

Company no. 05083700

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

of

**NATURAL BALANCE FOODS LIMITED**

("Company")

Written resolution of the Company pursuant to chapter 2 part 13 of the Companies Act 2006 ("Act") proposed by the directors of the Company, proposed as a special resolution as detailed below:

**SPECIAL RESOLUTION**

1. That the draft articles of association in the form attached, and signed by a director for identification purposes, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company (including all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are treated as provisions of the existing articles of association of the Company).

**Circulation date:** 13 August 2015

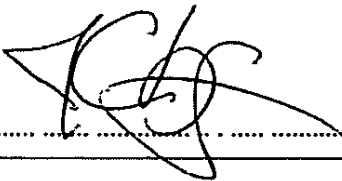
**Registered office:** Unit 10 Wornal Park  
Menmarsh Road  
Worminghall  
Buckinghamshire  
HP18 9PH

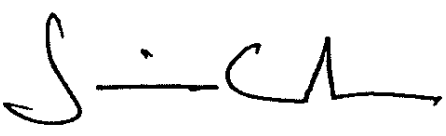
**Agreement to written resolution**

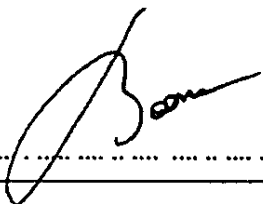
We, the undersigned, being persons entitled to vote on the above resolution, irrevocably agree to such resolution:

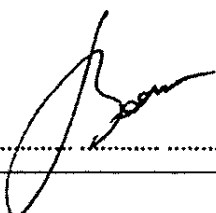


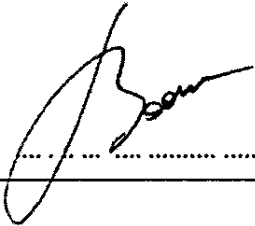
*For individual member*

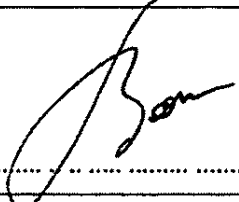
Name of member:	GREGORY COMBS ..... <i>Block capitals please</i>	Dated: 14/08/15
Signed:	 .....	

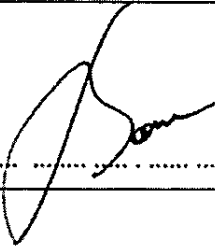
Name of member:	JAMISON COMBS ..... <i>Block capitals please</i>	Dated: 14/08/15
Signed:	 .....	

Name of member:	CHRIS GUEST by his attorney LOTUS BAKERIES UK LIMITED ..... <i>Block capitals please</i>	Dated: 14/08/15
Signed:	 .....	

Name of member:	ROBERT PORTER-SMITH by his attorney LOTUS BAKERIES UK LIMITED  ..... <i>Block capitals please</i>	Dated: 17/08/15
Signed:	 .....	

Name of member:	PAUL O'GRADY by his attorney LOTUS BAKERIES UK LIMITED  ..... <i>Block capitals please</i>	Dated: 14/08/15
Signed:	 .....	

Name of member:	SHANNAN BRIANA ANDERSON by her attorney LOTUS BAKERIES LIMITED (in respect of 59 shares)  ..... <i>Block capitals please</i>	Dated: 17/08/15
Signed:	 .....	

Name of member.	CURTIS MICHAEL BJELAJAC by his attorney LOTUS BAKERIES UK LIMITED (in respect of 12 shares)  ..... <i>Block capitals please</i>	Dated: 17/08/15
Signed.	 .....	

Name of member.	SHANNAN BRIANA ANDERSON (in respect of 59 shares)  ..... <i>Block capitals please</i>	Dated: .....
Signed.	.....	

Name of member.	CURTIS MICHAEL BJELAJAC (in respect of 282 shares)  ..... <i>Block capitals please</i>	Dated: ... ..
Signed:	.....	

Name of corporate member	Kleinwort Benson (Jersey) Trustees Limited (as trustee of the Natural Balance Foods Limited Employee Benefit Trust)  ..... <i>Block capitals please</i>	
Name and position of signatory:	..... <i>Block capitals please</i>	
Signed by authorised person on behalf of corporate member:	.....	
		Dated: .....

Company no. 05083700

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of

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Circulation date: 13 August 2015

Registered office: Unit 10 Wornal Park  
Menmarsh Road  
Worminghall  
Buckinghamshire  
HP18 9PH

**Agreement to written resolution**

We, the undersigned, being persons entitled to vote on the above resolution, irrevocably agree to such resolution:

*For individual member.*

Name of member	GREGORY COMBS	Dated . . . . .
Signed.		

Name of member	JAMISON COMBS  ..... <i>Block capitals please</i>	Dated: . . . . .
Signed:	.....	

Name of member:	<p>CHRIS GUEST by his attorney LOTUS BAKERIES UK LIMITED</p> <p>. . . . . <i>Block capitals please</i></p>	<p>Dated . . . . .</p>
Signed	<p>. . . . .</p>	

Name of member.	ROBERT PORTER-SMITH by his attorney LOTUS BAKERIES UK LIMITED  <i>Block capitals please</i>	
Signed:	   	
		Dated . . . . .

Name of member	PAUL O'GRADY by his attorney LOTUS BAKERIES UK LIMITED  <i>Block capitals please</i>	
Signed	   	
		Dated. ....

Name of member	SHANNAN BRIANA ANDERSON by her attorney LOTUS BAKERIES LIMITED (in respect of 59 shares)  <i>Block capitals please</i>	
Signed	   	
		Dated .. . . .



Name of member	CURTIS MICHAL BJELAJAC by his attorney LOTUS BAKERIES UK LIMITED (in respect of 12 shares)  ..... <i>Block capitals please</i>	Dated .....
Signed	.....	

Name of member:	SHANNAN BRIANA ANDERSON (in respect of 59 shares) <i>SHANNAN BRIANA ANDERSON</i> <i>Block capitals please</i>	Dated. 14 NOV 2014
Signed:	<i>[Signature]</i> .....	

Name of member.	CURTIS MICHAEL BJELAJAC (in respect of 282 shares)  ..... <i>Block capitals please</i>	Dated. ....
Signed	.....	

Name of corporate member:	Kleinwort Benson (Jersey) Trustees Limited (as trustee of the Natural Balance Foods Limited Employee Benefit Trust)  ..... <i>Block capitals please</i>	Dated .....
Name and position of signatory:	..... <i>Block capitals please</i>	
Signed by authorised person on behalf of corporate member:	.....	

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We, the undersigned, being persons entitled to vote on the above resolution, irrevocably agree to such resolution:

*For individual member*

Name of member:	GREGORY COMBS ..... <i>Block capitals please</i>	Dated: ..... ..
Signed:	.....	

Name of member:	JAMISON COMBS ..... <i>Block capitals please</i>	Dated: .....
Signed:	.....	

Name of member:	CHRIS GUEST by his attorney LOTUS BAKERIES UK LIMITED ..... <i>Block capitals please</i>	Dated: ..... ..
Signed:	.....	

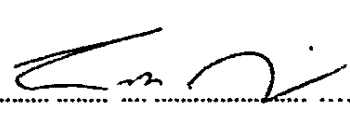
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Signed:	.....	

Name of member:	<b>PAUL O'GRADY by his attorney LOTUS BAKERIES UK LIMITED</b>  ..... <i>Block capitals please</i>	Dated: . . . . .
Signed:	.....	

Name of member:	<b>SHANNAN BRIANA ANDERSON by her attorney LOTUS BAKERIES LIMITED (in respect of 59 shares)</b>  ..... <i>Block capitals please</i>	Dated .....
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Name of member:	CURTIS MICHAL BJELAJAC by his attorney LOTUS BAKERIES UK LIMITED (in respect of 12 shares)  ..... <i>Block capitals please</i>	Dated: .. .. .
Signed:	.....	

Name of member:	SHANNAN BRIANA ANDERSON (in respect of 59 shares)  ..... <i>Block capitals please</i>	Dated: .. .. .
Signed:	.....	

Name of member:	CURTIS MICHAEL BJELAJAC (in respect of 282 shares)  ..... <i>Block capitals please</i>	Dated: 14 AUG 2015
Signed:	 .....	

Name of corporate member:	Kleinwort Benson (Jersey) Trustees Limited (as trustee of the Natural Balance Foods Limited Employee Benefit Trust)  ..... <i>Block capitals please</i>	
Name and position of signatory.	..... <i>Block capitals please</i>	
Signed by authorised person on behalf of corporate member:	.....	

Dated: ..... ..

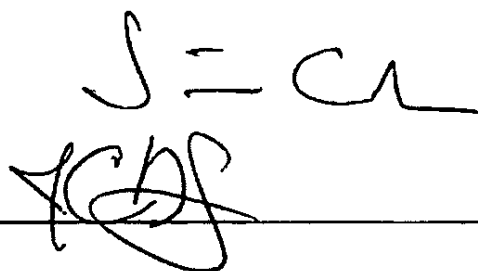
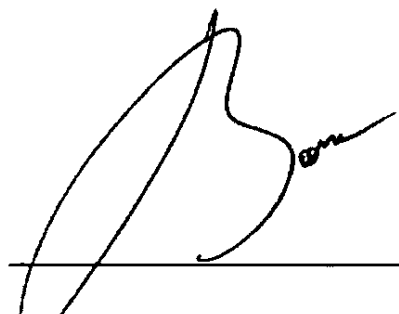
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Company No. 5083700

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**Articles of Association of Natural Balance Foods Limited**

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Incorporated 24 March 2004

Adopted by special resolution passed on 14 August 2015



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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

NATURAL BALANCE FOODS LIMITED

Adopted by special resolution passed on 14 August 2015

1 **PRELIMINARY**

The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company ("Model Articles") (a copy of which is annexed) apply to the Company except in so far as they are excluded or varied by these Articles

2 **INTERPRETATION**

2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context

<b>"2006 Act"</b>	the Companies Act 2006 (as amended from time to time)
<b>"acting in concert"</b>	the meaning set out in the City Code on Takeovers and Mergers for the time being
<b>"Allotment Notice"</b>	the meaning given to that term in <b>Article 11.2</b>
<b>"Articles"</b>	these Articles of Association as amended, supplemented, varied or replaced from time to time
<b>"Auditors"</b>	the auditors to the Company for the time being
<b>"Board"</b>	the board of directors of the Company from time to time
<b>"Business Day"</b>	any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business
<b>"Cash Dividend"</b>	the dividend referred to in <b>Article 10.1.1</b>
<b>"Completion Date"</b>	the date of completion of the Shareholders' Agreement
<b>"connected person"</b>	the meaning given to that expression in section 993 of the Income Taxes Act 2007 and <b>"connected with"</b> shall be construed accordingly
<b>"Controlling Interest"</b>	an interest (as defined in sections 820 to 825 of the 2006 Act) in Shares conferring in aggregate more than 50 per cent of the total voting rights normally

	exercisable at a general meeting of the Company
<b>"electronic address"</b>	any address or number used for the purposes of sending or receiving documents or information by electronic means
<b>"Facility Letter"</b>	the facility letter entered into between the Company and HSBC Bank plc on 12 January 2015 as the same may be amended, supplemented, varied or replaced from time to time
<b>"Family Member"</b>	the wife or husband or civil partner (or widow or widower or surviving civil partner), children and grandchildren (including step and adopted children and grandchildren) of a holder
<b>"Family Trust"</b>	in relation to a holder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that holder or any of his Family Members and under which no power of control over the voting powers conferred by any such Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such holder or any of his Family Members
<b>"Financial Year"</b>	shall in respect of the Company have the meaning defined by section 390 of the 2006 Act
<b>"Founders"</b>	Jamison Combs and Gregory Combs and <b>"Founder"</b> shall mean either of them
<b>"Founders"</b>	the "Founders" as defined in the Shareholders' Agreement
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended from time to time)
<b>"Group"</b>	the Company and each of its subsidiaries from time to time and references to <b>"member of the Group"</b> and <b>"Group Company"</b> is to be construed accordingly
<b>"holder"</b>	in respect of any Ordinary Share, the person or persons for the time being registered by the Company as the holders of that Ordinary Share and <b>"shareholder"</b> shall be interpreted accordingly
<b>"Listing"</b>	the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any Share to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any Share to trading on AIM, a market of the London Stock Exchange plc or the admission by any recognised investment exchange of any Share, and, in each case, such admission becoming effective
<b>"recognised investment exchange"</b>	the meaning given to the expression in section 285(1) FSMA

<b>"Refinancing"</b>	the raising by the Company or any Group Company of equity finance (whether by way of the issue of shares in the capital of the Company, options over any rights in any share capital of the Company or any Group Company of whatsoever nature (other than options to be granted to employers or directors of any Group Company)) or debt finance (whether by bank facility or the issue of loan stock or otherwise but excluding hire purchase and operating lease commitments) in each case following the date of adoption of these Articles for any purpose other than for working capital required in the ordinary course of business
<b>"Sale"</b>	the transfer of any interest in Shares to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest
<b>"Shareholders' Agreement"</b>	the shareholders' agreement dated 14 August 2015 and made between the Company, the Founders, Lutus Bakeries UK Limited Curtis Bjelejac and Shannan Anderson as the same may be amended, supplemented, varied or replaced from time to time
<b>"Shares"</b>	the ordinary shares of £0.10 each of the Company having the rights set out in <b>Article 10</b>
<b>"Statutes"</b>	the Companies Act as defined in section 2 of the 2006 Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company

- 2.2 Unless the context otherwise requires, words and expressions contained in these Articles bear the same meaning as in the Statutes (but excluding any statutory modification not in force when these Articles become binding on the Company)
- 2.3 References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision
- 2.4 Reference to a **"subsidiary"** or **"holding company"** will have the meanings defined by section 1159 CA 2006 and for the purposes of section 1159(1) a company (the first company) shall be treated as a member of another company if
- 2.4.1 any of its subsidiaries is a member of that other company, or
  - 2.4.2 any shares in that other company are held by a person acting on behalf of the first company or any of its subsidiaries, or
  - 2.4.3 any shares in that other company are registered in the name of a person (or its nominee) by way of security or in connection with the granting of security over those shares by the first company
- 2.5 Where the word **"address"** appears in these Articles it is deemed to include postal address and, where applicable, electronic address
- 2.6 Words signifying the singular number only include the plural number and vice versa

## **PROCEEDINGS OF DIRECTORS**

### **3 UNANIMOUS WRITTEN DECISIONS OF DIRECTORS**

A decision of the directors 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. Model Article 8(2) shall not apply to the Company.

### **4 REMOVAL OF DIRECTORS**

The office of any director shall be vacated if

4.1 he shall, for whatever reason, cease to be employed by the Company and he does not remain an employee of any other Group Company, or

4.2 all the other directors request his resignation in writing,

and the provisions of Model Article 18 shall be extended accordingly.

### **5 PARTICIPATION IN DIRECTORS' MEETINGS**

5.1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

5.1.1 the meeting has been called and takes place in accordance with these Articles, and

5.1.2 they can each simultaneously communicate with and to the others participating in the meeting any information or opinions they have on any particular item of the business of the meeting.

5.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or, subject to **Article 5.1.2**, how they communicate with each other.

5.3 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.

5.4 Model Article 10 shall not apply to the Company.

5.5 Model Article 9(2)(c) shall be amended by the insertion of the word "simultaneously" after the words "how it is proposed that they should" and before the words "communicate with each other during the meeting".

### **6 QUORUM FOR DIRECTORS' MEETINGS**

6.1 The quorum for directors' meetings shall throughout each meeting be two directors.

6.2 In relation to any meeting of the directors to consider whether to authorise a conflict of interest of the Founder it shall not be necessary for the Founder to be present in person or by proxy in order to constitute a quorum.

6.3 Without prejudice to **Article 6.2**, if, and as a consequence of section 175(6) of the 2006 Act, a director cannot vote or be counted in the quorum at a meeting of the directors and the eligible directors participating in the meeting do not constitute a quorum, then the meeting must be adjourned to enable the holders to authorise any situation in which a director has a conflict of interest.

**7 DIRECTORS' INTERESTS**

- 7 1** Subject to these Articles and the 2006 Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director notwithstanding his office
- 7 1 1** may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,
- 7 1 2** may hold any other office or employment with the Company (other than the office of Auditor),
- 7 1 3** may be a director or other officer of, or employed by, or be a party to any transaction or arrangement with or otherwise interested in any body corporate in which the Company is in any way interested,
- 7 1 4** may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested (other than as Auditor), and
- 7 1 5** shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by **Articles 7.1.1 to 7.1.4** and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit
- 7 2** Except for a vote under section 175(4) of the 2006 Act authorising any conflict of interest which the director or any other interested director may have or where the terms of authorisation of such conflict of interest provide that the director may not vote in situations prescribed by the Board when granting such authorisation, a director will be entitled to participate in the decision making process for voting and quorum purposes on any of the matters referred to in **Articles 7.1.1 to 7.1.4** (inclusive) and in any of the circumstances set out in Model Articles 14(3) and 14(4).
- 7 3** For the purposes of **Article 7.1.**
- 7 3 1** a general notice to the Board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified,
- 7 3 2** an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and
- 7.3.3** an interest of a person who is for any purpose of the Statutes (excluding any statutory modification not in force at the date of adoption of these Articles) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director
- 7 4** Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company.

## **8 ALTERNATE DIRECTORS**

### **8.1 Appointment and removal of alternates**

8.1.1 Any director (the "**appointor**") may appoint as an alternate director any other director any other person, to

8.1.1.1 exercise that director's powers, and

8.1.1.2 carry out that director's responsibilities,

in relation to participation in directors' meetings and the taking of decisions by the directors in the absence of the alternate director's appointor

8.1.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors

8.1.3 The notice must

8.1.3.1 identify the proposed alternate director; and

8.1.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate director that the proposed alternate director is willing to act as the alternate director of the director giving the notice

### **8.2 Rights and responsibilities of alternate directors**

8.2.1 An alternate director has the same rights, in relation to participation in directors' meetings and the taking of decisions by the directors and in relation to directors' written resolutions, as the alternate director's appointor

8.2.2 An alternate director may act as an alternate director for more than one appointor

8.2.3 Except if these Articles specify otherwise, alternate directors

8.2.3.1 are deemed for all purposes to be directors,

8.2.3.2 are liable for their own acts and omissions,

8.2.3.3 are subject to the same restrictions as their appointors, and

8.2.3.4 are not deemed to be agents of or for their appointors,

and, 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

8.2.4 A person who is an alternate director but not a director

8.2.4.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating, and

8.2.4.2 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)

No alternate director may be counted as more than one director for such purposes

8.2.5 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

8.2.6 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 director's appointor's remuneration as the appointor may direct by notice in writing made to the Company

### 8.3 Termination of alternate directorship

8.3.1 An alternate director's appointment as alternate terminates

8.3.1.1 when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

8.3.1.2 on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director,

8.3.1.3 on the death of the alternate director's appointor; or

8.3.1.4 when the alternate director's appointor's appointment as a director terminates

## 9 ALTERNATE DIRECTORS' EXPENSES

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"

## SHARE RIGHTS

### 10 SHARE RIGHTS

The rights attached to the Shares are as follows:

#### 10.1 Dividends

10.1.1 The Company shall, without resolution of the Company in general meeting and before application of any profits to reserve or for any other purpose, pay in respect of each Share (but disregarding any Shares held by the Company in treasury), a cash dividend at the annual rate of twenty-five per cent of the Company's profits lawfully available for distribution for the relevant Financial Year ("Cash Dividend"). Each Cash Dividend shall be distributed amongst the holders of the Shares then in issue *pari passu* according to the number of Shares held by each of them. Each Cash Dividend shall be paid on the later of

10.1.1.1 the date following three months after the end of the relevant Financial Year, and

10.1.1.2 10 Business Days after the date on which the consolidated audited accounts of the Group for the relevant Financial Year are approved by the Board



- 10 1 2 The Company shall, in order to facilitate the calculation and payment of the Cash Dividend (if due), require the Auditors at the Company's expense to prepare a statement of the profits lawfully available for distribution for each Financial Year in respect of which **Article 10.1.1** applies within three months of the end of such Financial Year
- 10 1 3 If the Company fails to pay a Cash Dividend (if due) on a date specified in **Article 10.1.1** or **10.1.1** for any reason other than it is precluded from so doing by law or the terms of the Shareholders' Agreement then an additional dividend (without resolution of the Board or the Company in general meeting and before application of any profits to reserve or any other purpose (other than paying outstanding Cash Dividends)) equivalent to interest thereon (a "**Compensatory Dividend**") shall accrue from that date until payment at the rate of four per cent per annum above the base rate of HSBC Bank plc for the time being, compounded on 31 March, 30 June, 30 September and 31 December in each year
- 10 1 4 Where the Company is precluded by the 2006 Act or otherwise by law from paying in full any Cash Dividends on any date specified in this **Article 10**, then in respect of any such dividend which would otherwise require to be paid pursuant to these Articles on that date
- 10 1 4 1 the Company shall pay, on that date, to the holders of the Shares on account of the Cash Dividends the maximum sum (if any) which can then, consistent with the 2006 Act, be paid by the Company, and
- 10 1 4.2 as soon as the Company is no longer precluded from doing so, the Company shall in respect of the Shares (but disregarding any Shares held by the Company in treasury) pay on account of the balance of Cash Dividends for the time being remaining outstanding, and until all arrears, accruals and deficiencies of the Cash Dividend have been paid in full, the maximum amount of Cash Dividend which can, consistent with the 2006 Act, properly be paid by the Company at that time.
- 10.1.5 Subject to the payment of any Cash Dividends, any remaining profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of the holders in general meeting be applied in distributing the balance of such profits amongst the holders of the Shares then in issue pari passu according to the number of such Shares held by them

## 10 2 **Voting**

- 10 2 1 Each holder of Shares shall be entitled to receive notice of, and to attend and speak, at any general meeting and
- 10 2 1 1 on a written resolution, each holder, shall have one vote in respect of each Share they hold, and
- 10 2 1 2 each holder who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote each, and, on a poll, shall have one vote in respect of each Share they hold
- 10 2 2 Each holder shall be entitled to appoint more than one proxy to exercise all or any of his rights to attend and to speak and vote at a general meeting of the Company provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by such holder

- 10.2.3 If more than one proxy is appointed in respect of a different Share or Shares by a holder in accordance with **Article 10.2.2** but the document appointing the proxies does not specify to which Share or Shares the appointment relates, then the person first named as proxy in such document shall be the only proxy for such holder entitled to attend and vote at the relevant general meeting or separate class meeting

## 11 ALLOTMENT OF SHARES

- 11.1 The directors shall not allot any Shares unless notice in writing is given to each holder specifying.

11.1.1 the number and classes of Shares which are proposed to be issued,

11.1.2 the consideration payable on such issue,

11.1.3 details of any other securities, loan notes, deep discounted bonds or other debt instruments required to be subscribed for as a pre condition to the allotment of any new Shares pursuant to this **Article 11** ("Linked Debt"), and

11.1.4 any other material terms or conditions

- 11.2 The notice specified in **Article 11.1** (the "**Allotment Notice**") shall invite each holder to state, in writing within 10 Business Days from the date of such notice (which date shall be specified therein), whether he/it is willing to subscribe for any, and if so, how many Shares

- 11.3 The Shares and any Linked Debt proposed to be issued pursuant to **Article 11.1** shall be issued to, a holder accepting the offer, in the same proportion (as nearly as may be) to the proportion which Shares held by such holder bear to the total number of Shares held by all such holders accepting such offer ("**Proportionate Element**") provided that such holder shall not be allocated more Shares than he shall have stated himself willing to take. It shall be open to each such holder to specify if he/it is willing to subscribe for Shares in excess of his Proportionate Element ("**Additional Shares**") and, if the holder does so specify, he shall state the number of Additional Shares

- 11.4 Within three Business Days of the expiry of the invitation made pursuant to the notice given under **Article 11.1** (or sooner if all holders have responded to the invitation and all the Shares proposed to be issued have been accepted in the manner provided for in **Article 11.3**), the Board shall allocate the Shares in the following manner

11.4.1 if the total number of Shares applied for is equal to or less than the available number of Shares to be issued the Company shall allocate the number applied for in accordance with the applications, or

11.4.2 if the total number of Shares applied for is more than the available number of Shares to be issued, each holder shall be allocated his Proportionate Element (or such lesser number of Shares to be issued for which he may have applied) applications for Additional Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Additional Shares in his/its Proportionate Element,

and in either case the Company shall forthwith give notice of each such allocation (an "**Issue Notice**") to each of the persons to whom Shares are to be issued (a "**Member Subscriber**") and shall specify in the Issue Notice the time (being not later than 10 Business Days after the date of the Issue Notice) at which the allotment of the Shares shall be made

- 11.5 Upon such allocations being made as set out in **Article 11.4**, the Board shall be bound, on payment of the subscription price for the Shares and, as the case may be, any Linked Debt to issue the Shares comprised in the Issue Notice to the Member Subscriber named therein at the time therein specified free from any lien, charge or encumbrance

- 11 6 Notwithstanding any other provisions of this **Article 11**, no Shares shall be allotted to any party not bound by the Shareholders' Agreement unless that party has first entered into a deed of adherence if so required by the Shareholders' Agreement
- 11.7 In accordance with section 567(1) and (2) of the 2006 Act, sections 561(1) and 562(1) to (5) (inclusive) of the 2006 Act shall not apply to the Company
- 11 8 References in **Article 11** to the allotment of Shares do not include the transfer of any Shares by the Company out of treasury by way of sale or transfer.

## **TRANSFER OF SHARES**

### **12 GENERAL**

- 12 1 No transfer of any Share shall be made or registered unless such transfer complies with the provisions of these Articles and the Shareholders Agreement and the transferee has first entered into a deed of adherence if so required by the Shareholders' Agreement. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of Shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles
- 12 2 For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer of Shares:
- 12 2.1 any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share be allotted, issued or transferred to some person other than himself, and
- 12 2 2 any sale or any other disposition of any legal or equitable interest in a Share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by a written instrument

### **13 VALUATION OF SHARES**

- 13.1 In the event that the Auditors are required to determine the price at which Shares are to be transferred pursuant to these Articles, the Company shall engage and instruct the Auditors (which instructions shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 13** is required), to give their written opinion as to the price which represents a fair value for such Shares by valuing each Share on the basis of the value of the Company as a going concern at the Valuation Date and multiplying such valuation of the Company by the fraction the numerator of which shall be the nominal value of each Share to be transferred and the denominator of which shall be the nominal value of all the Shares in issue at such date including any Shares held by the Company in treasury.
- 13.2 In making such determination, the auditors shall not take any account of whether the relevant Shares comprise a majority or a minority interest in the Company nor the fact that transferability of such Shares is restricted by these Articles
- 13 3 In the event that the Auditors decline to accept an instruction to provide a valuation pursuant to this **Article 13** then the price will be determined by a firm of independent chartered accountants, such accountants to be instructed by the Directors
- 13 4 **Articles 20.1 and 20.2** shall apply to any determination under this Article by the Auditors or such accountants appointed pursuant to **Article 13.3** and references to Auditors in those **Articles 20.1 and 20.2** shall include such accountants

**14 PURCHASE OF OWN SHARES**

The Company is authorised to purchase its own Shares out of capital up to the annual limit in accordance with section 692 of the 2006 Act

**15 TRANSMITTEES BOUND BY PRIOR NOTICES**

Model Article 29 shall be amended by the insertion of the words “, or the name of any person nominated under Model Article 27(2)”, after the words “the transmittee’s name”

**GENERAL MEETINGS**

**16 NOTICE OF GENERAL MEETINGS**

16 1 Every notice convening a general meeting shall

16.1 1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies, and

16 1 2 be given in accordance with section 308 of the 2006 Act, that is in hard copy form, electronic form or by means of a website

16 2 A notice convening a general meeting (other than an adjourned meeting) must be called by at least 14 days’ notice but a general meeting can be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting being a majority who together hold not less than 90 per cent by nominal value of the Shares giving that right. The notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting.

**17 PROCEEDINGS AT GENERAL MEETINGS**

17 1 No resolution shall be voted on and no other business shall be transacted at any general meeting of the Company unless a quorum is present when such vote is taken or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present Two persons, being holders (at least one of whom must be a Founder) present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting

17 2 If a quorum is not present within half an hour from the time appointed for a general meeting or if, during any general meeting, a quorum ceases to be present, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other place as the directors may determine, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for the same the holders present shall form a quorum Model Article 41(1) to (5) inclusive shall not apply to the Company

**18 WRITTEN RESOLUTIONS**

18 1 A written resolution, proposed in accordance with section 288(3) of the 2006 Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date

18 2 For the purposes of this **Article 18** “circulation date” is the date on which copies of the written resolution are sent or submitted to members or, if copies are sent or submitted on different days, to the first of those days

**ADMINISTRATIVE ARRANGEMENTS**

**19 BORROWING POWERS**

Subject to the terms of the Shareholders’ Agreement, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking,

property and uncalled capital, or any part thereof, and, subject to the provisions of the 2006 Act, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

20 **AUDITORS**

**Auditors' determination**

20 1 If any matter under these Articles is referred to the Auditors for determination then the Auditors shall act as experts and not as arbitrators or arbiters and their decision shall be final and binding on the Company and all the holders (in the absence of fraud or manifest error)

20 2 The Auditors' costs in making any such determination referred to in **Article 20.1** shall be borne by the Company unless the Auditors shall otherwise determine

20 3 The Auditors where required by these Articles shall determine the valuation of Shares in accordance with **Article 13**

**Auditors' appointment and re-appointment**

20 4 Auditors must be appointed for each financial year of the Company Other than the Company's first financial year, the appointment must be made in the period for appointing Auditors as defined in section 485 of the 2006 Act

20 5 Auditors cease to hold office at the end of the next period for appointing Auditors unless and until they are re-appointed

21 **COMPANY COMMUNICATION PROVISIONS**

21 1 Where

21.1 1 a document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom, and

21 1 2 the Company is able to show that it was properly addressed, prepaid and posted,

it is deemed to have been received by the intended recipient 24 hours after it was posted

21 2 Where

21 2 1 a document or information is sent or supplied by electronic means; and

21 2 2 the Company is able to show that it was properly addressed,

it is deemed to have been received by the intended recipient immediately after it was sent

21 3 Where a document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient

21 3 1 when the material was first made available on the website, or

21 3 2 if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website

21 4 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by **Articles 21.1, 21.2 and 21.3.**

## **22 INDEMNITIES FOR DIRECTORS**

- 22 1 Subject to, and so far as may be permitted by, the 2006 Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, *the Company may indemnify* each of the directors (for as long as they remain directors) against any liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, or other officer of the Company or of any associated company.
- 22 2 Subject to the 2006 Act, the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, Auditor or other officer of the Company or of any associated company
- 22 3 Subject to, and so far as may be permitted by, the 2006 Act, the Company shall be entitled to fund the expenditure of every director, alternate director or other officer of the Company incurred or to be incurred
- 22 3 1 in defending any criminal or civil proceedings, or
- 22 3 2 in connection with any application under sections 661(3) or 661(4) or under section 1157 of the 2006 Act

## **23 REGISTERED OFFICE**

The Company's registered office is to be situated in England and Wales