

Company number 03817489

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

DESIGNPLAN MANAGEMENT SERVICES LIMITED (Company)

CIRCULATION DATE: 27 August 2010

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that

- resolution 1 below is passed as a special resolution (**Special Resolution**), and
- resolution 2 below is passed as an ordinary resolution (**Ordinary Resolution**)

**SPECIAL RESOLUTION**

- 1 THAT the proposed new Articles of Association (a copy of which accompanies this resolution) be adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association

**ORDINARY RESOLUTION**

- 2 THAT the Company's issued share capital of £360,400 ordinary shares of £1 00 each owned in the following proportions

Michael Cumper 180,200 ordinary shares

David Cumper 180,200 ordinary shares

be subdivided into Ordinary A Shares of £0 1759 each and Preference A Shares of £0 03 each, giving an aggregate issued share capital of 360,400 Ordinary A Shares and 9,900,200 Preference A Shares to be held as follows

Michael Cumper 180,200 Ordinary A Shares  
4,950,100 Preference A Shares

David Cumper 180,200 Ordinary A Shares  
4,950,100 Preference A Shares

**AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the Ordinary Resolution and the Special Resolution



The undersigned, persons entitled to vote on the above resolutions on 27 August 2010, hereby irrevocably agree to the Ordinary Resolution and the Special Resolution:

Signed by Michael Cumper

Date

27th August 2010

Signed by David Cumper

Date

27th August 2010

#### NOTES

1. You can choose to agree to both the Ordinary Resolution or the Special Resolution, either the Ordinary Resolution or the Special Resolution or none of them. If you agree to all of the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- **By Hand** delivering the signed copy to The Company Secretary, Quadrant Ventures Limited, c/o Hillbrow House, Hillbrow Road, Esher, KT10 9NW
- **Post** returning the signed copy by post to The Company Secretary, Quadrant Ventures Limited, c/o Hillbrow House, Hillbrow Road, Esher, KT10 9NW

If you do not agree to all of the resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply

2. Once you have indicated your agreement to the resolutions, you may not revoke your agreement

3. Unless, by 24 September 2010, sufficient agreement has been received for the resolutions to pass, they will lapse. If you agree to the resolutions, please ensure that your agreement reaches us before or during this date

**THE COMPANIES ACT 1985 to 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**DESIGNPLAN MANAGEMENT SERVICES LIMITED**

**(Adopted by special resolution passed on 27<sup>th</sup> August 2010)**

## **INTRODUCTION**

### **1. INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires

**Act:** means the Companies Act 2006,

**appointor:** has the meaning given in article 11.1,

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

**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,

**Company:** means Designplan Management Services Limited, company number 3817489,

**Conflict:** has the meaning given in article 7.1,

**Deemed Transfer Notice:** means a transfer notice which is deemed to have been made under any of the provisions of these Articles,

**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),

**Equity Shares:** means the Ordinary A Shares, Ordinary B Shares and Ordinary Shares together, and Equity Shareholder shall be construed accordingly,

**Family Member:** means the husband, wife, civil partner, widow, widower, surviving civil partner, child, remoter issue, brother or sister of a shareholder,

**Family Trust:** means a trust or settlement established for the benefit of a shareholder and/or for one or more Family Member,

**Model Articles:** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles,

**Ordinary A Share:** means an ordinary A share of £0.1759 in the capital of the Company,

**Ordinary B Share:** means an ordinary B share of £0.10 in the capital of the Company,

**Ordinary Share:** means an ordinary share of £1.00 in the capital of the Company,

**Preference A Share:** means a preference A share of £0.03 in the capital of the Company,

**Preference B Share:** means a preference B share of £1.00 in the capital of the Company,

**Preference Shares:** means the Preference A Shares and Preference B Shares together, and Preference Shareholder shall be construed accordingly,

**Sale:** means the sale of (or grant of a right to acquire or to dispose of) all Shares,

**Shares:** means the Equity Shares and the Preference Shares together

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles
- 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
- 1 7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles
- 1 8 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the Company
- 1 9 Article 7 of the Model Articles shall be amended by
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a), and
  - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1 10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur"
- 1 11 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But"
- 1 12 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 1 13 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"

## **DIRECTORS**

## **2. UNANIMOUS DECISIONS**

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

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

Any director may call a directors' meeting by giving not less than 5 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice

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

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director
- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision
- (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the shareholders to appoint further directors

## **5. 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

## 6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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 Act, 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

## 7. DIRECTORS' CONFLICTS OF INTEREST

7.1 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 (an **"Interested Director"**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**"Conflict"**)

7.2 Any authorisation under this article 7 will be effective only if

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration 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 for consideration of the relevant matter is met without counting the Interested Director, and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

7 3 Any authorisation of a Conflict under this article 7 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 or situation so authorised,
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters

7 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict

7 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation

7 6 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

- 7 7     A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors 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

**8.       RECORDS OF DECISIONS TO BE KEPT**

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

**9.       NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two

**10.      APPOINTMENT OF DIRECTORS**

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

**11.      APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

- 11 1     Any director (“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

11 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

11 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

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

12 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

12 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

12 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 12 3(a) and (b)

12 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

- 12 5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be 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

### **13. TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate director's appointment as an alternate terminates

- (a) when the alternate's 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 appointment as a director,
- (c) on the death of the alternate's appointor, or
- (d) when the alternate's appointor's appointment as a director terminates

### **14. 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

## **DECISION MAKING BY SHAREHOLDERS**

### **15. POLL VOTES**

- 15 1 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
- 15 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

### **16. PROXIES**

- 16 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

- 16 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

## **ADMINISTRATIVE ARRANGEMENTS**

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

- 17 1 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 5 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, and
  - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied

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

- 17 2 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

### **18. INDEMNITY**

- 18 1 Subject to article 18 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled
- (a) the Company may decide to indemnify each relevant officer 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 18(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

18 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

18 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)

## 19. INSURANCE

19 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

19 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 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

## **20. SHARE CAPITAL AND RIGHTS**

- 20 1 The share capital of the Company at the date of adoption of these articles is divided into Ordinary A Shares, Preference A Shares, Ordinary B Shares, Preference B Shares and Ordinary Shares. The specific rights and provisions applicable to the classes of share in the capital of the Company are set out below
- 20 2 The special rights attached to the different classes of shares may be varied or abrogated only with the consent in writing of the holders of 75% or more of the issued shares of that class, or with the sanction of a resolution passed by the holders of 75% or more of the issued shares of that class, passed at a separate meeting of the holders of that class, but not otherwise

### **DIVIDENDS**

- 20 3 The Company shall pay to the holder of the Ordinary A Shares, the Ordinary B Shares and the Ordinary Shares, or on any or all of such classes of share, in the same or different amounts, such dividends as the directors may decide in their absolute discretion. The holders of Preference Shares shall not be entitled to a dividend in respect of the Preference Shares

### **VOTING**

- 20 4 The holders of the Preference Shares shall not be entitled to receive notice of or to attend at general meetings of the Company and shall not be entitled to vote upon any resolution at general meetings of the Company
- 20 5 The holders of the Equity Shares shall be entitled to receive notice of and attend general meetings of the Company and shall be entitled to vote upon any resolution at general meetings of the Company. Each Equity Share shall be entitled to one vote

### **CAPITAL**

- 20 6 On any Sale or return of assets or on liquidation, capital reduction or otherwise (other than a conversion, redemption or purchase of shares), the assets of the Company

remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be applied in the following order of priority

- (a) First to
  - (i) the holders of the Preference Shares *pro rata* to the number of Preference Shares held by them up to a maximum amount of £1 00 per Preference Share held; and
  - (ii) the holders of the Ordinary Shares *pro rata* to the number of Ordinary Shares held by them in an aggregate amount equal to the Relevant Percentage (as defined below) of the value of all amounts payable or assets returnable (as the case may be) in terms of article 20 6(a), and
- (b) Second, as to the balance of such proceeds or assets, to
  - (i) the holders of the Ordinary A Shares and Ordinary B Shares *pro rata* to the number of Ordinary A Shares and Ordinary B Shares held by them, and
  - (ii) the holders of the Ordinary Shares *pro rata* to the number of Ordinary Shares held by them in an aggregate amount equal to the Relevant Percentage of the value of all amounts payable or assets returnable (as the case may be) in terms of article 20 6(b)

20 7 For the purposes of article 20 6 above, the “**Relevant Percentage**” shall be the proportion, expressed as a percentage, which the number of Ordinary Shares in issue at the time of the relevant Sale or return of assets bears to the aggregate number of Ordinary A and Ordinary Shares in issue at such time

20 8 The liability of the shareholders is limited to the amount, if any, unpaid on the shares held by them

## **21. FURTHER ISSUES OF SHARES: AUTHORITY**

21 1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company

21 2 Subject to the remaining provisions of this article 21, the directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to

- (a) offer or allot,
- (b) grant rights to subscribe for or to convert any security into,
- (c) otherwise deal in, or dispose of,

any Shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper

21 3 The authority referred to in article 21 2

- (a) shall be limited to a maximum nominal amount of £500,000,
- (b) shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution, and
- (c) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired)

**22. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

22 1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company

22 2 Unless otherwise agreed by special resolution or unless in respect of equity securities allotted pursuant to an approved share scheme, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered the respective class or classes of such equity securities to all shareholders of such class or classes of equity securities on the same terms, and at the same price, as those equity securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of shares held by those holders of such class or classes (as nearly as possible without involving fractions) The offer

- (a) shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities, and
- (b) may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (“**Excess Securities**”) for which he wishes to subscribe

22 3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 22 2 shall be used for satisfying any requests for Excess Securities made pursuant to article 22 2 If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants *pro rata* to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with article 22 2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him) After that allotment, any Excess



Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders

- 22 4 Subject to articles 22 2 and 22 3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper

## **23. PERMITTED TRANSFERS OF PREFERENCE SHARES**

- 23 1 The directors shall register the transfer or transmission of any Preference Shares
- (a) on a transfer to a Family Member or Family Trust,
  - (b) on a change of trustees of a Family Trust,
  - (c) on a transfer from a Family Member or Family Trust back to the original shareholder at the date of adoption of these articles,
  - (d) to the personal representatives of a deceased shareholder where, under the terms of his will, the shares pass to a Family Member or Family Trust

each a “Permitted Transfer”

- 23 2 Notwithstanding the provisions of article 23 1, the directors may decline to register any transfer or transmission of a Preference Share which would otherwise be permitted hereunder and without assigning any reason therefor, if it is a transfer or transmission of a share (whether or not it is fully paid)
- (a) over which the Company has a lien,
  - (b) to a bankrupt or person who has entered into arrangements or composition with his creditors,
  - (c) to any minor,
  - (d) to any person in respect of whom a court has made an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have (whether in relation to that person’s mental health or otherwise)

## **24. TRANSFER OF SHARES: PRE-EMPTION RIGHTS**

- 24 1 (a) Save in respect of a transfer of a Preference Share under article 23 above, or,
- (b) Save in respect of a transfer of any shares under article 26 or under article 27, or,

(c) Unless otherwise agreed by special resolution,

no share or beneficial ownership of a share shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted

- 24 2 Any shareholder (hereinafter called the "**proposing transferor**") proposing to transfer any Shares shall give notice in writing (hereinafter called the "**transfer notice**") to the Company that he desires to transfer the same and specifying in the case of Equity Shares the price per share at which he is prepared to sell (hereinafter called the "**Specified Price**") The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of all (but not some of) the shares comprised in the transfer notice (hereinafter called the "**transfer shares**") pursuant to the provisions of this article 24 at the price of £1 00 for each Preference Share (hereinafter called the "**Preference Share Price**") and at the Specified Price for each Equity Share PROVIDED THAT if the directors do not accept that the Specified Price constitutes a fair price, or if the transfer notice does not specify a price for each Equity Share, and the directors and the proposing transferor are unable to agree upon a price (hereinafter called the "**Agreed Price**") for each Equity Share within 10 business days of the date of the transfer notice, the directors shall as soon as practicable instruct a firm of accountants of their choice (hereinafter called the "**Accountant**") to certify in writing (hereinafter called the "**Certificate of Value**") the fair value of the Equity Shares comprised in the transfer notice Unless article 24 4 applies a transfer notice shall not be revocable except with the sanction of the directors
- 24 3 In certifying the fair value as aforesaid the Accountant shall be considered to act as an expert and not as an arbitrator or arbiter and accordingly any provisions of law or statute relating to arbitration shall not apply The Accountant shall calculate the value of an Equity Share by assuming a Sale of the whole Company and applying the provisions of article 20 6 in order to deduct an appropriate amount in respect of the Preference Shares then in issue and shall then derive the pro-rate value of each Equity Share No discount or premium shall be applied to take account of the number of shares in the transfer notice The cost of the valuation shall be paid by the Company or the proposing transferor as the Accountant shall direct
- 24 4 If upon receipt of the Certificate of Value the proposing transferor does not wish to proceed with the transfer of his shares he shall be entitled to revoke the transfer notice within 5 business days of receipt of the Certificate of Value by written notice to the directors (hereinafter called the "**Revocation Period**") SAVE that a transfer notice given pursuant to articles 25 1(a), 25 1(b) or 25 1(c) or a transfer notice deemed to have been given pursuant to article 25 1(d) below shall not be revocable Thereafter the transfer shares will not be offered for sale by the directors or by the proposing transferor to any other person or persons unless at a later date the proposing transferor serves another transfer notice in respect of the transfer shares, in which event all the provisions of this article 24 shall apply

- 24 5 If the proposing transferor has not revoked the transfer notice upon expiry of the Revocation Period, the price for the Equity Shares comprised in the transfer notice (whether by reference to the Specified Price, or the Agreed Price or the Certificate of Value, as the case may be) shall be fixed in the transfer notice as the final price (hereinafter called the **"Equity Share Price"**) and the price for each of the Preference Shares comprised in the transfer notice shall be the Preference Share Price. For the purposes of the remaining provisions of this article 24, the expression **"Price"** means the Equity Share Price if the transfer shares comprise only Equity Shares, the Preference Share Price if the transfer shares comprise only Preference Shares and the total of both the Equity Share Price and the Preference Share Price if the transfer shares comprise both Equity Shares and Preference Shares.
- 24 6 Subject to the above provisions of this article 24, the directors shall within 10 business days of the fixing of the Equity Share Price invite the Company to purchase the transfer shares at the Price (hereinafter called **"the first offer notice"**) and the Company shall be entitled (subject to the provisions of the Companies Act 2006) to purchase all or any of the transfer shares at the Price by giving notice in writing of its intention to purchase to the proposing transferor within 15 business days of the date on which the transfer notice was served (or deemed to have been served) pursuant to article 24 2 or within 15 business days of the date of the Certificate of Value (as the case may be) failing which the Company shall be deemed to have declined to purchase the Shares.
- 24 7 If the Company declines to purchase all or some of the transfer shares pursuant to the first offer notice, the directors shall within 5 business days of the date on which the offer in the first offer notice is declined by the Company (or deemed to have been so declined), offer in writing (hereinafter called the **"second offer notice"**) all or the remaining (as the case may be) unaccepted Preference Shares comprised in the transfer notice to the Preference Shareholders (other than the proposing transferor) at the Preference Share Price and all or the remaining (as the case may be) unaccepted Equity Shares comprised in the transfer notice to the Equity Shareholders (other than the proposing transferor) at the Equity Share Price in proportion to the number of such class of shares held by them respectively. The second offer notice shall limit the time in which the offer may be accepted, being not less than 10 business days nor more than 15 business days after the date of the second offer notice.
- 24 8 If purchasing shareholders shall not have been found for all or the remaining (as the case may be) transfer shares comprised in the second offer notice within the period specified in article 24 7 above, the directors shall within 5 business days after the expiry of the period specified in article 24 7 offer in writing (hereinafter called the **"third offer notice"**) all or the remaining (as the case may be) unaccepted Preference Shares comprised in the transfer notice at the Preference Share Price to the Equity Shareholders (other than the proposing transferor) in proportion to the number of Equity Shares held by them and all or the remaining unaccepted Equity Shares comprised in the transfer notice at the Equity Share Price to the Preference

Shareholders (other than the proposing transferor) in proportion to the number of Preference Shares held by them. The third offer notice shall limit the time in which the offer may be accepted, being not less than 10 business days but not more than 15 business days after the date of the third offer notice.

- 24 9 Subject to and without limitation of the other provisions of this article, for the purpose of this article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company at its registered office. Each offer notice shall further invite each shareholder to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the shareholders do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares already held by them respectively, provided that no shareholder shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the shareholders in proportion to their existing holdings, the same shall be offered to the shareholders, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the directors may think fit.
- 24 10 If the Company and/or purchasing shareholders shall be found for all the transfer shares within the appropriate periods specified in articles 24 6, 24 7 and 24 8 (as the case may be), the Company shall not later than 5 business days after the expiry of the last applicable appropriate period give notice in writing (hereinafter called the “**sale notice**”) to the proposing transferor specifying the Company and/or the purchasing shareholders (as the case may be) and the date upon which payment of the price shall be made (being no later than 90 days from the date of the sale notice) and the proposing transferor shall be bound upon payment of the price due in respect of all the transfer shares to complete the sale of the shares to the Company or to transfer the shares to the purchasing shareholders (as the case may be).
- 24 11 If in any case the proposing transferor after having become bound as aforesaid makes default in transferring any shares the Company may receive the purchase money on his behalf, and may authorise some person to execute a share sale agreement with the Company or a transfer of such shares in favour of the purchasing shareholders (as the case may be). The receipt of the Company for the purchase money shall be a good discharge to the purchasing shareholders. The Company shall pay the purchase money held by it into a separate bank account.
- 24 12 If the Company shall not give a sale notice to the proposing transferor within the time specified in article 24 10 above, he shall, during the period of 90 days next following the expiry of the time so specified, be at liberty to transfer all or any of the transfer shares to any person or persons for a cash price payable prior to transfer and being not less than the Price.

- 24 13 The directors may refuse to register the transfer of any share if the proposed transferee is a person considered by the directors in their absolute discretion to be a competitor or connected with a competitor of the business of the Company or any of its subsidiaries, save that the directors shall have no discretion to refuse to register a transfer under this article 24 where the proposed transferee is an existing shareholder of the Company
- 24 14 The directors may also refuse to register a transfer of any share unless
- (a) it is lodged at the registered office of the Company or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer,
  - (b) it is in respect of only one class of shares, and
  - (c) it is in favour of not more than four transferees

## **25. TRANSMISSION OF SHARES**

- 25 1 In the application of articles 27 to 29 (inclusive) of the Model Articles to the Company -
- (a) any person becoming entitled to a share in consequence of the death of a shareholder (who is an individual) shall give a transfer notice before he elects in respect of any share to be registered himself or to execute a transfer,
  - (b) any person becoming entitled to a share in consequence of the bankruptcy of a shareholder (who is an individual) shall give a transfer notice before he elects in respect of any share to be registered himself or to execute a transfer,
  - (c) any person becoming entitled to a share in consequence of an Insolvency Event of a shareholder (who is an corporation) shall give a transfer notice before he elects in respect of any share to be registered himself or to execute a transfer,
  - (d) if a person so becoming entitled shall not have given a transfer notice in respect of any share within six months of the death or bankruptcy or Insolvency Event, he shall be deemed to have given a transfer notice pursuant to article 24 2 relating to those shares in respect of which such person has not served a transfer notice at the end of such six month period,
  - (e) for the purposes of this article Insolvency Event shall mean
    - (i) liquidation (voluntary or otherwise), or
    - (ii) an order is made by a court of competent jurisdiction, or a resolution is passed for the administration of a shareholder, or documents are filed with the court for the appointment of an administrator, or

notice of intention to appoint an administrator is given by the party, or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or

- (iii) any step is taken by any person (and is not withdrawn or discharged within 90 days) to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder, or
- (iv) a shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986, or
- (v) a shareholder entering into a composition or arrangement with its creditors, or
- (vi) anything which, under the law of any jurisdiction, is analogous to any of the acts or events specified above

25 2 Where a transfer notice is given or deemed to be given under article 25 1(a) the provisions of article 24 2 and article 24 3 above shall apply and unless the price for the transfer shares is agreed between the directors and the person becoming entitled to the transfer shares, where no price per Equity Share is specified therein, the transfer notice shall be deemed to specify the price as determined by the Accountant in the Certificate of Value

25 3 Where a transfer notice is given or deemed to be given under article 25 1(b) or article 25 1(c) the price for each transfer share shall be its par value, irrespective of whether or not a price is specified in the transfer notice

## 26. DRAG ALONG RIGHTS

26 1 In this article the following definitions apply

- (a) “**Outgoing Shareholders**” means any Equity Shareholders owning more than 50% of the Equity Shares desiring to sell their Shares,
- (b) “**Remaining Shareholder**” means any shareholder or shareholders other than the Outgoing Shareholders

26 2 This article applies where

- (a) the Outgoing Shareholders wish to sell all of their Shares, and
- (b) the Outgoing Shareholders have agreed draft terms on a *bona fide* arm’s length basis for the sale of the Outgoing Shareholders’ Shares to a third party who is not connected with the Outgoing Shareholders (the “**Third Party**”), and

- (c) the Third Party wishes to impose a condition (the “**Condition**”) on the Outgoing Shareholders that any sale of the Outgoing Shareholders’ Shares must involve a sale of the Remaining Shareholder Shares

- 26.3 Where the Third Party wishes to impose the Condition, the Outgoing Shareholders shall as soon as practicable deliver to the Remaining Shareholder a written notice (the “**Drag Along Notice**”) setting out the identity of the Third Party and the price for each Preference Share and for each Equity Share to be paid by the Third Party and all other material terms of the proposed sale of the Outgoing Shareholder’s Shares and the Remaining Shareholder Shares. The price for each Share shall be based on the value of the Company ascribed by the Third Party and allocated between the classes of Shares in accordance with article 20.6 above. The delivery of the Drag Along Notice will constitute a representation by the Outgoing Shareholders to the Remaining Shareholder that the Third Party is not connected to the Outgoing Shareholders and that the Condition has been imposed by the Third Party in connection with *bona fide* negotiations for the sale of the Outgoing Shareholders’ Shares on arm’s length terms.
- 26.4 Where the Remaining Shareholder has received a Drag Along Notice from the Outgoing Shareholders he must within 5 business days of the date of service on him of a subsequent notice from the Outgoing Shareholders requiring the Remaining Shareholder to complete the sale of the Remaining Shareholder’s Shares to the Third Party (“**Completion Notice**”) sell the Remaining Shareholder’s Shares to the Third Party in the manner set out in the Completion Notice. The service of the Completion Notice will constitute a representation by the Outgoing Shareholders to the Remaining Shareholder that the Outgoing Shareholders are irrevocably bound to sell the Outgoing Shareholders’ Shares to the Third Party and that the Outgoing Shareholders’ Shares and the Remaining Shareholder’s Shares are to be sold at the same price per share for each class of share as set out in the Drag Along Notice and that all other material conditions of the sale of the Outgoing Shareholders’ Shares and the Remaining Shareholder’s Shares will be same *mutatis mutandis*.
- 26.5 If the Remaining Shareholder fails to complete the sale of the Remaining Shareholder’s Shares in the manner required by the Completion Notice then any director of the Company may, as the agent of the Remaining Shareholder, execute any document necessary to transfer the Remaining Shareholder’s Shares to the Third Party and may receive the purchase price and pay the same into a bank account opened by the Company with its bankers for that purpose and the directors of the Company (subject to the Third Party presenting the said transfer duly stamped) may enter the Third Party in the register of members of the Company as the holder of the Remaining Shareholder’s Shares. The directors of the Company may pay the purchase price for the Remaining Shareholder’s Shares to the Remaining Shareholder by sending a cheque for that sum to the Remaining Shareholder at the address which was shown as the address of the Remaining Shareholder in the register of members of the Company.

27. TAG ALONG RIGHTS

27 1 In this article the following definitions apply

- (a) **“Outgoing Shareholders”** means any Equity Shareholders owning more than 50% of the Equity Shares desiring to sell their Shares,
- (b) **“Remaining Shareholder”** means any shareholder or shareholders other than the Outgoing Shareholders

27 2 This article applies where

- (a) the Outgoing Shareholders wish to sell all of their Shares, and
- (b) the Outgoing Shareholders have agreed draft terms on a *bona fide* arm's length basis for the sale of the Outgoing Shareholders' Shares to a third party who is not connected with the Outgoing Shareholders (the **“Third Party”**)

27 3 The Outgoing Shareholders shall, as soon as the Outgoing Shareholders have agreed draft terms for the sale of their Shares to the Third Party, deliver to the Remaining Shareholder a written notice (the **“Third Party Sale Notice”**) setting out the identity of the Third Party and the price for each Preference Share and for each Equity Share to be paid by the Third Party and all other material terms of the proposed sale of the Outgoing Shareholders' Shares and the Outgoing Shareholders may not sell any of their Shares until the provisions of this article 27 have been complied with. The price for each Share shall be based on the value of the Company ascribed by the Third Party and allocated between the classes of Shares in accordance with article 20 6 above

27 4 Where the Remaining Shareholder has received a Third Party Sale Notice from the Outgoing Shareholders he may within 15 business days of the date of service on him of the Third Party Sale Notice deliver to the Outgoing Shareholders a notice (the **“Tag Along Notice”**) informing the Outgoing Shareholders that he wishes the Outgoing Shareholders to procure that the Third Party buy all of the Remaining Shareholder's Shares at the same price per share for each class of share as set out in the Third Party Sale Notice and otherwise on the same terms and conditions as have been set out in the Third Party Sale Notice *mutatis mutandis*

27 5 Where the Remaining Shareholder has delivered a Tag Along Notice to the Outgoing Shareholders then the Outgoing Shareholders may only sell their Shares if, at the same time, the Third Party buys all of the Remaining Shareholder's Shares at the same price per share for each class of share as set out in the Third Party Sale Notice and otherwise on the same terms and conditions as the Third Party buys the Outgoing Shareholders' Shares *mutatis mutandis*. Where the Remaining Shareholder does not deliver a Tag Along Notice to the Outgoing Shareholders within the time allowed



then the Outgoing Shareholders are free to sell their Shares to the Third Party on the terms described in the Third Party Sale Notice