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PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION  
of  
FUNCTIONAL NUTRITION LIMITED  
Company number: 06418561

adopted on 15<sup>th</sup> October 2021

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Company number: 06418561

## PRIVATE COMPANY LIMITED BY SHARES

### ARTICLES OF ASSOCIATION OF

### FUNCTIONAL NUTRITION LIMITED

#### 1 DEFINITIONS AND INTERPRETATION

1.1 In these Articles the following words and expressions have the following meanings unless the context otherwise requires:

**Act** means the Companies Act 2006;

**A Share** means an ordinary A share of £1.00 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

**B Share** means a ordinary B share of £1.00 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

**Business Day** means a day other than a Saturday or Sunday or public holiday in England;

**Change of Control** means the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, that Third Party Purchaser (together with any person connected with or acting in concert with that Third Party Purchaser) would be entitled to exercise more than 75% of the total voting rights normally exercisable at any general meeting of the Company;

**Compulsory Transfer Shares** means in relation to a Defaulting Shareholder, any Shares:

- (a) held by the Defaulting Shareholder at the time of the relevant Event of Default; and
- (b) acquired by the Defaulting Shareholder and/or personal representatives after the occurrence of the Event of Default pursuant to any share option agreement or any other scheme or arrangement entered into prior to the Event of Default,

together with, in any case, any further Shares received by any person referred to above at any time after the relevant Event of Default by way of rights or on a capitalisation in respect of any of the Shares referred to above;

**Conflict** has the meaning given in article 16;

**Defaulting Shareholder** has the meaning given in the definition of Event of Default;

**Director** means a duly appointed director of the Company from time to time;

**Eligible Director** means a Director who would be entitled to vote on a matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter) and references to "eligible directors" in article 8 of the Model Articles shall be construed accordingly;

**Encumbrance** means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, right of set-off, third-party right or interest, assignment by way of security, other encumbrance or security interest of any kind or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect howsoever arising (but excluding any such rights or arrangements arising under these Articles or the Shareholders' Agreement);

**Event of Default** means the occurrence of any of the following events in relation to a registered holder of a B Share (**Defaulting Shareholder**):

- (a) a petition being presented or an order being made for the bankruptcy of the Defaulting Shareholder;
- (b) the Defaulting Shareholder convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally;
- (c) the Defaulting Shareholder being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1986);
- (d) any proceedings or orders equivalent or analogous to any of those described in paragraphs (a) to (c) above occurring in respect of the Defaulting Shareholder under the law of any jurisdiction outside England and Wales;
- (e) any step being taken for the appointment of a receiver, manager or administrative receiver over all or any part of the Defaulting Shareholder's assets, or any other steps being taken to enforce any Encumbrance over all or any part of the Defaulting Shareholder's assets or any Shares held by the Defaulting Shareholder;
- (f) the Defaulting Shareholder suffering from mental disorder and being admitted to hospital or, by reason of his mental health, being subject to any court order which wholly or partly prevents the Defaulting Shareholder from personally exercising any powers or rights which he would otherwise have;  
or

(g) the death of the Defaulting Shareholder;

**Group** means the Company and its subsidiaries from time to time and references to a **Group Company** shall be construed accordingly;

**Majority** means the holder(s) from time to time of the Ordinary A Shares;

**Model Articles** means the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date;

**Relevant Securities** means any Shares, or any right to subscribe for or convert any securities into any Shares;

**Relevant Shareholder** has the meaning given in article 10.1;

**Remaining Shareholders** means following the occurrence of an Event of Default, the Shareholders other than the Relevant Shareholders;

**Sale Shares** means has the meaning given in article 7.1.2;

**Share** means any share of any class in the capital of the Company;

**Shareholder** means a registered holder of an issued Share from time to time, as recorded in the register of Shareholders of the Company;

**Shareholder Consent** means the consent of all the holders of A Shares;

**Third Party Purchaser** means any person who is not a Shareholder; and

**Transfer Notice** means a notice in accordance with article 7 that a Shareholder wishes to transfer his Shares.

1.2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company.

1.3 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17, 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.

1.4 Article 7 of the Model Articles shall be amended by:

1.4.1 the insertion of the words "for the time being" at the end of article 7(2)(a);  
and

1.4.2 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".

- 1.5 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.6 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".
- 1.7 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) of the Model Articles," after the words "the transmittee's name".
- 1.8 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".
- 1.9 In these Articles a reference to:
- 1.9.1 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);
  - 1.9.2 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the date of these Articles and any subordinate legislation made under the statutory provision before or after the date of these Articles;
  - 1.9.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
  - 1.9.4 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated therein), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and
  - 1.9.5 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.

- 1.10 The contents table and headings in these Articles are for convenience only and do not affect their interpretation.
- 1.11 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.12 Any question as to whether a person is "connected with" another shall be determined in accordance with section 1122 Corporation Taxes Act 2010 (except that in construing section 1122 **control** has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act.

## 2 OBJECTS

- 2.1 The objects of the company are to promote the success of the Company;
- (i) for the benefit of its members as a whole; and
  - (ii) through its business and operations, to have a material positive impact on
    - (a) society and
    - (b) the environment, taken as a whole.
- 2.2 A Director must act in the way they consider, in good faith, most likely to promote the success of the Company in achieving the objects set out in paragraph (1) above, and in doing so shall have regard (amongst other matters) to:
- a. the likely consequences of any decision of the Directors in the long term and the impact any such decision may have on any affected stakeholders,
  - b. the interests of the Company's employees,
  - c. the need to foster the Company's business relationships with suppliers, customers and others,
  - d. the impact of the Company's operations on the community and the environment and on affected stakeholders,
  - e. the desirability of the Company maintaining a reputation for high standards of business conduct and the impact this has on affected stakeholders, and
  - f. the need to act fairly as between members of the Company,
- (together, the matters referred to above shall be defined for the purposes of this Article as the "Stakeholder Interests" and each a "Stakeholder Interest").

- 2.3 For the purposes of a Director's duty to act in the way they consider, in good faith, most likely to promote the success of the Company, a Director shall not be required to regard the benefit of any particular Stakeholder Interest or group of Stakeholder Interests as more important than any other.
- 2.4 Nothing in this Article express or implied, is intended to or shall create or grant any right or any cause of action to, by or for any person (other than the Company).
- 2.5 The Directors of the Company shall, for each financial year of the Company, prepare and circulate to its members an impact report. The impact report shall contain a balanced and comprehensive analysis of the impact the Company's business has had, in a manner proportionate to the size and complexity of the business. The impact report shall contain such detail as is necessary to enable the members to have an understanding of the way in which the Company has promoted its success for the benefit of its members as a whole and, through its business and operations, sought to have a material positive impact on society and the environment, taken as a whole. If the Company is also required to prepare a strategic report under the Companies Act 2006, the Company may choose to publish the impact report as part of its strategic report and in accordance with the requirements applying to the strategic report.

### **3 RIGHTS ATTACHING TO SHARES**

- 3.1 The shares of each class of Share shall entitle the holders thereof to the respective rights and obligations set out in these Articles. Save as provided otherwise in these Articles, the A Shares and B Shares shall confer the same rights upon the holders thereof.

- 3.2 The rights attaching to the Shares are as follows:

#### *Income*

- 3.2.1 Subject to the provisions of the Act and article 3.2.3 below, the Company may by ordinary resolution, upon the recommendation of the Directors, declare a dividend.
- 3.2.2 Subject to the provisions of the Act and to article 3.2.3 below, any profits available for distribution and resolved to be distributed in respect of any accounting period of the Company shall be distributed amongst the holders of Ordinary A Shares only pro rata according to the number of Shares held by each of them respectively.
- 3.2.3 No dividend shall be declared in respect of any Ordinary B Shares and no dividend shall be declared in respect of any class of Share in circumstances where the Directors recommend that no dividend should

be declared nor shall any dividend be declared in respect of any class of Share which exceeds the amount recommended by the Directors.

#### *Capital*

- 3.2.4 On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own shares), any surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary A Shares only pro rata according to the number of the Shares held by each of them respectively.
- 3.2.5 On a sale of the entire issued share capital of the Company in excess of £3 million the holder of the Ordinary B Shares will be entitled to:
- 3.2.5.1 20% of the net sale proceeds between £3 million and £5 million; and
- 3.2.5.2 50% of the net sale proceeds between £5 million and £8 million.

#### *Voting*

- 3.2.6 Save in respect of the holders of Ordinary B Shares who will have no voting rights and subject to any special rights or restrictions as to voting attached to any Share by, or in accordance with, these Articles:
- 3.2.6.1 on a show of hands at a general meeting every holder of an A Ordinary Share who (being an individual) is present in person or by one or more proxies or (being a corporation) is present by one of more duly authorised representatives or proxies, shall have one vote; and
- 3.2.6.2 on a vote on:
- 3.2.6.2.1 a resolution on a poll taken at a general meeting; or
- 3.2.6.2.2 a written resolution,
- each holder of Shares shall have one vote for every Share he holds.

## **4 VARIATION OF CLASS RIGHTS**

- 4.1 No variation of the rights attaching to any class of Shares shall be effective except with Shareholder Consent.



4.2 Without prejudice to the generality of their rights, the special rights attaching to each class of Shares shall be deemed to be varied at any time by any of the following occurring without Shareholder Consent:

4.2.1 any variation to the share capital of the Company or the rights attaching to any of the Shares, or the creation, allotment, issue or redemption of any shares or securities or the grant of, or agreement to grant, any option or right to require the allotment or issue of, or subscribe for, or convert any instrument into any share or securities of the Company or cancelling or accepting the surrender of any such right to subscribe or convert;

4.2.2 any alteration to the constitution (as defined in section 17 of the Act) of the Company; and

4.2.3 instituting any proceedings or taking any steps in relation to or in preparation for the winding up, administration or dissolution of, or the appointment of an administrator, administrative receiver, receiver or manager in respect of, the Company or any of the assets or undertaking of the Company.

## **5 ISSUE OF SHARES**

5.1 Notwithstanding any other provision of these Articles, the maximum issued share capital of the Company shall be £100.

5.2 Subject to articles 5.3 to 5.12 the Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to allot Relevant Securities. The authority granted under this article 5.2 shall:

5.2.1 be limited to a maximum amount in nominal value of £100;

5.2.2 only apply so far as it is not renewed, waived or revoked by ordinary resolution of the Shareholders; and

5.2.3 expire on the day immediately preceding the fifth anniversary of the Adoption Date, provided that the Directors may allot Relevant Securities after the expiry of such period in pursuance of an offer or agreement to do so made by the Company within such period.

5.3 No Relevant Securities shall be allotted by the Company unless within 20 Business Days prior to the allotment of such Relevant Securities all registered holders of A Ordinary Shares and B Ordinary Shares have consented in writing to such allotment and to the identity of the proposed allottee.

- 5.4 Shares in the capital of the Company shall only be allotted as follows:
- 5.4.1 every allotment shall be to Shareholders (excluding the registered holders of B Ordinary Shares) in proportion to their then existing holdings of Shares;
  - 5.4.2 subject to clause 5.4.1, on the occasion of each allotment, Shares of each class shall be allotted at the same price (not being a discount) and on the same terms as to date for payment, ranking for dividend and in all other respects as apply to the Shares of each other class; and
  - 5.4.3 no Shares of a class shall, without Shareholder Consent, be issued to Shareholders holding Shares of any other class.
- 5.5 Subject to articles 3.1 and 5.6, and unless otherwise determined by special resolution of the Company, any Relevant Securities which the Directors propose to allot, grant or otherwise dispose of shall, before they are so allotted, granted or otherwise disposed of, be offered to the Shareholders holding A Ordinary Shares but excluding Shareholders holding B Ordinary Shares. Such offer shall be made by means of a notice (**Subscription Notice**) served by the Directors on all Shareholders holding Shares but excluding Shareholders holding E Shares which shall:
- 5.5.1 state the number and class of Relevant Securities offered;
  - 5.5.2 state the subscription price per Relevant Security, which shall be determined by the Directors;
  - 5.5.3 invite the relevant offerees to respond in writing to the Company stating the number of Relevant Securities for which they wish to subscribe; and
  - 5.5.4 expire, and the offer made therein to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date specified therein, being not less than 10 nor more than 20 Business Days after the date of the Subscription Notice.
- 5.6 A Subscription Notice shall not be sent to, and no Shares shall be treated as offered to, any Relevant Shareholder in respect of whom a Default Notice has been served in accordance with article 7.
- 5.7 After the expiry of the period referred to in the Subscription Notice or, if sooner, upon all Shareholders to whom a Subscription Notice was sent having responded to the Subscription Notice (in either case, the **Subscription Allocation Date**), the Directors shall allocate the Relevant Securities in accordance with the applications received provided that:

- 5.7.1 if there are applications for more than the number of Relevant Securities available, the Relevant Securities shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Relevant Securities than it applied for) to the number of Shares held by each of them respectively; and
  - 5.7.2 the allocation of any fractional entitlements to Relevant Securities amongst the Shareholders shall be dealt with by the Directors in such manner as they see fit.
- 5.8 Within 5 Business Days of the Subscription Allocation Date the Directors shall give notice in writing (**Subscription Allocation Notice**) to each Shareholder to whom Relevant Securities have been allocated pursuant to article 5.7 (each a **Subscriber**). A Subscription Allocation Notice shall state:
  - 5.8.1 the number and class of Relevant Securities allocated to that Subscriber;
  - 5.8.2 the aggregate subscription price payable by the Subscriber in respect of the Relevant Securities allocated to him; and
  - 5.8.3 the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Subscription Allocation Notice) at which completion of the subscription for the Relevant Securities shall take place.
- 5.9 Completion of a subscription for Relevant Securities pursuant to a Subscription Allocation Notice shall take place at the place, date and time specified in the Subscription Allocation Notice when the Subscriber will pay the relevant subscription monies to the Company in cleared funds and the Company will allot or grant the Relevant Securities to that Subscriber and deliver to that Subscriber a duly executed share certificate or certificate of grant (as the case may be) in respect thereof. If a Subscriber shall fail for any reason to pay the relevant subscription monies in respect of any Relevant Securities to the Company in cleared funds by the date specified in the Subscription Allocation Notice he shall be deemed to have declined the offer made to him in respect of those Relevant Securities which shall immediately be deemed to be released from the provisions of articles 5.5 to 5.8.
- 5.10 Any Relevant Securities which are not accepted pursuant to articles 5.5 to 5.8, and any Relevant Securities released from the provisions of those articles either by virtue of a Subscriber's default in accordance with article 5.9 or by virtue of a special resolution of the Company, may be offered by the Directors to any person with Shareholder Consent and such Relevant Securities shall, subject to the provisions of the Act and article 3.1, be at the disposal of the Directors who may allot, grant or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that:

- 5.10.1 no Share shall be issued at a discount;
  - 5.10.2 no Relevant Securities shall be allotted, granted or otherwise disposed of on terms which are more favourable than those on which they were offered to the Shareholders pursuant to article 5.5; and
  - 5.10.3 no Relevant Securities shall be allotted, granted or otherwise disposed of more than 3 months after the date of the relevant Subscription Notice in respect thereof (or, in the case of Relevant Securities released from the provisions of articles 5.5 to 5.8 by virtue of a special resolution, the date of that special resolution) unless the procedure in articles 5.5 to 5.8 is repeated in relation to that Relevant Security.
- 5.11 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company.
- 5.12 Where any Share is issued to an existing Shareholder holding Shares, such new Share shall, on and from the time of registration of the allotment of that Share in the register of Shareholders of the Company, be immediately and automatically (without resolution of the Shareholders or Directors) redesignated as a Share of the same class as the Shares already held by such Shareholder.

## 6 TRANSFER OF SHARES – GENERAL

- 6.1 Subject to article 6.2, the Directors shall forthwith register any duly stamped transfer made in accordance with, or permitted by, these Articles and the Directors shall not register any transfer of Shares which is not so made or permitted. Article 26(5) of the Model Articles shall not apply to the Company.
- 6.2 For the purposes of ensuring that:
- 6.2.1 a transfer of any Share is in accordance with these Articles;
  - 6.2.2 no circumstances have arisen whereby a Shareholder is required to give or may be deemed to have given a Transfer Notice in respect of any Share; or
  - 6.2.3 no circumstances have arisen whereby the provisions of article 9 are required to be or ought to have been triggered,

the Directors may from time to time require any Shareholder to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors reasonably believe to have information relevant to such purpose provides, such information and evidence as the Directors may reasonably require for such purpose. Pending such information or evidence

being provided, the Directors are entitled to and shall refuse to register any relevant transfer of Shares.

- 6.3 If any information or evidence provided pursuant to article 6.2 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Shareholder may be required to give or be deemed to have given a Transfer Notice, the Directors may, by notice in writing to the relevant Shareholder, require that a Transfer Notice be given in respect of the Shares concerned.
- 6.4 In any case where a Shareholder is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 10 Business Days of written notice from the Directors to the relevant Shareholder requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 10 Business Days. Notwithstanding any other provision of these Articles, unless the Directors resolve otherwise, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 6.4 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice by way of rights or on a capitalisation in respect of the Shares which are the subject of that Transfer Notice) shall with effect from the date of the relevant Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder thereof any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of Shareholders of the Company as the holder of those Shares.
- 6.5 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from all Encumbrances.
- 6.6 Where any Share is transferred to an existing Shareholder, such Share shall, on and from the time of registration of the transfer of that share in the register of Shareholders of the Company, be immediately and automatically (without resolution of the Shareholders or Directors) redesignated as a Share of the same class as the Shares already held by such Shareholder.

## **7 PRE-EMPTION ON TRANSFER OF SHARES**

### **7.1 Transfer Notice**

- 7.1.1 Except as provided for in articles 7 and 8, any Shareholder holding A Shares (**Seller**) who wishes to transfer any A Ordinary Share (or any interest in any such Share) shall, before transferring or agreeing to

transfer such Share or interest therein, give notice in writing (**Transfer Notice**) to the Company of his wish.

7.1.2 Subject to article 7.1.3, a Transfer Notice shall:

- 7.1.2.1 state the number and class of Shares (**Sale Shares**) which the Seller wishes to transfer;
- 7.1.2.2 state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares;
- 7.1.2.3 state the price per Share at which the Seller wishes to transfer the Sale Shares, (**Proposed Price**);
- 7.1.2.4 state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 7 (**Total Transfer Condition**);
- 7.1.2.5 relate to only one class of Share;
- 7.1.2.6 constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 7; and
- 7.1.2.7 not be capable of variation or cancellation without the consent of the Directors.

7.1.3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with article 7.1):

- 7.1.3.1 it shall relate to all the Shares registered in the name of the Seller;
- 7.1.3.2 it shall not contain a Total Transfer Condition;
- 7.1.3.3 the Transfer Price shall be determined in accordance with article 6.2.1;
- 7.1.3.4 it shall be irrevocable; and
- 7.1.3.5 subject to article 5.5 and article 7, the Seller may retain any Sale Shares for which Buyers (as defined in article 7.4.2) are not found.

7.1.4 Any shareholder holding B Shares who wishes to transfer B Shares may only transfer them to holders of A Shares for nil consideration.

## 7.2 **Transfer Price**

7.2.1 The Sale Shares will be offered for sale in accordance with this article 7 at the following price (**Transfer Price**):

7.2.1.1 subject to Shareholder Consent, and subject to article 7.4.5, the Proposed Price; or

7.2.1.2 such other price as may be agreed between the Seller and the Directors appointed by the holders of the A Shares, (Deciding Directors), with Shareholder Consent, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice; or

7.2.1.3 if no price is agreed pursuant to paragraph 7.2.1.2 above within the period specified therein, or if the Deciding Directors direct at any time during that period, whichever is the lower of (i) the Proposed Price and (ii) the Market Value.

7.2.2 If the Seller and the Deciding Directors are unable to agree on the Transfer Price in accordance with article 7.2.1.2 or if the Deciding Directors direct in accordance with article 7.2.1.3, the Deciding Directors shall forthwith instruct the Auditors to determine and certify the Market Value of each Sale Share calculated on the basis that:

7.2.2.1 the Market Value is the sum which a willing buyer would agree with a willing seller to be the purchase price for all the Shares then in issue, divided by the number of Shares then in issue;

7.2.2.2 no account shall be taken of the size of the holding which the Sale Shares comprise or whether the Sale Shares represent a majority or minority interest; and

7.2.2.3 any difficulty in applying any of the bases set out above shall be resolved by the Auditors as they, in their absolute discretion, think fit.

7.2.3 The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the Shareholders, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Market Value shall, subject to article 7.2.4, be borne as directed by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company.

7.2.4 Where either:

7.2.4.1 the Seller revokes the Transfer Notice in accordance with article 7.2.5; or

7.2.4.2 in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles, the Market Value is less than the price proposed by the Directors to the Seller not less than 5 Business Days prior to receipt of the Auditors' report by the Company,

then the Auditors' fees shall be borne wholly by the Seller.

7.2.5 Where the Market Value is less than the Proposed Price the Seller may, by notice in writing served on the Company within 5 Business Days of the date on which the notification of the Market Value was first served on the Seller by the Company or the Auditors, revoke any Transfer Notice which was not stated to be, or which is not deemed by virtue of any provision of these Articles to be, irrevocable.

### 7.3 Offer Notice

7.3.1 Subject to article 7.3.2, the Deciding Directors shall serve a notice (**Offer Notice**) on all Shareholders except the holders of B Shares within 5 Business Days of the Transfer Price being agreed or determined in accordance with these Articles.:

7.3.2 An Offer Notice shall not be sent, and no Sale Shares shall be treated as offered to, the Seller or to any Shareholder who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given a Transfer Notice in respect of any Shares registered in his name.

7.3.3 An Offer Notice shall:

7.3.3.1 state the Transfer Price;

7.3.3.2 contain the other information set out in the Transfer Notice;

7.3.3.3 invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase; and

7.3.3.4 expire, and the offer made therein to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on a date which is not less than 20 nor more than 40 Business Days after the date of the Offer Notice.



## 7.4 Allocation of Sale Shares

7.4.1 After the expiry of the period specified in the Offer Notice and the Company having received valid applications for all the Sale Shares (in the **Allocation Date**), the Deciding Directors shall allocate the Sale Shares in accordance with the applications received provided that:

7.4.1.1 if there are applications from any class of offerees for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Shares than he applied for) to the number of Shares of the class entitling them to receive such offer held by each of them respectively; and

7.4.1.2 the allocation of any fractional entitlements to Sale Shares amongst the Shareholders of a particular class of Shares shall be dealt with by the Directors in such manner as they see fit.

7.4.2 Within 5 Business Days of the Allocation Date the Deciding Directors shall give notice in writing (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated pursuant to article 7.4 (each a **Buyer**). An Allocation Notice shall state:

7.4.2.1 the number and class of Sale Shares allocated to that Buyer;

7.4.2.2 the name and address of the Buyer;

7.4.2.3 the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;

7.4.2.4 the information (if any) required pursuant to article 7.4.4; and

7.4.2.5 the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.

7.4.3 Subject to article 7.4.4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) therefor, to that Buyer.

- 7.4.4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 6.5.1 is less than the total number of Sale Shares then:
- 7.4.4.1 the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (**Further Offer**) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price;
  - 7.4.4.2 the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 20 Business Days) specified in the Allocation Notice;
  - 7.4.4.3 any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 6.5.1.1; and
  - 7.4.4.4 following the allocation of any Sale Shares amongst the Buyers in accordance with paragraph 7.4.4.3 above, and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 7.4.2 but omitting paragraph 7.4.2.4 of that article 7.4.2.
- 7.4.5 Subject to article 7.4.6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 7.4.4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified therein on the terms offered to that Buyer.
- 7.4.6 If after following the procedure set out in this article 7 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then:
- 7.4.6.1 if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 7 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 7; and
  - 7.4.6.2 the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.

## 7.5 Default by the Seller

If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 7, the Deciding Directors may authorise and instruct any Director other than a Director appointed by a holder of E Shares to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer. The Company may receive the purchase money from a Buyer on behalf of the Seller and thereafter shall, subject to due stamping, enter the name of that Buyer in the register of Shareholders of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 7.5 the validity of the proceedings shall not be questioned by any person. The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors) to the Company.

## 7.6 Transfers following exhaustion of pre-emption rights

If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this article 7 the Seller may, at any time within three calendar months of the date of service of the notice referred to in article 7.4.6.2, sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that:

- 7.6.1 no Share shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Shareholder without Shareholder Consent;
- 7.6.2 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without Shareholder Consent; and
- 7.6.3 the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 9 until such time as that offer has been made and, if accepted, completed.

## 8 DRAG ALONG

- 8.1 If the holders of the Shares constituting a Majority (together the **Selling Shareholders**) wish to transfer all their Shares for a consideration of Market Value per share or above to a Third Party Purchaser, they shall have the option (**Drag**

**Along Option**) to require all of the other Shareholders (**Continuing Shareholders**) to transfer all their Shares with full title guarantee to the Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with this article 8.

- 8.2 The Selling Shareholders shall exercise the Drag Along Option by giving notice to that effect (**Drag Along Notice**) to each of the Continuing Shareholders at any time before the registration of the transfer of the Selling Shareholders' Shares. A Drag Along Notice shall specify:
- 8.2.1 that the Continuing Shareholders are required to transfer all their Shares (**Continuing Shares**) pursuant to this article 8;
  - 8.2.2 the identity of the Third Party Purchaser;
  - 8.2.3 the consideration for which, or the price at which, the Continuing Shares are to be transferred, determined in accordance with article 8.4 (the **Drag Along Consideration**); and
  - 8.2.4 the proposed date of transfer (if known).
- 8.3 A Drag Along Notice may be revoked by the Selling Shareholders at any time prior to the completion of the sale and purchase of the Continuing Shares.
- 8.4 The Drag Along Consideration shall be the same consideration per Continuing Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Share held by the Selling Shareholders together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Selling Shareholders which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares held by those Selling Shareholders.
- 8.5 Completion of the sale and purchase of the Continuing Shares shall take place on the same date as completion of the sale and purchase of the Selling Shareholders' Shares (unless the Directors and all of the Continuing Shareholders shall agree otherwise).
- 8.6 Upon the service of a Drag Along Notice each Continuing Shareholder shall be deemed to have irrevocably appointed each of the Selling Shareholders (severally) as the agent of the Continuing Shareholder to execute, in the name of and on behalf of that Continuing Shareholder, any stock transfer form and covenant for full title guarantee in respect of the Continuing Shares registered in the name of that Continuing Shareholder and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Continuing Shares pursuant to this article 8.

- 8.7 The provisions of this article 8 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption on transfer of Shares contained in articles 7 shall not apply to the transfer of any Shares to a Third Party Purchaser named in a Drag Along Notice (or as that Third Party Purchaser may direct). Any Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 7 shall automatically be revoked by the service of a Drag Along Notice.
- 8.8 Upon any person (**New Shareholder**) becoming, at any time after the service of a Drag Along Notice, a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Shareholder. Upon the deemed service of a Drag Along Notice pursuant to this article 8.8 the New Shareholder shall become bound to sell and transfer to the Third Party Purchaser (or as the Third Party Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 8 shall apply mutatis mutandis to the sale of any such Shares by such New Shareholder provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:
- 8.8.1 the date on which a Drag Along Notice is deemed to have been served on the New Shareholder pursuant to this article 8.8; and
- 8.8.2 the date of completion of the sale and purchase of the Continuing Shares pursuant to the original Drag Along Notice.

## 9 TAG ALONG

- 9.1 Notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (**Committed Shares**) which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration:
- 9.1.1 a Majority has consented to such transfer; and
- 9.1.2 the Committed Shares are to be transferred for Market Value per share or above; and
- 9.1.3 the relevant Third Party Purchaser has made a bona fide offer (**Tag Along Offer**) by notice in writing (**Tag Along Notice**) to acquire, in accordance with this article 9, from all the Shareholders other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the **Uncommitted Shares**) for the consideration, or at the price, (**Tag Along Consideration**) calculated in accordance with articles 9.3 and 9.4.

9.2 A Tag Along Notice shall:

9.2.1 state the Tag Along Consideration (subject to article 9.4);

9.2.2 state the identity of the Third Party Purchaser;

9.2.3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and

9.2.4 subject to article 9.4.1, expire, and the offer made therein to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than 5 nor more than 20 Business Days after the date of service of the Tag Along Notice) specified therein.

9.3 For the purposes of this article 9 the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.

9.4 If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of the Uncommitted Shares within 10 Business Days of the date of service of the Tag Along Notice, such matter shall be referred for determination to the Auditors and, pending their determination:

9.4.1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Auditors' determination of the Tag Along Consideration is served on the Third Party Purchaser and the Shareholders holding Uncommitted Shares; and

9.4.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered.

## 10. COMPULSORY TRANSFER

10.1 If an Event of Default occurs then the Remaining Shareholders may, without prejudice to any other rights or remedies which they may have, at any time within 20 Business Days of becoming aware of the relevant Event of Default serve written notice (**Default Notice**) on the Defaulting Shareholder (the **Relevant Shareholder**), and on the Company, notifying them that the relevant event is an Event of Default in relation to the Relevant Shareholder.

- 10.2 If no Default Notice is served within the period of 20 Business Days referred to in article 10.1, the relevant Event of Default is deemed to have lapsed.
- 10.3 If a Shareholder becomes aware of any event which gives rise to, or which may with the passing of time give rise to, an Event of Default in respect of a Shareholder, that Shareholder shall forthwith give notice thereof to the Directors and the other Shareholders.
- 10.4 Upon service of a Default Notice:
- 10.4.1 no further Shares shall be issued or required to be offered under any provision of these Articles to the Relevant Shareholder;
- 10.4.2 save as set out in this article 10, a Relevant Shareholder may not sell or dispose of its Shares or any interest in them.
- 10.5 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 7 as if the Compulsory Transfer Shares were Sale Shares.
- 10.6 Articles 27(2)(a) and 28 of the Model Articles shall not apply to the Company.
- 10.7 If a Relevant Shareholder shall fail for any reason to transfer any Compulsory Transfer Shares to the Remaining Shareholder when required by this article 10, the Deciding Directors may (and will if requested to do so by the Remaining Shareholders) authorise and instruct any Deciding Director to execute any necessary transfer on behalf of the Relevant Shareholder and to deliver that transfer to the relevant Remaining Shareholder. The Company may receive the purchase money from the Remaining Shareholder on behalf of the Relevant Shareholder and the receipt of the Company for such money shall constitute a good discharge to the Remaining Shareholder. The Company shall hold the relevant purchase money on trust for the Relevant Shareholder (but without interest) and the Company shall not pay such money to the Relevant Shareholder until he has delivered the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Deciding Directors) to the Company.

## **11 GENERAL MEETINGS**

- 11.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two Shareholders present excluding the holder of B Shares either in person, by proxy or by a duly appointed corporate representative shall be a quorum.
- 11.2 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article: "If within half an hour of the time appointed for

the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved".

11.3 The chairman of the board of Directors from time to time shall chair general meetings. If the chairman is unable to attend any general meeting, the Shareholder that appointed him shall be entitled to nominate another Director appointed by it or, in the absence of such another Director, any other person present at the meeting, to act as chairman of the meeting and the appointment of the chairman shall be the first business transacted at the meeting. Article 39 of the Model Articles shall not apply to the Company.

11.4 A poll may be demanded at any general meeting by:

11.4.1 the chairman; or

11.4.2 by any Shareholder present (in person, by proxy or by a duly appointed corporate representative) and entitled to vote on the relevant resolution.

Article 44(2) of the Model Articles shall not apply to the Company.

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

11.6 Article 45(1) of the Model Articles shall be amended as follows:

11.6.1 by the deletion of the words in Article 45(1)(d) and the substitution therefor of the following: "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 exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate."; and

11.6.2 by the insertion of the following as a new paragraph at the end of Article 45(1): "and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion accept the proxy notice any time before the meeting.".

## **12 APPOINTMENT AND REMOVAL OF DIRECTORS**

12.1 Article 17 of the Model Articles shall not apply to the Company.

12.2 Each holder of A Shares shall have the right, exercisable from time to time and on more than one occasion to appoint one person to be a directors of the Company and, from time to time and on more than one occasion, to remove any such person



appointed by them. Any Director appointed pursuant to this article 12.2 shall be known as an "A Director".

12.3 The holders of the B Shares shall not have the right and to appoint any person to be a director of the Company.

12.4 Any appointment or removal pursuant to article 12.2 shall be made by notice in writing to the Company signed by or on behalf of the relevant Shareholder(s). Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more Shareholders) must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.

12.5 Subject to section 168 of the Act, on any resolution to remove a Director appointed pursuant to article 12.2 the Shares held by the Shareholder who appointed that Director shall together carry one vote in excess of 50% of all the other votes exercisable in relation to such resolution and if any such Director is removed pursuant to section 168 of the Act (or otherwise) that Shareholder(s) may reappoint him or any other person as a Director.

12.6 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) has the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a Director. Article 27(3) of the Model Articles shall be modified accordingly.

12.7 The Directors may appoint additional directors with Shareholder Consent.

### 13 **ALTERNATE DIRECTORS**

13.1 Any Director (in this article 13, an **appointor**) may appoint as an alternate any other person, to:

13.1.1 exercise that director's powers; and

13.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor. In these Articles, the term "A Director" shall include an alternate appointed by an A Director.

13.2 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.

13.3 The notice must:

13.3.1 identify the proposed alternate; and

13.3.2 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.

13.4 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.

13.5 Save as provided otherwise in these Articles, alternate Directors:

13.5.1 are deemed for all purposes to be Directors;

13.5.2 are liable for their own acts and omissions;

13.5.3 are subject to the same restrictions as their appointors; and

13.5.4 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 Shareholder.

13.6 A person who is an alternate Director but not a Director:

13.6.1 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);

13.6.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not himself participate); and

13.6.3 shall not be counted as more than one Director for the purposes of articles 13.6.1 and 13.6.2.

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

13.8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the

alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.

**13.9 The appointment of an alternate Director terminates:**

- 13.9.1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate;
- 13.9.2 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;
- 13.9.3 on the death of the alternate's appointor;
- 13.9.4 when the appointment of the alternate's appointor as a Director terminates; or
- 13.9.5 when written notice from the alternate, resigning his office, is received by the Company.

**14 PROCEEDINGS OF DIRECTORS**

**14.1 Quorum**

14.1.1 Subject to articles 14.1.2, 14.1.3 and 14.3.1 two Eligible Directors present either in person or by a duly appointed alternate, shall be a quorum for any meeting of the Directors. No business shall be transacted at any meeting of the Directors unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Article 11(2) of the Model Articles shall not apply to the Company.

14.1.2 For the purpose of any meeting (or part of a meeting):

- 14.1.2.1 held to authorise a director's conflict of interest under article 16; or
- 14.1.2.2 at which a Director is not permitted to vote on any resolution in accordance with article 16 as a result of a Conflict (as defined in article 16.1),

the quorum for such meeting shall be one Eligible Director.

14.1.3 Any Director appointed by a Relevant Shareholder in respect of whom a Default Notice has been served pursuant to article 7 (whether such appointment was made solely by such Relevant Shareholder or jointly with

any other Shareholder(s)) shall not be required in order to form a quorum at any meeting of the Directors.

#### **14.2 Voting**

14.2.1 Save as agreed otherwise in writing by all the Shareholders:

14.2.1.1 all decisions made at any meeting of the Directors (or of any committee of the Directors) shall be made by resolution and any such resolution shall be decided by a majority of votes; and

14.2.1.2 at any Board meeting each Eligible Director present shall be entitled to cast one vote on each issue put to a vote respectively, regardless of how many such Directors are actually present.

#### **14.3 Adjournment**

14.3.1 If within 30 minutes of the time appointed for a meeting of the Directors there is no quorum present, the Director(s) present shall adjourn the meeting to a place and time not less than 3 Business Days later and shall procure that notice of such adjourned meeting is given to each Director. If at such adjourned meeting a quorum is not present within 30 minutes of the time appointed for the adjourned meeting (or such longer period as the chairman may allow), then the Directors present shall constitute a quorum and may conduct the business of the meeting.

14.3.2 If at any time before a meeting of the Directors or at such a meeting itself, any director requests for any reason that such meeting should be adjourned or reconvened at another time or date (being not more than 5 Business Days after the date proposed for the meeting), then such meeting shall be adjourned or reconvened accordingly and no business shall be transacted at such meeting after such a request has been made. No meeting shall be adjourned more than once pursuant to this article 14.3.2.

#### **14.4 Delegation by Directors**

14.4.1 Article 5 of the Model Articles shall be modified so that the Directors may only delegate any of their powers (or revoke or alter the terms and conditions of any such delegation) to a person or committee with Shareholder Consent.

14.4.2 Article 6(2) of the Model Articles shall be amended by the insertion of the following words before the word "may", "with Shareholder Consent."

14.4.3 The provisions of article 14.1 shall apply to any meeting of a committee of the Directors.

**14.5 Miscellaneous**

Article 16 of the Model Articles shall be amended by the insertion of the following words after the word "may": "with Shareholder Consent."

**15 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

15.1 Subject to sections 177 and 182 of the Act and (where applicable) to any terms and conditions imposed by the Directors under article 16.3, 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:

15.1.1 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;

15.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;

15.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;

15.1.4 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;

15.1.5 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

15.1.6 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.

15.2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.

## 16 DIRECTORS' CONFLICTS OF INTEREST

16.1 The Directors may, in accordance with the requirements set out in this article 16, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

16.2 Any authorisation under this article will be effective only if:

16.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;

16.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and

16.2.3 the matter was agreed to without the Director in question or would have been agreed to if his vote had not been counted.

16.3 Any authorisation of a Conflict under this article 16 may (whether at the time of giving the authorisation or subsequently):

16.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

16.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and

16.3.3 be terminated or varied by the Directors at any time.

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

- 16.4 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:
- 16.4.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
  - 16.4.2 is not given any documents or other information relating to the Conflict; and
  - 16.4.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.
- 16.5 Where the Directors authorise a Conflict:
- 16.5.1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
  - 16.5.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of their authorisation.
- 16.6 A Director may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in, a Shareholder who appointed him as a Director (or any company which is for the time being a subsidiary or holding company of that Shareholder or another subsidiary of such holding company) and no authorisation under article 16.1 shall be necessary in respect of such interest.
- 16.7 Any Director appointed pursuant to any of article 12.2 shall be entitled from time to time to disclose to the Shareholder(s) who appointed him such information concerning the business and affairs of the Company as he may, in his absolute discretion, see fit.
- 16.8 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **17 DIRECTORS' BENEFITS**

- 17.1 Article 19(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to Shareholder Consent".

- 17.2 Article 19(3) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to Shareholder Consent".

## **18 SERVICE OF DOCUMENTS**

- 18.1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient:

- 18.1.1 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;
- 18.1.2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;
- 18.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 18.1.4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 18.1.5 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 18.1, no account shall be taken of any part of a day that is not a working day.

- 18.2 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.



## 19 INDEMNITY

19.1 Subject to article 19.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

19.1.1 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:

19.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

19.1.1.2 in relation to the activities of the Company (or any associated company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

19.1.2 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 19.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

19.2 This article 19 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.

19.3 In this article 19 and in article 20:

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

19.3.2 a **relevant officer** means any director or other officer or former director or other officer of the Company or any 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 any associated company) as auditor

(whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

19.4 Article 52 of the Model Articles shall not apply to the Company.

## 20 **INSURANCE**

20.1 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 loss or liability which has been or may be incurred by that relevant officer in connection with his 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.

20.2 Article 53 of the Model Articles shall not apply to the Company.