

Company Number: 05112997

Private Company Limited by shares

Written resolutions of:

THURSDAY



**HLW 229 LIMITED (THE "COMPANY")**

 Circulation Date: 17 July 2014 (the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the resolution below is passed as a special resolution (the "**Special Resolution**")

**SPECIAL RESOLUTIONS**

1. That, the Articles of Association attached to this resolution be adopted in substitution for and to the exclusion of the existing Articles of Association of the Company

**AGREEMENT**

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

The undersigned, being the members entitled to vote on the above resolution on the Circulation Date hereby irrevocably agrees to the Special Resolution.

Signed:

  
Robert David Victor Broadbent

Date:

17/7/14.

Signed.

Audrey Stanley

Date:

Signed: .  
Karen Hirst

Date.

### NOTES

1. You can choose to agree to all of the Special Resolution or none of it, but you cannot agree to only some of the resolution. If you agree to all of the resolution, 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:

- 1.1 **by hand:** delivering the signed copy to Company Secretary at Whitley Hall Hotel, Whitley Hall, Elliott Lane, Grenoside, Sheffield, South Yorkshire, S35 8NR; or

- 1.2 **by post:** returning the signed copy by post to Company Secretary at at Whitley Hall Hotel, Whitley Hall, Elliott Lane, Grenoside, Sheffield, South Yorkshire, S35 8NR.

If you do not agree to all of the resolution, you do not need to do anything: you will not be deemed to agree if you do not reply.

2. Once you have indicated your agreement to the resolution, you may not revoke your agreement
3. Unless by 28 days after the Circulation Date, sufficient agreement has been received for the resolution to pass, they will lapse. If you agree to the resolution, please ensure that your agreement reaches us before or during this date

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**HLW 229 Limited**

**WHEREBY IT IS AGREED AS FOLLOWS:**

**1. INTERPRETATION**

1.1 In these Articles, the following words have the following meanings:

<b>"Act"</b>	means the Companies Act 2006;
<b>"appointor"</b>	has the meaning given in article 10.1
<b>"Articles"</b>	means the Company's articles of association for the time being in force,
<b>"Associated Company"</b>	means a subsidiary of the Company, a subsidiary of a subsidiary of the Company, the holding company of the Company, a subsidiary of the holding company or a subsidiary of a subsidiary of the holding Company;
<b>"Business Day"</b>	means a day other than a Saturday, Sunday or public holiday in England when banks in the City of London are open for business;
<b>"Conflict"</b>	has the meaning given in article 6.1,
<b>"Continuing Shareholders"</b>	has the meaning given in article 16.1;
<b>"Controlling Interest"</b>	means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
<b>"Deemed Transfer Notice"</b>	means a Transfer Notice that is deemed to have been served under any provisions of these Articles;

<b>"Departing Shareholder"</b>	<p><b>Employee</b> means an Employee Shareholder who ceases to be.</p> <ol style="list-style-type: none"> <li>1 a director of the Company; or</li> <li>2. an employee of the Company, or</li> <li>3. a director of an Associated Company; or</li> <li>4 an employee of an Associated Company</li> </ol> <p>Each of the above being separate conditions the satisfaction of any one or more of which will result in the Employer Shareholder being a "Departing Employee Shareholder" and each such condition being referred to as a <b>"Termination Condition"</b></p>
<b>"eligible director"</b>	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);
<b>"Employee Shareholder"</b>	means a shareholder who is, or has been, a director and/or an employee of the Company or an Associated Company,
<b>"Market Value"</b>	means in relation to shares, as determined in accordance with article 18,
<b>"Model Articles"</b>	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ) as amended prior to the date of adoption of these Articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles,
<b>"Proposed Sale Price"</b>	Has the meaning given in article 16.1.2;
<b>"Purchase Notice"</b>	has the meaning given in article 16.3;
<b>"Sale Shares"</b>	has the meaning given in article 16 1,
<b>"Sale Price"</b>	has the meaning given in article 16.2;
<b>"Seller"</b>	has the meaning given in article 16 1;
<b>"Termination Date"</b>	means the first date upon which a Termination Condition occurs and on which an Employee Shareholder thereby becomes a Departing Employee Shareholder.
<b>"Transfer Notice"</b>	means a notice in writing given by any shareholder to the other shareholder where the first shareholder desires, or is required by these

Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares,

**"Valuers"**

means the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator),

**"Writing or written"**

means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 16 to article 17, article 19 and article 20, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax),

- 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:
  - 1.5.1 any subordinate legislation from time to time made under it; and
  - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 A reference to a 'holding company' or a 'subsidiary' means a holding company or a subsidiary (as the last may be) as defined in section 1159 of the Act.

- 1.7 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
- 1.8 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles
- 1.9 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 21, 24(2)(c), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.10 Article 7 of the Model Articles shall be amended by.
- 1.10.1 the insertion of the words "for the time being" at the end of article 7(2)(a);  
and
- 1.10.2 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".
- 1.11 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.12 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But"
- 1.14 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".
- 1.15 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. QUORUM FOR DIRECTORS' MEETINGS**

- 3.1 Subject to article 3.2, the quorum for the transaction of business at a meeting of directors is any one eligible director
- 3.2 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:
- 3.2.1 to appoint further directors; or
  - 3.2.2 to call a general meeting so as to enable the shareholders to appoint further directors.

### **4. CASTING VOTE**

- 4.1 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 has a casting vote.
- 4.2 Article 4.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

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

- 5.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company.
- 5.1.1 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;
  - 5.1.2 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;
  - 5.1.3 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;
  - 5.1.4 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;
  - 5.1.5 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
  - 5.1.6 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.

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

- 6.1 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**")
- 6.2 Any authorisation under this article 6 will be effective only if:
- 6.2.1 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,
  - 6.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - 6.2.3 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.
- 6.3 Any authorisation of a Conflict under this article 6 may (whether at the time of giving the authorisation or subsequently):
- 6.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
  - 6.3.2 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;
  - 6.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 6.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 6.3.5 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



- 6.3.6 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
- 6.4 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
- 6.5 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.
- 6.6 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.

## **7. 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.

## **8. NUMBER OF DIRECTORS**

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

## **9. 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.

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

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

10.1.1 exercise that director's powers; and

10.1.2 carry out that director's responsibilities,

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

10.2 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.

10.3 The notice must

10.3.1 identify the proposed alternate; and

10.3.2 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

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

11.1 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.

11.2 Except as the Articles specify otherwise, alternate directors:

11.2.1 are deemed for all purposes to be directors;

11.2.2 are liable for their own acts and omissions,

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

11.2.4 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.

11.3 A person who is an alternate director but not a director:

11.3.1 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);

11.3.2 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); and

11.3.3 shall not be counted as more than one director for the purposes of articles 11.3.1 and 11.3.2

11.4 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)

11.5 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

## **12. TERMINATION OF ALTERNATE DIRECTORSHIP**

12.1 An alternate director's appointment as an alternate terminates:

12.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

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

12.1.3 on the death of the alternate's appointor, or

12.1.4 when the alternate's appointor's appointment as a director terminates.

## **SHARES**

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

13.1 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.

13.2 Subject to the remaining provisions of this Article 13 and to Article 14, 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:

13.2.1 offer or allot;

13.2.2 grant rights to subscribe for or to convert any security into;

13.2.3 otherwise deal in, or dispose of,

any ordinary shares of £1.00 each in the company ("**Ordinary Shares**") to any person, at any time and subject to any terms and conditions as the directors think proper

13.3 The authority referred to in Article 13.2:

13.3.1 shall be limited to a maximum nominal amount of £1,000;

13.3.2 shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution; and

13.3.3 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 Ordinary Shares to be allotted after the expiry of such authority (and the directors may allot Ordinary

Shares in pursuance of an offer or agreement as if such authority had not expired).

#### **14. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

14.1 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.

14.2 Unless otherwise agreed by special resolution, if the company proposes to allot any equity securities (other than any equity securities to be held under an employees' share scheme), those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer 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 (as nearly as possible without involving fractions). The offer

14.2.1 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

14.2.2 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.

14.3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 14.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 14.2. 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 14.2 (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.

14.4 Subject to Articles 14.2 and 14.3 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.

#### **15. SHARE TRANSFERS: GENERAL**

15.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

15.2 No share shall be transferred unless the transfer is made in accordance with these Articles

15.3 The directors shall register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles

15.4 Any transfer of shares by way of a sale that is required to be made under article 16, article 17, article 19 or article 20 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee

## **16. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

16.1 A shareholder ("**Seller**") wishing to transfer its shares ("**Sale Shares**") must give a Transfer Notice to the other shareholders ("**Continuing Shareholders**") giving details of the proposed transfer including.

16.1.1 the identity of the proposed buyer; and

16.1.2 the price (in cash) at which it proposes to sell the Sale Shares ("**Proposed Sale Price**").

16.2 The price for each Sale Share ("**Sale Price**") the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the Continuing Shareholders or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice, the Market Value of each Sale Share determined in accordance with article 18.

16.3 Within 10 Business Days of the determination of the Sale Price the Continuing Shareholders shall be entitled (but not obliged) to give notice in writing to the Seller that they wish to purchase the Sale Shares at the Sale Price ("**Purchase Notice**").

16.4 The Sale Shares shall be sold to the Continuing Shareholders in proportion (as nearly as may be) to their existing holdings of shares. Where such allocations would give rise to an entitlement to share fractions, the directors shall make such adjustments as they shall consider reasonable

16.5 The Continuing Shareholders are bound to buy the Seller's Sale Shares and the Seller is bound to sell the Sale Shares at the Sale Price when the Continuing Shareholders give a Purchase Notice to the Seller under article 16.3

16.6 If, at the expiry of the period specified in article 16.3, the Continuing Shareholders have not given a Purchase Notice, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (subject to the provisions of article 19 and article 20 where applicable) at a price not less than the Sale Price provided that it does so within one month of the expiry of the period specified in article 16.3.

## **17. COMPULSORY TRANSFERS**

17.1 A shareholder is deemed to have served a Transfer Notice ("**Deemed Transfer Notice**") under article 16.1 immediately before any of the following events:

17.1.1 a petition being presented, or an order being made, for the shareholder's bankruptcy; or

- 17.1.2 an application to the court being made under section 253 of the Insolvency Act 1986 where the shareholder intends to make a proposal to his creditors for a voluntary arrangement, or
  - 17.1.3 the shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986; or
  - 17.1.4 the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
  - 17.1.5 the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986, or
  - 17.1.6 any encumbrancer taking possession of, or a receiver being appointed over or in relation to, any material part of the shareholder's assets; or
  - 17.1.7 the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
  - 17.1.8 the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding, or
  - 17.1.9 a shareholder dying
- 17.2 In the event that a shareholder (being an Employee Shareholder) becomes a Departing Employee Shareholder (unless the directors otherwise direct in writing within 10 Business Days of the Termination Date) any Transfer Notice served (or deemed to be served) by such Employee Shareholder before the Termination Date shall automatically lapse.
- 17.3 At any time following the Termination Date and upon a resolution of the board of directors, the directors shall be entitled (but not obliged) to specify a date on which the Departing Employee Shareholder is deemed to have served a Transfer Notice which for the purposes of these Articles shall be a **"Deemed Transfer Notice"**
- 17.4 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the Transfer Price for the Sale Shares shall be the aggregate Market Value of those shares, determined by the Valuers in accordance with article 18.
- 17.5 If the Departing Employee Shareholder fails to complete a transfer of Sale Shares as required under this article 17, the Continuing Shareholders are irrevocably authorised to appoint any person they nominate for the purpose as agent to transfer the Sale Shares on the Departing Employee Shareholder's behalf and to do anything else that the Continuing Shareholders may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Departing Employee Shareholder, giving a receipt that shall discharge the proposed buyer.

## **18. VALUATION**

- 18.1 As soon as practicable after deemed service of a Transfer Notice under article 17, the shareholders shall appoint the Valuers to determine the Market Value of the Sale Shares.
- 18.2 The Valuers shall be requested to determine the Market Value within 60 Business Days of their appointment and to notify the shareholders in writing of their determination.
- 18.3 The Market Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions
- 18.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company with a discount then being applied to reduce such value to a value which reflects the size of the shareholding and the percentage of the issued share capital of the Company which the Sale Shares represent and for the rights or restrictions applying to the Sale Shares,
  - 18.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
  - 18.3.3 the sale is to be on arms' length terms between a willing seller and a willing buyer,
  - 18.3.4 the Sale Shares are sold free of all encumbrances,
  - 18.3.5 the sale is taking place on the date the Valuers were requested to determine the Market Value, and
  - 18.3.6 to take account of any other factors that the Valuers reasonably believes should be taken into account.
- 18.4 The shareholders are entitled to make submissions to the Valuers including oral submissions and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 18.5 To the extent not provided for by this article 18.5, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation
- 18.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud)
- 18.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation

(including any fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders equally or in such other proportions as the Valuers shall direct

## **19. TAG ALONG**

- 19.1 Without having to give a Transfer Notice to the Continuing Shareholders and going through the procedure set out in article 16, the provisions of article 19.2 to article 19.5 shall apply if the majority shareholder for the time being ("**Seller**") proposes to transfer 75% of the shares in the Company ("**Sale Shares**") to a bona fide purchaser on arm's length terms ("**Proposed Transfer**") and such transfer would, if carried out, result in such person ("**Buyer**") acquiring 75% or more of the issued share capital of the Company.
- 19.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer ("**Offer**") to the minority shareholders for the time being to purchase all of the minority shareholders shares held by them for at least the consideration per share equal to the consideration per share to be paid to the Seller, either for like consideration or its cash equivalent or shares or in some other form of security or consideration at the election of the Buyer ("**Specified Price**")
- 19.3 The Offer shall be made by written notice ("**Offer Notice**"), at least 10 Business Days before the proposed transfer date ("**Transfer Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 19.3.1 the identity of the Buyer;
  - 19.3.2 the purchase price and other terms and conditions of payment;
  - 19.3.3 the Transfer Date, and
  - 19.3.4 the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**")
- 19.4 If the Buyer fails to make the Offer in accordance with article 19.2 and article 19.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 19.5 If the Offer is accepted by the minority shareholders in writing within 5 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder.

## **20. DRAG ALONG**

- 20.1 Without having to give a Transfer Notice to the Continuing Shareholders and going through the procedure set out in article 16, if the Seller wishes to transfer all (but not some only) of its shares representing 75% of the shares in issue for the time being to a bona fide purchaser on arm's length terms ("**Proposed Buyer**"), the Seller may require the Continuing Shareholders ("**Called Shareholder**") to sell and transfer all



- of its shares ("**Called Shares**") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article ("**Drag Along Option**").
- 20.2 The Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholder ("**Drag Along Notice**") at any time before the transfer of its shares to the Proposed Buyer. The Drag Along Notice shall specify
- 20.2.1 that the Called Shareholder is required to transfer all of its Called Shares pursuant to this article 20;
- 20.2.2 the person to whom the Called Shares are to be transferred,
- 20.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount equal to at least the consideration per share to be paid to the Seller, either for like consideration or its cash equivalent or shares or in some other form of security or consideration at the election of the Proposed Buyer; and
- 20.2.4 the proposed date of the transfer
- 20.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Seller has not sold their shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20.4 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 20
- 20.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the shares unless:
- 20.5.1 the Seller and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
- 20.5.2 that date is less than 5 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 5 Business Day after service of the Drag Along Notice.
- 20.6 On or before the Completion Date, the Called Shareholder shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholder, on behalf of the Proposed Buyer, the amounts due pursuant to article 20.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholder in trust for the Called Shareholder without any obligation to pay interest.
- 20.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the

Called Shareholder shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholder shall have no further rights or obligations under this article 20 in respect of its Shares.

- 20.8 If the Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 20.6) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Seller to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 20.8.

## **DECISION MAKING BY SHAREHOLDERS**

### **21. POLL VOTES**

- 21.1 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.
- 21.2 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.

### **22. PROXIES**

- 22.1 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".
- 22.2 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**

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

- 23.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient.
- 23.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United

Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- 23.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 23.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- 23.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

- 23.2 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.

## **24. INDEMNITY**

- 24.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled.

24.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them 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

24.1.2 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 24.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

- 24.2 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.

- 24.3 In this article:

24.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

24.3.2 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).

## **25. INSURANCE**

25.1 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.

25.2 In this article:

25.2.1 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);

25.2.2 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

25.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

Please complete the table below to show any class of shares held in other currencies. Please complete a separate table for each currency.

- 1 Including both the nominal value and any share premium
- 2 Total number of issued shares in this class
- 3 E.g. Number of shares issued multiplied by nominal value of each share