

Company number 05736339

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

INBOND NORTHERN LIMITED (Company)

Circulation Date 3rd April 2012

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the members of the Company propose that the following resolutions are passed as a special resolution and ordinary resolutions (**Resolutions**)

**SPECIAL RESOLUTION**

That the articles of association in the form attached to this resolution be approved and substituted in favour of the existing articles of adoption of the Company

**ORDINARY RESOLUTION**

- 1 That the 24 issued B Shares in the capital of the Company are subdivided into 240 B Shares of £0 10p each
- 2 That the 10 unissued C Shares in the capital of the Company are subdivided into 100 unissued C Shares of £0 10p each and then redesignated as 100 B Shares of £0 10p each
- 3 That the 15 ordinary B Shares of £0 10p each held by Mark Winton and Elaine Watthey are redesignated as 15 ordinary D Shares of £0 10p each

**AGREEMENT**

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

The undersigned, a person entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution

Signed by Elaine Watthey  
Date

  
3/4/2012

FRIDAY



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04/05/2012

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COMPANIES HOUSE

## **NOTES**

1 If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning the signed version either by hand or by post to Eaglescliffe Logistics Centre, Durham Lane, Eaglescliffe, TS16 0RW

You may not return the Resolution to the Company by any other method

If you do not agree to the Resolution, 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 Resolution, you may not revoke your agreement

3 Unless, by 28 days from Circulation Date, sufficient agreement has been received for the Resolution to pass, it 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**

**INBOND NORTHERN LIMITED**

**(Adopted by special resolution passed on**

**2012)**

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**INBOND NORTHERN LIMITED**

**(Adopted by special resolution passed on 2012)**

**AGREED TERMS**

**1. INTERPRETATION**

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

**Act:** the Companies Act 2006,

**Acting in Concert** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time)

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

**B Director:** a director appointed to the Board in accordance with article 11.1,

**B Share:** an ordinary B Share of £0.10p each in the capital of the Company designated as a B Share,

**Bad Leaver:** has the meaning given in article 17.6(b),

**Board:** the board of directors of the Company from time to time,

**Business Day:** 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,

**Conflict:** has the meaning given in article 9.1,

**Continuing B Shareholder:** has the meaning given in article 15.8,

**Continuing D Shareholder:** has the meaning given in article 15.9,

**Controlling Interest** 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

**D Share:** an ordinary D Share of £0 10p each in the capital of the Company designated as a D Share

**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),

**Eligible B Director:** means a director holding B Shares 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),

**Expert:** an independent firm of accountants jointly appointed by the Shareholders or the Board (as appropriate) or, in the absence of agreement between the Shareholders or the Board on the identity of the expert within 20 Business Days of a Shareholder or director serving details of a suggested expert on the other Shareholders or directors (as appropriate), an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (acting as an expert and not as an arbitrator),

**Fair Value:** in relation to Shares, as determined in accordance with article 16 5,

**Family Member:** in relation to any Shareholder any of his spouse or civil partner (or widow or widower), children or grandchildren,

**Family Trust:** in relation to a Shareholder, 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 Shareholder or any of his Family Members and under which no power of control over the voting powers conferred by any 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 shareholder or any of his Family Member,

**Good Leaver:** has the meaning given in article 17 6(a),

**Interested Director:** has the meaning given in article 9 1,

**Leaver:** has the meaning given in article 17 2,

**Leaving Date:** the date determined by the Board (acting reasonably) to be the date the Leaver (or any other person holding the Leaver's Shares for the purpose of clause 17) is deemed to have left the Company,

**Model Articles:** 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,

**Permitted Transferee:** a person or persons shown to the reasonable satisfaction of the Board to be either Family Member or trustees to be held under a Family Trust for that shareholder

**Sale Shares:** the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice

**Shares:** shares (of any class) in the capital of the Company and **Share** shall be construed accordingly,

**Shareholder:** a holder for the time being of any Share or Shares,

**Transfer Notice:** an irrevocable notice in writing given by any Shareholder or by the Board (as appropriate) to the other Shareholders 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 Where such notice is deemed to have been served it shall be referred to as a **Deemed Transfer Notice**,

**Writing or written:** 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 article 15, article 15 15, article 16 and article 16, "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 but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 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 6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force

## **2. ADOPTION OF THE MODEL ARTICLES**

- 2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 2 2 Articles 7, 8, 9(1), 11 to 14 (inclusive), 17, 26(5), 27 to 29 (inclusive), 38, 39, 43, 49 and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company
- 2 3 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"
- 2 4 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"
- 2 5 Articles 31(1)(a) to (c) (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" Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

## **DIRECTORS**

### **3. UNANIMOUS DECISIONS OF DIRECTORS**

- 3 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
- 3 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
- 3 3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with Article 6

### **4. NUMBER OF DIRECTORS**

The number of directors shall not be less than two and shall be no more than eight



**5. CALLING A DIRECTORS' MEETING**

Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed by all the directors) to each director or by authorising the Company secretary (if any) to give such notice

**6. QUORUM FOR DIRECTORS' MEETINGS**

6 1 Subject to article 6 2, the quorum at any meeting of the directors shall be two, of which at least one must be an Eligible B Director

6 2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 9 1 to authorise a 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

6 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

**7. CHAIRING OF DIRECTORS' MEETINGS**

7 1 The chairman of the Board shall be a B Director

7 2 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 have a casting vote

**8. 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 Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested,
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors 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 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

## 9. DIRECTORS' INTERESTS

- 9.1 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 (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)
- 9.2 Any authorisation under this article 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
- 9.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter 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 will or will not be an Eligible Director in respect of any future decision of the directors 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
- 9 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
- 9 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
- 9 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 9 7 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his

interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act

- 9 8 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9 7

**10. 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

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

- 11 1 Each holder of the B Shares shall from time to time have the right (or so long as the appointing Shareholder holds B Shares) to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a director and to remove any such director and to appoint a replacement That person shall be designated as a B Director
- 11 2 Additional directors may be appointed to the Board and removed from the Board by a majority decision of the Board, and provided that at least one B Director votes in favour of such appointment or removal (as appropriate)
- 11 3 Any appointment or removal of a director made in accordance with Article 11 1 or 11 2 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the directors or, if later, the date (if any) specified in such notice
- 11 4 Each holder of the D Shares shall from time to time have the right to nominate one person to be an observer, who shall be entitled to receive notice of all meetings of the Board and copies of all board papers as if he were a director of the Company and to attend, propose resolutions and speak at, but not vote at, any meeting of the Board

**SHARES**

**12. SHARE CAPITAL**

- 12 1 Except as otherwise provided in these Articles, the B Shares and the D Shares shall rank pari passu in all respects but shall constitute separate classes of shares

- 12 2 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy. For the purpose of this article, one holder present in person or by proxy may constitute a meeting.

### **13. UNISSUED SHARES**

- 13 1 No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any Shares in the Company shall be granted unless within one month before that allotment or grant (as the case may be) every Shareholder for the time being has consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee.
- 13 2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 13 3 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) where the consent to that allotment of every Shareholder has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.

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

- 14 1 Subject to article 12 2 and the remaining provisions of this article 14, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to

- (a) offer or allot,
- (b) grant rights to subscribe for or to convert any security into, or
- (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.

- 14 2 The authority referred to in article 14 1

- (a) shall be limited to a maximum nominal amount of £1,000 B Shares and £1,000 D Shares or such other amount as may from time to time be authorised by the Company by ordinary resolution,

- (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and
- (c) may only be exercised for a period of five years from the date of adoption of these Articles, 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)

## **15. TRANSFER OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**

- 15 1 In this Article, references to a transfer of a Share include the transfer or assignment 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 A Shareholder holding B Shares may at any time transfer all (but not some only) of its B Shares in the Company to a Permitted Transferee without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in this Article
- 15 3 Except where the provisions of Article 15 2, Article 15 15, Article 16, Article 16 or Article 19 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article
- 15 4 A Shareholder wishing to transfer their Shares (**Seller**) shall, before transferring or agreeing to transfer any Shares, give a Transfer Notice to the Company specifying
  - (a) the number of Sale Shares,
  - (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed transferee,
  - (c) the price (in cash) per share at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the directors (**Transfer Price**)), and
  - (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**)
- 15 5 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn
- 15 6 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price

15 7 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale to the holders of the B Shares in the manner set out in article 15 8 Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered

15 8 The Board shall offer the Sale Shares to all shareholders holding B Shares other than the Seller (if applicable) (**Continuing B Shareholders**), inviting them to apply in writing within 28 Business Days of the date of the offer (**First Offer Period**) for the maximum number of Sale Shares they wish to buy

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under this article 15 8 and article 15 9 shall be conditional on the fulfilment of the Minimum Transfer Condition

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing B Shareholder who has applied for Sale Shares in the proportion which his existing holding of B Shares bears to the total number of B Shares held by those Continuing B Shareholders who have applied for Sale Shares Fractional entitlements shall be rounded to the nearest whole number No allocation shall be made to a Continuing B Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy

If only some of the Sale Shares are allocated in accordance with this Article, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this article 15 8

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing B Shareholders in accordance with their applications The balance (**Initial Surplus Shares**) shall be dealt with in accordance with article 15 9

15 9 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to the holders of the D Shares (**Continuing D Shareholders**), inviting them to apply in writing within 28 Business Days of the date of the offer (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing D Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of D Shares (including any Sale Shares) bears to the total number of D Shares (including any Sale Shares) held by those Continuing D

Shareholders who have applied for Initial Surplus Shares during the Second Offer Period Fractional entitlements shall be rounded to the nearest whole number No allocation shall be made to a Continuing D Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing D Shareholders in accordance with their applications The balance (**Second Surplus Shares**) shall be dealt with in accordance with article 15 12

- 15 10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 15 8 and article 15 9, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

If

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition, and
- (b) allocations under article 15 8 and, if necessary, article 15 9 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (**Allocation Notice**) to the Seller and each Continuing B Shareholder and Continuing D Shareholder to whom Sale Shares have been allocated (**Applicant**) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days after the date of the Allocation Notice)

- 15 11 On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares allocated in accordance with the requirements specified in the Allocation Notice

If the Seller fails to comply with the requirements of the Allocation Notice

- (a) the Chairman of the Company (or, failing him, one of the other directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller



- (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
    - (ii) receive the Consideration and give a good discharge for it, and
    - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
  - (b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company
- 15 12 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 15 10 then, subject to article 15 13 and within 6 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 15 12 shall continue to be subject to any Minimum Transfer Condition
- 15 13 The Seller's right to transfer Shares under article 15 12 does not apply if the Board reasonably considers that
- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an associate of a competitor with) the business of the Company, or
  - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
  - (c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the directors to enable it to form the opinion mentioned above
- 15 14 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with the consent of Shareholders who, but for the waiver, would or might have been entitled to have such Shares offered to them in accordance with this Article
- 15 15 Notwithstanding the above provisions a holder of the D Shares shall not be entitled to issue a Transfer Notice in respect of those D Shares in accordance

with this article 15 without the consent in writing of the majority of the holders of the B Shares from time to time

**16. OBLIGATORY TRANSFERS**

16.1 If any of the following events (**Obligatory Transfer Events**) happen to a Shareholder (in this article, the **Seller**), it shall serve a Transfer Notice on the Company as soon as possible, which shall include details of the Obligatory Transfer Event

In the case of a corporate shareholder

- (a) the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's group in which a new company assumes (and is capable of assuming) all the obligations of the shareholder, or
- (b) the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven days of such presentation, or
- (c) a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the shareholder, or
- (d) the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder, or
- (e) any step is taken by any person 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
- (f) the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986, or
- (g) the shareholder entering into a composition or arrangement with its creditors, or
- (h) any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager), or
- (i) a process having been instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors, or
- (j) the shareholder ceasing to carry on its business or substantially all of its business, or

- (k) in the case of the Obligatory Transfer Events set out in paragraphs (a), (b), (d) or (e) above, any competent person takes any analogous step in any jurisdiction in which the shareholder carries on business

In the case of a shareholder who is an individual

- (a) a petition is presented, or an order is made, for the party's bankruptcy,
- (b) an application to the court is made under section 253 of the Insolvency Act 1986 where the party intends to make a proposal to his creditors for a voluntary arrangement,
- (c) the party makes an individual voluntary arrangement with his creditors on agreed terms pursuant to section 263A of the Insolvency Act 1986,
- (d) the party convenes a meeting of his creditors or takes any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally,
- (e) the party is unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986,
- (f) a receiver is appointed over or in relation to, all or any material part of the party's assets,
- (g) the happening in relation to a party of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets,
- (h) the party has a disqualification order made against him under the Company Directors Disqualification Act 1986,
- (i) the court has made an order or appointed a deputy under section 16 of the Mental Capacity Act 2005,

If the shareholder that has suffered the Obligatory Transfer Event fails to serve a Transfer Notice, it shall be regarded as giving a Deemed Transfer Notice in relation to all its shares in the Company on the date on which the Board become aware of the Obligatory Transfer Event

- 16.2 Within 15 days of the service, or deemed service of the Transfer Notice under this article, the holders of a majority of the B Shares (which, if applicable, shall not include the Seller) shall determine whether the Seller's shares in the Company should be transferred at par value or at the Fair Value. If the holders of a majority of the B Shares agree that the Seller's shares should be purchased at Fair Value, the procedure set out in articles 16.3 to 16.9 shall apply. If the Seller's shares are to be transferred at par value the provisions of articles 15.4 to 15.11 (inclusive) shall apply to any Transfer Notice provided that

- (a) no proposed transferee shall be specified in the Transfer Notice,

- (b) the Transfer Price shall be the total par value,
  - (c) there shall be no Minimum Transfer Condition, and
  - (d) references to receipt of the Transfer Notice in articles 15 7 shall be replaced by the date of service or deemed service of the Transfer Notice
- 16 3 As soon as practicable after service, or deemed service, of the Transfer Notice and the decision of a majority of the holders of the B Shares to purchase the Seller's shares for Fair Value, the Company shall appoint an Expert to determine the Fair Value of the Seller's shares in the Company
- 16 4 Within 20 days of receiving notification of the Fair Value determined by the Expert (the first day being the day after the Company receives the Fair Value notification) the Board will offer the Seller's shares to the other shareholders in accordance with the procedure set out in articles 15 8 to 15 11 (inclusive) provided that there shall be no minimum Transfer Condition
- 16 5 The Fair Value of the shares to be sold in the Company shall be the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions
  - (a) the value of the shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Seller's shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Seller's shareholding or for the rights or restrictions applying to the shares),
  - (b) the sale is between a willing buyer and a willing seller on the open market,
  - (c) the sale is taking place on the date that the Obligatory Transfer Event occurred,
  - (d) if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so,
  - (e) the shares are sold free of all encumbrances, and
  - (f) to take account of any other factors that the Expert reasonably believes should be taken into account

If any problem arises in applying any of the assumptions set out in this article 16 5, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit

- 16 6 The Expert shall be requested to determine the Fair Value within 15 Business Days of his appointment and to notify the Company in writing of his determination

- 16 7 Subject to any confidentiality provisions, the Expert may have access to all accounting records and other relevant documents of the Company
- 16 8 The Expert's determination shall be final and binding on the Shareholders and the Company (in the absence of fraud or manifest error)
- 16 9 If the Seller fails to complete the transfer of shares as required under this article, the Company
- (a) is irrevocably authorised to appoint any person as agent to transfer the shares on the Seller's behalf and to do anything else that the transferee(s) may reasonably require to complete the sale, and
  - (b) may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the transferee(s)

**17. LEAVERS**

- 17 1 The provisions of this article shall apply to any Leaver and to any Leaver's Shares
- 17 2 In these articles
- (a) a Leaver shall mean, in relation to a shareholder holding D Shares only
    - (i) any director of the Company who is a Shareholder holding D Shares who ceases to be a director of the Company,
    - (ii) any person who becomes entitled to any D Shares on the death of a Shareholder, or
    - (iii) any Shareholder holding D Shares as a nominee for any person who ceases, or who has ceased, to be a director of the Company
- 17 3 Within the period commencing on the relevant Leaving Date and expiring six months following such date, the Board may direct the Company to serve a notice on the Leaver notifying him that he is, with immediate effect, deemed to have served one or more Transfer Notices in respect of such number and class of his Leaver's Shares as is specified in the notice
- 17 4 The provisions of articles 15 4 to 15 11 (inclusive) shall apply to any such Transfer Notice provided that for these purposes
- (a) the Sale Shares shall comprise the above-mentioned D Shares,
  - (b) no proposed transferee shall be specified in the Transfer Notice,
  - (c) the Transfer Price shall be determined by article 17 5,
  - (d) there shall be no Minimum Transfer Condition, and

- (e) references to receipt of the Transfer Notice in articles 15 7 shall be replaced by the date of determination of the Fair Value if the Fair Value is to be determined

17 5 The Transfer Price shall be

- (a) in the case of a Good Leaver, the Fair Value, and
- (b) in the case of a Bad Leaver, the lower of £[21,000] and the Fair Value, unless the Bad Leaver has owned the Sale Shares for a period of less than 2 years, or the Leaver has been ceased to be employed by the Company as a result of misconduct, in which case the Transfer Price shall be the total par value of the Sale Shares

17 6 In these articles

- (a) a Leaver shall be deemed to be a Good Leaver in circumstances where the relevant shareholder
  - (i) dies, or
  - (ii) retires from the Company following ownership of the Sale Shares for a period of 5 years or more or at the age 65 (whichever shall be the later),
  - (iii) is determined to be so by a majority of the B Directors (acting reasonably),
- (b) a Leaver shall be deemed to be a Bad Leaver in circumstances where the relevant shareholder
  - (i) is not deemed to be a Good Leaver, and
  - (ii) is determined to be so by a majority of the B Directors (acting reasonably),
- (c) the Fair Value shall be such price as determined in accordance with article 16 5 save for the reference to the Obligatory Transfer Event at 16 5(c) shall be replace by the date of the Transfer Notice

18. DRAG ALONG

- 18 1 If the holders of the B Shares (**Seller**) wish to transfer all (but not some only) of the B Shares to a bona fide arm's length purchaser (**Proposed Buyer**), the Seller may require the holders of the D Shares (**Called Shareholders**) to sell and transfer all of their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**)
- 18 2 The Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the

transfer of the B Shares to the Proposed Buyer The Drag Along Notice shall specify

- (a) that the Called Shareholder is required to transfer all of its Called Shares pursuant to this article 16,
- (b) the person to whom the Called Shares are to be transferred,
- (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the B Shares, and
- (d) the proposed date of the transfer

18 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 the B Shares to the Proposed Buyer within 60 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

18 4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article 16

18 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 B Shares unless

- (a) the Seller and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them, or
- (b) that date is less than five Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the Tenth Business Day after service of the Drag Along Notice

18 6 Within 20 Business Days of the Seller serving a Drag Along Notice on the Called Shareholder, the Called Shareholder shall deliver a stock transfer form for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company On the expiration of that 20th Business Day period, the Company shall pay the Called Shareholder, on behalf of the Proposed Buyer, the amounts due pursuant to article 18 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

18 7 To the extent that the Proposed Buyer has not, on the expiration of the 20 Business Day period referred to in article 18 6, 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 (or suitable indemnity) for the relevant Called Shares and the Called Shareholder shall have no further rights or obligations under this article 16 in respect of its Shares

- 18 8 If the Called Shareholder does not, on completion of the sale of the Called Shares, execute 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, 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 18 8

**19. TAG ALONG RIGHTS ON A CHANGE OF CONTROL**

- 19 1 Except in the case of transfers pursuant to Articles 15, 16 and 17, the provisions of article 19 2 to article 19 6 shall apply if, in one or a series of related transactions, one or more Shareholders (**Seller**) propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company
- 19 2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the two months preceding the date of the Proposed Transfer (**Specified Price**)
- 19 3 The Offer shall be given by written notice (**Offer Notice**), at least 15 Business Days (**Offer Period**) before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out
- (a) the identity of the Buyer,
  - (b) the purchase price and other terms and conditions of payment,
  - (c) the Sale Date, and
  - (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**)
- 19 4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company 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 any Shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders
- 19 6 The Proposed Transfer is subject to the pre-emption provisions of Article 15, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions

#### **DECISION MAKING BY SHAREHOLDERS**

##### **20. QUORUM FOR GENERAL MEETINGS**

- 20 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom one shall be a holder of B Shares or a duly authorised representative of such holder
- 20 2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on

##### **21. CHAIRING GENERAL MEETINGS**

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

##### **22. POLL VOTES**

- 22 1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 22 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

## **23. PROXIES**

- 23 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 general meeting (or adjourned meeting) to which they relate"
- 23 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" as a new paragraph at the end of that article

## **ADMINISTRATIVE ARRANGEMENTS**

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

- 24 1 Subject to article 24 2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider,
  - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
  - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
  - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

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

- 24 2 Any notice, document or other information served on, or delivered to, an intended recipient under article 15, article 15 15, article 17 or article 16 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website

24 3 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was addressed to an address permitted for the purpose by the Act

**25. INDEMNITY AND INSURANCE**

25 1 Subject to article 25 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) each relevant officer of the Company 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 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 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 25 1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure

25 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

25 3 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 4 In this article

- (a) a "relevant officer" means any director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor, and
- (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 or any pension fund of the Company