other than in the normal course) without the authorisation of the board of directors of the Company;
- g) wilfully failing to comply with a lawful decision of the board of directors of the Company.

**"Woods"** means Sir Martin Wood and Lady Audrey Wood acting together;

**"writing"** means 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 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as 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 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - a) any subordinate legislation from time to time made under it, and
  - b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

## **2. LIABILITY OF MEMBERS**

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

### **DIRECTORS**

#### **DIRECTORS' POWERS AND RESPONSIBILITIES**

## **3. DIRECTORS' GENERAL AUTHORITY**

Subject to the Articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

## **4. SHAREHOLDERS' RESERVE POWER**

- 4.1 Subject to the Articles, the shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 4.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

## **5. DIRECTORS MAY DELEGATE**

**5.1** Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:

- a)** to such person or committee;
- b)** by such means (including by power of attorney);
- c)** to such an extent;
- d)** in relation to such matters or territories; and
- e)** on such terms and conditions,  
as they think fit.

**5.2** If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

**5.3** The directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **6. COMMITTEES**

**6.1** Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.

**6.2** The directors may make rules of procedure for all or any committees which prevail over rules derived from the Articles if they are not consistent with them.

### **DECISION-MAKING BY DIRECTORS**

## **7. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

**7.1** Decisions of the directors may be taken:

- a)** by majority decision at a directors' meeting; or
- b)** in the form of a directors' written resolution in accordance with article 8.

**7.2** If:

- a)** the company only has one director for the time being, and
- b)** no provision of the Articles requires it to have more than one director,

the general rule set out in article 7.1 does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

## **8. DIRECTORS' WRITTEN RESOLUTIONS**

**8.1** Any director may propose a written resolution by giving notice to each director stipulating the proposed resolution and the time by which the directors should adopt it.

**8.2** Notice shall be given in writing and may be so given using electronic means.

**8.3** A proposed directors' written resolution is adopted when all eligible directors have signed one or more copies of it.

**8.4** It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.

**8.5** Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles.

## **9. CALLING A DIRECTORS' MEETING**

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

**9.2** Meetings of the directors shall, in any event, take place at least once per calendar month and at least seven business days' notice of each meeting shall be given to each director; but a majority in number of the directors may agree to less frequent meetings or to a shorter notice period.

**9.3** Notice of any directors' meeting must indicate:

- a) its proposed date and time;
- b) where it is to take place;
- c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting; and
- d) the agenda.

**9.4** Notice of a directors' meeting shall be given to each director in writing and may be so given using electronic means.

**9.5** Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **10. PARTICIPATION IN DIRECTORS' MEETINGS**

**10.1** Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

- a) the meeting has been called and takes place in accordance with the Articles; and
- b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

**10.2** In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

**10.3** If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **11. QUORUM FOR DIRECTORS' MEETINGS**

**11.1** At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

**11.2** Subject to article 11.3, the quorum for the transaction of business at a meeting of directors is two directors or, where there is only one director in office for the time being, that director.

**11.3** For the purposes of any meeting (or part of a meeting) held pursuant to article 15 to authorise a director's conflict, if there is only one director in office besides the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

**11.4** Not used.

## **12. CHAIRING OF DIRECTORS' MEETINGS**

**12.1** The directors may appoint a director to chair their meetings.

**12.2** The person so appointed for the time being is known as the chairman.

**12.3** The directors may terminate the chairman's appointment at any time.

**12.4** If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

## **13. CASTING VOTE**

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



#### **14. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

**14.1** Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- c) shall be entitled to vote at a meeting of directors or of a committee of the directors, or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- d) 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;
- e) 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
- f) 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 Act)) 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 Act.

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

**14.3** Subject to article 14.4, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

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

#### **15. DIRECTORS' CONFLICTS OF INTEREST**

**15.1** The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest (a "Conflict").

**15.2** Any authorisation under this article will be effective only if:

- a) the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and

- c) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

**15.3** Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

- a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
- c) be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

**15.4** In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

- a) disclose such information to the directors or to any director or other officer or employee of the company; or
- b) use or apply any such information in performing his duties as a director,

where to do so would amount to a breach of that confidence.

**15.5** Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:

- a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
- b) is not given any documents or other information relating to the Conflict, and
- c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

**15.6** Where the directors authorise a Conflict:

- a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and
- b) the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.

**15.7** A Director shall not be taken to be in breach of his fiduciary duty to act in the best interests of the Company by reason only that, in the performance of his duties and the exercise of his powers, he has regard to the interests and acts upon the wishes of the Shareholders who appointed him unless no honest and reasonable director could have formed the view that, in so doing, the Director was also promoting the interests of the Company as a whole.

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

## **16. RECORDS OF DECISIONS TO BE KEPT**

**16.1** *The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every decision taken or written resolution adopted by the directors.*

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

**17. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

**APPOINTMENT OF DIRECTORS**

**18. NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be fewer than one and not more than seven.

**19. METHODS OF APPOINTING DIRECTORS**

**19.1** Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

- a) by ordinary resolution; or
- b) by a decision of the directors.

**19.2** In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

**19.3** For the purposes of article 19.2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

**20. TERMINATION OF DIRECTOR'S APPOINTMENT**

A person ceases to be a director as soon as:

- 20.1** that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law, save that a director appointed to fill a casual vacancy or as an addition to the board shall not retire from office at the next annual general meeting following his appointment;
- 20.2** there is lodged at the registered office of the company an instrument in writing signed by a shareholder or shareholders (or in the case of a shareholder being a company, signed by one of its directors or officers on its behalf) holding a majority in nominal value of the issued ordinary shares for the time being in the company;
- 20.3** a bankruptcy order is made against that person;
- 20.4** a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 20.5** a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 20.6** by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 20.7** notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

**21. DIRECTORS' REMUNERATION**

**21.1** Directors may undertake any services for the company that the directors decide.

**21.2** Directors are entitled to such remuneration as the directors determine:

- a) for their services to the company as directors, and

- b) for any other service which they undertake for the company.

**21.3** Subject to the Articles, a director's remuneration may:

- a) take any form, and
- b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

**21.4** Unless the directors decide otherwise, directors' remuneration accrues from day to day.

**21.5** Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

## **22. DIRECTORS' EXPENSES**

The company may pay any reasonable expenses which the directors (including alternate directors) and the secretary properly incur in connection with their attendance at:

**22.1** meetings of directors or committees of directors;

**22.2** general meetings; or

**22.3** separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

### **ALTERNATE DIRECTORS**

## **23. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

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

- a) exercise that director's powers; and
- b) carry out that director's responsibilities,

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

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

**23.3** The notice must:

- a) identify the proposed alternate; and
- b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

## **24. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

**24.1** An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

**24.2** Except as the Articles specify otherwise, alternate directors:

- a) are deemed for all purposes to be directors;
- b) are liable for their own acts and omissions;
- c) are subject to the same restrictions as their appointors; and
- d) are not deemed to be agents of or for their appointors

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

**24.3** A person who is an alternate director but not a director:

- a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- c) shall not be counted as more than one director for the purposes of articles 24.3(a) and (b).

**24.4** A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

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

**25. TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate director's appointment as an alternate terminates:

- 25.1** when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- 25.2** on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 25.3** on the death of the alternate's appointor; or
- 25.4** when the alternate's appointor's appointment as a director terminates.

**26. SECRETARY**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

**SHARES**

**27. ALL SHARES TO BE FULLY PAID UP**

- 27.1** No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- 27.2** This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

**28. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

Subject to the Articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution of the members and as set out in the Articles.

**29. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the Articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

**30. SHARE CERTIFICATES**

- 30.1** The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 30.2** Every certificate must specify:

- a) in respect of how many shares, of what class, it is issued;
- b) the nominal value of those shares;
- c) that the shares are fully paid; and
- d) any distinguishing numbers assigned to them.

**30.3** No certificate may be issued in respect of shares of more than one class.

**30.4** If more than one person holds a share, only one certificate may be issued in respect of it.

**30.5** Certificates must:

- a) have affixed to them the company's common seal, or
- b) be otherwise executed in accordance with the Companies Acts.

### **31. REPLACEMENT SHARE CERTIFICATES**

**31.1** If a certificate issued in respect of a shareholder's shares is:

- a) damaged or defaced, or
- b) said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

**31.2** A shareholder exercising the right to be issued with such a replacement certificate:

- a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- c) must comply with such conditions as to evidence indemnity and the payment of a reasonable fee as the directors decide.

### **32. SHARE RIGHTS, RESTRICTIONS AND CLASS RIGHTS**

**32.1** All A Shares shall rank *pari passu* in all respects.

**32.2** If any shareholder purports to dispose of any interest in any shares otherwise than in accordance with these Articles then the shares concerned shall cease to entitle the holder to attend and vote at general meetings of the company until the provisions of these Articles (as the case may be) are fully complied with.

### **33. SHARE TRANSFERS**

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

**33.2** No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

**33.3** The company may retain any instrument of transfer which is registered.

**33.4** The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

**33.5** The directors may refuse to register the transfer of a share which is in breach of these Articles and/or any shareholders' agreement relating to the company, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

### **34. PERMITTED TRANSFERS OF SHARES**

**34.1** Any shares (other than (i) any shares in respect of which the holder shall have been required by the directors under these Articles to give a transfer notice or shall have been deemed to have given a transfer notice and (ii) any CT Shares to be transferred by James Jackson otherwise than by reason of his death or permanent disablement) may at any time be transferred:

- a) to any person with investor consent; or
- b) by any individual shareholder (not being in relation to the shares concerned a holder thereof as a trustee of any family trusts nor a holder thereof pursuant to a transfer (other than a transfer to a privileged relation under the Will or intestacy of a deceased shareholder) by previous operation of this article 34.1(b)) to a privileged relation of such shareholder; or
- c) by any such individual shareholder to trustees to be held upon family trusts related to such individual shareholder; or
- d) by any shareholder being a company (not being in relation to the shares concerned a holder thereof as a trustee of any family trusts) to a member of the same group as the transferor company; or
- e) by any person entitled to shares in consequence of the death or bankruptcy of an individual shareholder to any person or trustee to whom such individual shareholder, if not dead or bankrupt, would be permitted hereunder to transfer the same.

**34.2** Where shares have been transferred (before the adoption of these Articles) or issued to trustees of family trusts or transferred under article 34.1 or under paragraphs (a) or (b) of this article to trustees of family trusts, the trustees and their successors in office may (subject to the provisions of article 34.1) transfer all or any of the relevant shares:

- a) to the trustees for the time being of the family trust concerned on any change of trustees;
- b) to the trustees for the time being of any other trusts being family trusts in relation to the same individual shareholder or deceased or former shareholder pursuant to the terms of such family trusts or to any discretion vested in the trustees thereof or any other person; or
- c) to the relevant member or former member or any privileged relation of the relevant member or deceased or former shareholder who has thereby become entitled to the shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the family trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid.

**34.3** If and whenever any of the relevant shares come to be held otherwise than upon family trusts, except in circumstances where a transfer thereof is authorised pursuant to article 34.2 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such shares to notify the directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the shares concerned.

**34.4** If a person to whom shares have been transferred pursuant to article 34.1(b) shall cease to be a privileged relation, it shall be the duty of the holder to notify the directors in writing that such event has occurred and (unless the shares held by such person are thereupon transferred to the transferor pursuant to article 34.1(b) or to a person which is a privileged relation of such transferor, any such transfer being deemed to be authorised under the foregoing provisions of this article) such person shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the shares concerned.

**34.5** If a transferee company ceases to be a member of the same group as the transferor company from which (whether directly or by a series of transfers under article 34.1(d)) the relevant shares derived, it shall be the duty of the transferee company to notify the directors in writing that such event has occurred and (unless the relevant shares are thereupon transferred to the transferor company or a member of the same group as the transferor company, any such transfer being deemed to be authorised under the foregoing provisions of this article) the transferee company shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the relevant shares.

### **35. PRE-EMPTION ON TRANSFER**

**35.1** Except in the case of a permitted transfer, the right to transfer shares or any interest in shares in the company shall be subject to the following restrictions and provisions. References in this article 35 to transferring shares or sale shares shall include any interest in and grant of contractual rights or options over or in respect of shares.

**35.2** For the purposes of this article 35 the following words and expressions shall have the meanings as set out below:

**"proposing transferor"** means the person proposing to transfer shares in the capital of the company;

**"sale shares"** means the shares in the capital of the company which the proposing transferor intends to transfer;

**"notice date"** means the date on which a transfer notice was given or deemed to have been given;

**"prescribed period"** means the period during which the shares shall be offered and can be accepted by other shareholders, being:

- a) 12 weeks from the notice date if the prescribed price has been agreed by such time in accordance with article 35.4; or
- b) 8 weeks from the date the prescribed price is determined by the auditors, if the price has to be determined by the auditors in accordance with article 35.5;

**"prescribed price"** means either:

- c) as determined by the proposing transferor and the directors or by reference to a previous bona fide offer, in each case, in accordance with article 35.4; or
- d) as determined by the auditors in accordance with article 35.5.

**35.3** The proposing transferor proposing to transfer the sale shares shall be required, before effecting or purporting to effect the transfer, to give a transfer notice that he desires to transfer the sale shares and shall state in the transfer notice the identity of the person (if known) to whom the proposing transferor desires to transfer the beneficial interest in the sale shares. The transfer notice shall constitute the company as his agent for the sale of the sale shares (together with all rights then attached thereto) at the prescribed price during the prescribed period to any shareholder on the basis set out in the following provisions of these Articles and shall include such other details of the proposed transfer as the directors may in their absolute discretion determine and shall not be revocable except with the consent of the directors.

**35.4** The prescribed price (subject to the deduction therefrom where the prescribed price has been agreed with the directors of any dividend or other distribution declared or made after such agreement and prior to the date on which the transfer notice was given) shall be whichever is applicable of:

- a) the price per sale share agreed not more than one month before the notice date between the proposing transferor and the directors as representing the market value thereof; or
- b) if no such agreement has been reached by the notice date, the price contained in a bona fide arm's length offer received from a third party by the proposing transferor not more than one month before the notice date and which remains open for acceptance in respect of the sale shares until at least seven days after the last date for compliance with the pre-emption provisions contained in this article 35 (but subject to the right of the directors to satisfy themselves that such offer is bona fide, for the consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser or other arrangement or agreement and so open for acceptance).

**35.5** If, prior to the notice date, the prescribed price shall not have been agreed or determined in accordance with article 35.4, upon the giving of the transfer notice the directors shall refer the matter to the auditors and the auditors shall determine and certify the sum per share considered in their opinion to be the market value thereof as at the notice date and



the sum per share so determined and certified shall be the prescribed price. The auditors shall act hereunder at the cost and expense of the company as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and, in the absence of fraud, or manifest error, they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith.

- 35.6** Pending determination of the prescribed price the directors shall defer the making of the offer mentioned in article 35.7.
- 35.7** All shares included in any transfer notice shall by notice in writing be offered by the company forthwith on receipt (subject to article 35.6) of the relative transfer notice to all shareholders (other than the holder of the sale shares) for purchase at the prescribed price on the terms that in case of competition the sale shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any shareholder beyond that applied for by him) to their existing holdings of shares. Such offer:
- a) shall stipulate a time not exceeding 20 business days within which it must be accepted or in default will lapse; and
  - b) may stipulate that any shareholders who desire to purchase a number of sale shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess sale shares they wish to purchase and any shares not accepted by other shareholders shall be used for satisfying the requests for excess sale shares pro rata to the existing shares respectively held by such shareholders making such requests.

If the company shall not, within the period ending on the date which is 20 business days after the notice date, or if later, 20 business days after the date of determination of the prescribed price (the "relevant date"), find a shareholder or shareholders willing to purchase all of the sale shares, then any shares not accepted by any of the shareholders or the company pursuant to the foregoing provisions of these Articles by the end of the last of the relevant periods under article 35.7 may be offered by the directors to such persons as they may think fit for purchase at the prescribed price.

- 35.8** If the company shall within the prescribed period find members or such other persons as aforesaid (each such person being hereinafter called "a purchaser") to purchase the sale shares or any of them and give notice in writing thereof to the proposing transferor he shall be bound, upon payment to him of the prescribed price, to transfer such shares to the respective purchaser(s), provided that, if the transfer notice shall state that the proposing transferor is not willing to transfer some only of the sale shares (which he shall be entitled to do if he is required by virtue of any provision of these Articles) this provision shall not apply unless the company shall have found purchasers for all of the sale shares. Every notice given by the company under this article 35.8 shall state the name and address of each purchaser and the number of sale shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the directors not being less than three days nor more than ten days after the date of the notice.
- 35.9** If a proposing transferor shall fail or refuse to transfer any sale shares to a purchaser(s) hereunder the directors may authorise some person to execute and deliver on his behalf the necessary transfer and the company may receive the purchase money in trust for the proposing transferor and cause the purchaser(s) to be registered as the holder of such shares. The receipt of the company for the purchase money shall constitute a good discharge to the purchaser(s) (who shall not be bound to see to the application thereof) and after the purchaser(s) has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The company shall not pay the purchase money to the proposing transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the company.
- 35.10** If the company shall not within the prescribed period find purchasers willing to purchase any or all of the sale shares and gives notice in writing thereof to the proposing transferor, or if the company shall within the prescribed period give to the proposing transferor notice

in writing that the company has no prospect of finding purchasers, the proposing transferor at any time during a period of 35 business days after the end of the prescribed period shall be at liberty (subject only to the provisions of article 33) to transfer those sale shares for which the company has not within the prescribed period given notice that it has found (or has given notice that it has no prospect of finding) purchasers to any person by way of a bona fide sale at any price not being less than the prescribed price (after deducting, where appropriate, any dividend or other distribution declared or made after the date of the transfer notice and to be retained by the proposing transferor) provided that:

- a) if the transfer notice shall state that the proposing transferor is not willing to transfer part only of the sale shares he shall only be entitled to transfer all the unsold sale shares under this article;
- b) the directors may require to be satisfied that the sale shares are being transferred under this article pursuant to a bona fide sale for the consideration stated in the transfer notice without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer.

### **36. TAG AND DRAG PROVISIONS**

#### Tag

**36.1** In the case of any transfer, or any series of transfers over a consecutive period of twelve months, (in each case, not being a permitted transfer) of sale shares which includes more than 5% in nominal amount of the issued share capital, the proposing transferor will not sell any such sale shares under this article unless the proposed purchaser(s) of such shares in relation to each other holder of shares:

- a) shall have offered to purchase from each such other holder (at the prescribed price) such proportion of the issued share capital held by each such other holder as is equal to the proportion which the shares being sold by the proposing transferor under this article bears to the total holding of issued share capital (including the shares to be sold) held by the proposing transferor; and
- b) shall, in respect of any holder of shares which wishes to take up the offer referred to in paragraph (a) above, acquire from such holder the shares in question at the relevant price simultaneously with the acquisition from the proposing transferor of the sale shares to be sold.

#### Drag

**36.2** If the drag majority (for the purposes of Articles 36.2 to 36.5 (inclusive) (the "seller")) intend(s) to sell all or part of its or their holding of shares (or any interest in such shares) (the shares to be sold by the seller being referred to as "selling shares") to a proposed purchaser(s) (the "proposed purchaser") who has made a bona fide offer on arm's length terms for the entire issued share capital, provided that the drag majority give their prior written consent, the seller shall have the right to give to the company not less than 14 days' advance notice before selling the selling shares. That notice (the "selling notice") will include details of the selling shares and the proposed price for each selling share to be paid by the proposed purchaser, details of the proposed purchaser, the place, date and time of completion of the proposed purchase (being a date not less than 14 days from the date of the selling notice) ("completion") and the terms and conditions of the offer which will be extended to the other shareholders for their shares (which for the avoidance of doubt may not differ to those offered to the seller).

**36.3** Immediately upon receipt of the selling notice, the company shall give notice in writing (a "compulsory sale notice") to each of the shareholders (other than the seller) (the "other members") giving the details contained in the selling notice, requiring each of them to sell to the proposed purchaser at completion all (if the seller has accepted in whole or in part as to the same proportion of his holding as the seller has agreed to sell) of their holdings of shares on the terms contained in the selling notice.

**36.4** Each member who is given a compulsory sale notice shall sell all of his shares referred to in the compulsory sale notice at the highest price per selling share to be sold to the

proposed purchaser on completion by the seller and on the terms set out in the selling notice.

- 36.5** If any of the shareholder(s) (the "defaulting member(s)") fails to comply with the terms of a compulsory sale notice given to him, the company shall be constituted the agent of each defaulting member for the sale of his shares in accordance with the compulsory sale notice (together with all rights then attached thereto) and the directors may authorise some person to execute and deliver on behalf of each defaulting member the necessary transfer(s) and the company may receive the purchase money in trust for each of the defaulting members and cause the proposed purchaser to be registered as the holder of such shares. The receipt of the company for the purchase money shall constitute a good and valid discharge to the proposed purchaser (who shall not be bound to see to the application thereof) and after the proposed purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The company shall not pay the purchase money due to the defaulting member(s) until he shall, in respect of the shares being the subject of the compulsory sale notice, have delivered his share certificates or a suitable indemnity and the necessary transfers to the company. No shareholder shall be required to comply with a compulsory sale notice unless the seller shall sell the selling shares to the proposed purchaser on completion, subject at all times to the seller being able to withdraw the selling notice at any time prior to completion by giving notice to the company to that effect, whereupon each compulsory transfer notice shall cease to have effect.

### **37. COMPULSORY TRANSFERS**

- 37.1** A person entitled to a share in consequence of the bankruptcy of a shareholder shall be bound at any time, if and when required in writing by the directors so to do, to give a transfer notice in respect of such share.
- 37.2** If a share remains registered in the name of a deceased shareholder for longer than one year after the date of his death the directors may require the legal personal representatives of such deceased shareholder either to effect a transfer of such shares (including for such purpose an election to be registered in respect thereof) being a permitted transfer or to show to the satisfaction of the directors that a permitted transfer will be effected up to or promptly upon the completion of the administration of the estate of the deceased shareholder or (failing compliance with either of the foregoing within one month or such longer period as the directors may allow for the purpose) to give a transfer notice in respect of such share.
- 37.3** If a shareholder which is a company or a permitted transferee of such shareholder either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such shareholder or permitted transferee shall forthwith at the request of the directors be required to give a transfer notice in respect of all of the shares held by such shareholder and/or such permitted transferee.
- 37.4** If there is a change in control (as control is defined in section 840 of the Income and Corporation Taxes Act 1988) of any shareholder which is a company or other body corporate or a permitted transferee of such a shareholder, it and each of its permitted transferees shall be bound at any time, if and when required in writing by the directors so to do, to give (or procure the giving of in the case of a nominee) a transfer notice in respect of all the shares registered in its and their names and their respective nominees' names.
- 37.5** James Jackson shall be deemed to have given a transfer notice in respect of his CT Shares for the purposes of article 35 immediately on the happening of either of the following events:
- a) he ceases to be a director of the Company owing to the committing of a triggering event for CT by him; or
  - b) he ceases voluntarily to be a director of the Company;
- save that the directors may resolve by simple majority to waive the requirement in relation to sub-clause 37.5(b).
- 37.6** The provisions of article 35 shall apply mutatis mutandis to the transfer notice deemed to have been given under article 37.5 with the following variations:

- a) on the happening of the event referred to in article 37.5(a), the prescribed price of the CT Shares shall be their nominal value; and
- b) on the happening of the event referred to in article 37.5(b), James Jackson and the directors shall attempt to agree the prescribed price of the CT Shares within 28 days of the date of the transfer notice and if they are not able to agree the prescribed price then the prescribed price of the CT Shares shall be their fair value as certified by the Company's auditors or such other firm of accountants as James Jackson and the directors of the Company may agree (and if they fail to agree within 7 days then as appointed by the President for the time being of the Institute of Chartered Accountants on the application of either of them). In arriving at their opinion of the fair value, the auditors shall value the CT Shares on a going concern basis as between a willing seller and a willing buyer:
  - i) ignoring any reduction in value which may be ascribed to the CT Shares by virtue of the fact that they represent a minority interest; and
  - ii) on the assumption that the CT Shares are capable of transfer without restriction.
- c) the CT Shares shall be offered first to the Company for purchase at the prescribed price and the Company shall have 28 days from the date of the offer to accept or decline it. If it does not accept all the CT Shares within this period, the CT Shares shall then be offered to all shareholders pursuant to Article 35.7.

**37.7** Article 37.5 shall not apply on James Jackson's death or permanent disablement.

#### **38. TRANSMISSION OF SHARES**

- 38.1** If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 38.2** A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- a) may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - b) subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 38.3** But, subject to article 19.2, transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

#### **39. EXERCISE OF TRANSMITTEES' RIGHTS**

- 39.1** Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 39.2** If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 39.3** Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

#### **40. TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name, or the name of any person nominated under article 38.2, has been entered in the register of members.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **41. PROCEDURE FOR DECLARING DIVIDENDS**

- 41.1** The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 41.2** A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 41.3** No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 41.4** Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 41.5** If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 41.6** The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 41.7** If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### **42. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 42.1** Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
  - a)** transfer to a bank or building society account specified by the distribution recipient in writing;
  - b)** sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing;
  - c)** sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
  - d)** any other means of payment as the directors agree with the distribution recipient in writing.
- 42.2** In the Articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
  - a)** the holder of the share; or
  - b)** if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - c)** if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

### **43. NO INTEREST ON DISTRIBUTIONS**

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- 43.1** the terms on which the share was issued, or
- 43.2** the provisions of another agreement between the holder of that share and the company.

### **44. UNCLAIMED DISTRIBUTIONS**

- 44.1** All dividends or other sums which are:
  - a)** payable in respect of shares, and

- b) unclaimed after having been declared or become payable,  
may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

**44.2** The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

**44.3** If:

- a) twelve years have passed from the date on which a dividend or other sum became due for payment; and
- b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

#### **45. NON-CASH DISTRIBUTIONS**

**45.1** Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (restricted to shares or other securities in any company).

**45.2** For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

- a) fixing the value of any assets;
- b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- c) vesting any assets in trustees.

#### **46. WAIVER OF DISTRIBUTIONS**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:

**46.1** the share has more than one holder; or

**46.2** more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

### **CAPITALISATION OF PROFITS**

#### **47. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

**47.1** Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:

- a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- b) appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

**47.2** Capitalised sums must be applied:

- a) on behalf of the persons entitled, and
- b) in the same proportions as a dividend would have been distributed to them.

**47.3** Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

**47.4** A capitalised sum which was appropriated from profits available for distribution may be applied 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.

**47.5** Subject to the Articles the directors may:

- a) apply capitalised sums in accordance with paragraphs 47.3 and 47.4 partly in one way and partly in another;
- b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **DECISION-MAKING BY SHAREHOLDERS**

### **ORGANISATION OF GENERAL MEETINGS**

#### **48. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

**48.1** At least 21 days' notice must be given to all shareholders of the date, time and place, and subject-matter of a general meeting.

**48.2** A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

**48.3** A person is able to exercise the right to vote at a general meeting when:

- a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

**48.4** The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

**48.5** In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

**48.6** Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### **49. QUORUM FOR GENERAL MEETINGS**

**49.1** Whenever the company has only one member, one qualifying person present at a meeting is a quorum.

**49.2** In any other case, two qualifying persons present at a meeting are a quorum unless:

- a) each is a qualifying person only because he is authorised under section 323 of the Act to act as the representative of a corporation in relation to the meeting, and they are representatives of the same corporation; or
- b) each is a qualifying person only because he is appointed as proxy of a member in relation to the meeting, and they are proxies of the same member.

**49.3** For the purposes of this article 49, a "qualifying person" means:

- a) an individual who is a member of the company;
- b) a person authorised under section 323 of the Act to act as the representative of a corporation in relation to the meeting; or
- c) a person appointed as proxy of a member in relation to the meeting.

**49.4** No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

## **50. CHAIRING GENERAL MEETINGS**

**50.1** If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

**50.2** If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

- a) the directors present, or
- b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

**50.3** The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

## **51. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

**51.1** Directors may attend and speak at general meetings, whether or not they are shareholders.

**51.2** The chairman of the meeting may permit other persons who are not:

- a) shareholders of the company, or
- b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

## **52. ADJOURNMENT**

**52.1** If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

**52.2** The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- a) the meeting consents to an adjournment, or
- b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

**52.3** The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

**52.4** When adjourning a general meeting, the chairman of the meeting must:

- a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
- b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

**52.5** If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- a) to the same persons to whom notice of the company's general meetings is required to be given; and
- b) containing the same information which such notice is required to contain.

**52.6** No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.



## **VOTING AT GENERAL MEETINGS**

### **53. VOTING: GENERAL**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

### **54. ERRORS AND DISPUTES**

**54.1** No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

**54.2** Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **55. POLL VOTES**

**55.1** A poll on a resolution may be demanded:

- a)** in advance of the general meeting where it is to be put to the vote, or
- b)** at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

**55.2** A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

**55.3** A demand for a poll may be withdrawn if:

- a)** the poll has not yet been taken, and
- b)** the chairman of the meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

**55.4** Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### **56. CONTENT OF PROXY NOTICES**

**56.1** Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

- a)** states the name and address of the shareholder appointing the proxy;
- b)** identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- c)** is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- d)** is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate

and a proxy notice which is not delivered in such manner shall be invalid unless the directors, in their discretion, accept the notice at any time before the meeting.

**56.2** The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

**56.3** Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

**56.4** Unless a proxy notice indicates otherwise, it must be treated as:

- a)** allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- b)** appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **57. DELIVERY OF PROXY NOTICES**

- 57.1** A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- 57.2** An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 57.3** A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 57.4** If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **58. AMENDMENTS TO RESOLUTIONS**

- 58.1** An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
  - b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 58.2** A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 58.3** If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **ADMINISTRATIVE ARRANGEMENTS**

## **59. MEANS OF COMMUNICATION TO BE USED**

- 59.1** Subject to the Articles, anything sent or supplied by or to the company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the company.
- 59.2** Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
  - a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

- d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

- 59.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.
- 59.4 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 59.5 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **60. COMPANY SEALS**

- 60.1 Any common seal may only be used by the authority of the directors.
- 60.2 The directors may decide by what means and in what form any common seal is to be used.
- 60.3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 60.4 For the purposes of this article, an authorised person is:
  - a) any director of the company;
  - b) the company secretary (if any); or
  - c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **61. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

## **62. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

## **DIRECTORS' INDEMNITY AND INSURANCE**

## **63. INDEMNITY**

- 63.1 Subject to article 63.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
  - a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
    - i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
    - ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

- b) 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 63.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

**63.2** This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

**63.3** In this article:

- a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- b) a "**relevant officer**" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

#### **64. INSURANCE**

**64.1** 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.

**64.2** In this article:

- a) a "**relevant officer**" means any director or other officer or former director or other officer of the company or an associated company (including any such company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),
- b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.