

Company Number: 8037271

The Companies Act 2006

Private Company Limited by Shares

Special Resolution in Writing of the Shareholders of

THE SOLAR CLOTH COMPANY LIMITED

Passed on 22 October 2014

On 22 October 2014 the following Written Resolutions were approved by the eligible members pursuant to sections 288 to 300 of the Companies Act 2006:

Ordinary Resolution

1. "THAT, the 13,070 ordinary shares of £0.10 each in the issued share capital of the Company be sub-divided into 1,307,000 ordinary shares of £0.001 each."

Special Resolution

2. "THAT the draft Articles of Association in the form attached be adopted as the Articles of Association for the Company, in substitution for, and to the exclusion of, the existing Articles of Association."


Director

FRIDAY



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24/10/2014

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A Private Company Limited by Shares

Articles of Association of The Solar Cloth Company Limited
(Adopted by Special Resolution on 22 October 2014)

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A Private Company Limited by Shares

Articles of Association of The Solar Cloth Company Limited

1. Interpretation

1.1 Definitions

- (a) In these Articles the following expressions have the following meanings unless the context otherwise requires

"Act" means the Companies Act 2006, as may be amended, extended, consolidated or re-enacted by or under any other enactment from time to time,

"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),

"Adoption Date" means the date (as stated above) on which these Articles are adopted by resolution of the Company as its articles of association,

"B Investment Shares" means B investment Shares of 0 1p each in the capital of the Company and **"B Investment Shareholder"** means a holder of any of these Shares,

"Board" means the board of directors of the Company for the time being (and references to decisions of, or approvals by, the Board shall be to a decision of the directors made in accordance with Model Articles 7 and 8 (as varied or supplemented by these Articles), and references in the Model Articles to "the directors" shall be deemed to be references to the Board),

"Board Meeting" means a duly convened meeting of the Board,

"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,

"Deferred Shares" means the deferred Shares of 0 1p each in the capital of the Company and **"Deferred Shareholder's"** means a holder of such Shares

"Electronic means" shall have the meaning given in Section 1168 of the Act,

"Family Trust" means in relation to an individual member, a trust whose beneficiaries do not include anyone other than that member and/or Privileged Relations of that member,

"Founder" means Peregrine Sakata-Carroll of 9 Bayford Place, Cambridge, Cambridgeshire, CB4 2UF,

"Group" means in relation to a company (i) that company, (ii) any holding company of that company, and (iii) any subsidiary of that company or of any such holding company (and another company which is the member of the same Group as that company shall be a **"Group Company"**),

"Model Articles" means the model articles for private companies limited by Shares as set out at Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), and reference to a numbered Model Article shall be to the relevant article of the Model Articles,

"Ordinary Shares" means ordinary Shares of 0 1p each in the capital of the Company and **"Ordinary Shareholder"** means a holder of these Shares,

"Permitted Transfer" means a transfer of Shares permitted in accordance with Article 7 2,

"Permitted Transferee" means any individual or entity listed in Article 7 2,

"Privileged Relation" means in relation to an individual member, his spouse, civil partner, children or grandchildren (including step or adopted children and their issue),

"Proposed Purchaser" means a person or persons (not being a member or a member's Group Company) which proposes to purchase Ordinary Shares and which at the relevant time has made a bona fide offer for the relevant Ordinary Shares on arm's length terms,

"Shareholders' Agreement" means an agreement dated on or around the Adoption Date amongst certain Ordinary Shareholders and the Company containing, inter alia, provisions relating to consent rights, good leaver/bad leaver and confidentiality provisions binding such Ordinary Shareholders and the Company, plus any such amended varied or re-stated agreements amongst certain Shareholders and the Company,

"Shares" means the Ordinary Shares, the B Investment Shares and the Deferred Shares and **"Shareholder"** means any holder of Ordinary Shares, B Investment Shares or Deferred Shares,

"these Articles" means the articles of association of the Company for the time being in force

- (b) In these Articles, unless the contrary intention appears, words importing the singular number include the plural number and vice versa, words importing one gender include the other genders and words importing persons include corporations
- (c) The expressions **"subsidiary"** and **"holding company"** shall have the respective meanings given in Section 1159 of the Act, and a person's subsidiaries or holding companies shall mean those persons which fulfil the relevant definitions from time to time
- (d) The expression **"Insolvency Event"** shall mean the occurrence of any act or event of insolvency or related corporate action, legal proceedings or other procedural step take in respect of a Shareholder, including
 - (i) any arrangement or composition with or for the benefit of creditors being proposed or entered into by or in relation to that Shareholder or any application for an interim order (including an interim administration order) or moratorium being made,
 - (ii) a liquidator, provisional liquidator, receiver, administrator, administrative receiver or person with similar powers taking possession of or being appointed over, or any distress attachment, sequestration, execution or other process being levied or enforced (and not being discharged within 14 days) upon the whole or any part of the assets of that Shareholder (other than for the purposes of a solvent reconstruction or amalgamation, with the resulting entity assuming all the obligations or the party in question),
 - (iii) that Shareholder ceasing or threatening to cease to carry on business, or admitting in writing its inability to pay or being or becoming unable to pay its

debts within the meaning of Section 123 of the Insolvency Act 1986 (without the need to prove any fact or matter to the satisfaction of the court) or suspending or threatening to suspend payment with respect to all or any class of its debts or becoming insolvent or commencing negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness,

- (iv) a petition being presented and (other than, in the case of an administration petition, any frivolous or vexatious petition or any petition which is actively defended) not being dismissed within 14 days of presentation, or a meeting being convened for the purpose of considering a resolution for the winding up or dissolution of that Shareholder (other than for the purposes of a solvent reconstruction or amalgamation with the resulting entity assuming all the obligations of the party in question),
- (v) the enforcement of a security interest (including the holder of a qualifying floating charge appointing an administrator or filing a notice of appointment with the court) over any assets of that Shareholder,
- (vi) that Shareholder (being an individual) becoming the subject of a bankruptcy petition or order, or
- (vii) that Shareholder suffering any event analogous to any of the foregoing in any jurisdiction to which the party in question is resident or subject to

1.2 Applicability of Model Articles

- (a) The Model Articles shall apply to the Company subject to the modifications and additions made by these Articles. References to a Model Article being amended or omitted, or any similar phrase, shall refer to the application (or disapplication) of that Model Article in relation to these Articles
- (b) Model Articles 9(3), 9(4), 11(2), 11(3), 13, 14(1), 14(2), 14(3) and 14(4) shall not apply to the Company
- (c) 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

2. Company's Objects

The Company's objects shall be unrestricted

3. Decision-Making by Directors

3.1 Calling a Board Meeting

- (a) Notice of a Board Meeting must be given to each director in writing, and Model Article 9(3) shall not apply
- (b) Entitlement to notice of a Board Meeting may be waived by a director at any time, whether before or after the meeting, and Model Article 9(4) shall not apply
- (c) For the purposes of Model Article 48(3), notice of a Board Meeting (or any adjournment thereof) given to a director by electronic means shall, if properly addressed, be deemed to have been received by the recipient after it was sent

3.2 Quorum for Board Meetings

- (a) The quorum for a Board Meeting shall be two directors, including the Founder, or such other higher number as may be fixed from time to time by a decision of the Board. Model Articles 11(2) and 11(3) shall not apply.
- (b) If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the Articles by resolution in writing signed by him and the quorum referred to in Article 3 2(a) shall be one for such time as there is a sole director.

3.3 Casting vote

In the case of an equality of votes at a Board Meeting the chairman shall have a casting vote. The Founder shall be the first Chairman of the Board.

3.4 Unanimous decisions

- (a) For a unanimous decision of the directors to be taken in accordance with Model Article 8, the eligible directors must indicate to the others that they share a common view by means whereby each such indication is capable of being readily reproduced in hard copy form. Model Article 8 shall be varied accordingly.
- (b) For the purposes of Model Article 8(3), a director whose vote on a resolution is not to be counted in respect of the relevant matter shall not constitute an eligible director.

3.5 Records of decisions to be kept

- (a) The directors shall ensure that a written record of each decision of the Board is kept in a permanent form (such that it may be read with the naked eye).
- (b) For such time as there is a sole director, references to "the directors" in Model Article 15 shall include that sole director.

Authorisations

- (c) The Board shall have power and shall be enabled, subject to and in accordance with this Article 3 5, to authorise (an "**Authorisation**") any matter which would or might constitute or give rise to any breach of the duty of a director under Section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- (d) An Authorisation may be proposed by any director or member, and may be resolved upon by the Board in such manner as the Board deems at its absolute discretion to be appropriate (subject to the provisions of these Articles and the Act).
- (e) An Authorisation may be given subject to such terms and conditions as the Board may determine at its absolute discretion (including as to the period, extent and scope of the Authorisation, the director's participation in any decision-making process connected with the matter or situation to which the Authorisation relates, and requirements with respect to the disclosure of and/or access to any information or documentation), and the relevant director shall comply with all such terms and conditions.
- (f) The Board may revoke or vary an Authorisation at any time, but this shall not affect anything previously done or omitted to be done by the relevant director in accordance with the terms of the Authorisation.
- (g) A director shall not be in breach of the general duties he owes to the Company under the Act by virtue of the fact that pursuant to the terms of an Authorisation he

- (i) absents himself from Board Meetings or other proceedings of the Board at which matters relating to the conflict of interest or possible conflict of interest will or may be discussed, or
- (ii) makes arrangements not to receive, or refrains from considering, any documents relating to the conflict of interest or possible conflict of interest, or makes arrangements for a professional adviser to receive any such documents on his behalf,

for so long as he reasonably believes the matter to which the Authorisation relates subsists

- (h) Subject to the provisions of the Act, and provided that he has disclosed (by notice in writing to the Company or at a Board Meeting) the nature and extent of any material interest of his, a director notwithstanding his office
 - (i) may act by himself or through a firm or other business entity in a professional capacity to the Company (except that of auditor) and he or such firm or other entity shall be entitled to remuneration for professional services as if he were not a director, and
 - (ii) may be a director or other officer of, or be employed by or a member of, or a party to any transaction or arrangement with, or otherwise interested in, any holding company or subsidiary of the Company,

save as may be specifically provided by any contrary resolution of the Board or the Company, that director shall not be required to seek or obtain an Authorisation in respect of a matter or situation to the extent that such matter or situation is permitted by this paragraph

- (i) If a director has an interest in a proposed decision of the Board which is required to be declared to the other directors pursuant to Section 177(1) of the Act, that director shall (provided that such interest has been declared in accordance with, and the director has otherwise complied with, Section 177 of the Act) be entitled notwithstanding such interest to participate fully in the decision-making process for quorum and voting purposes. However, any terms or conditions with respect to participation in decision-making given in connection with an Authorisation shall prevail over and to the exclusion of this paragraph where applicable. Model Articles 14(1), (2), (3) and (4) shall not apply

No obligation to account

- (j) A director shall not (save as may otherwise be agreed by him or may be determined by the Board in connection with an Authorisation) be liable to account to the Company for any remuneration, profit or other benefit resulting from any interest to which an Authorisation relates or which is otherwise permitted under this Article 3.5 or in respect of which the director has complied with the requirements of Sections 177 or 182 of the Act, and no contract shall be liable to be avoided on the grounds of any such profit or benefit, nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of Section 176 of the Act

3.6 Alternate directors

- (a) Each director shall have the power to nominate any other director or other person approved for that purpose by a prior decision of the Board to act as alternate director at Board Meetings in his place during his absence. Each director shall be further entitled, at his discretion, to revoke such nomination at any time. However, an alternate director shall not be entitled to appoint an alternate director for himself in such capacity

- (b) Any appointment or removal of an alternate director must (unless the Board decides to waive any of the following requirements, in whole or in part)
 - (i) be made by notice in writing and shall either be signed by the appointor or (if sent in electronic form) duly authenticated by the appointor in accordance with Section 1146(3) of the Act, and
 - (ii) in the case of an appointment, be accompanied by such evidence as the Board may require that the alternate director has agreed to act and by such further details as the Company requires to comply with its statutory obligations in respect of that appointee
- (c) Appointment of an alternate director shall take effect upon the later of the documentation required in paragraph (b) above being delivered to the Company in accordance with these Articles or delivered to a Board Meeting, and approval of the alternate director (where he is not already a director) by the Board (or at such later time as may be specified in the notice of appointment)
- (d) In addition to removal by notice in accordance with paragraph (b) above, an alternate director shall cease to be an alternate director
 - (i) immediately and automatically if his appointor ceases for any reason to be a director,
 - (ii) if he resigns from being an alternate director by notice in writing to the Company, or
 - (iii) upon the happening of any event which if it occurred in relation to his appointor would result in the termination of the appointor's appointment as director
- (e) An alternate director shall be entitled to receive notice of all Board Meetings and to perform at such meetings all the functions of his appointor. An alternate director shall have one vote for each director he represents, in addition to his own vote if he is a director, but he shall not be counted more than once in the quorum, nor shall he count towards any minimum or maximum number of directors permitted under these Articles. The alternate director's signature or agreement to any document comprising a unanimous decision of the directors shall be as effective as the signature or agreement of his appointor, provided that such document is not signed or agreed to by his appointor (but if such document is signed or agreed to by the appointor, it need not also be signed or agreed to by the alternate director in that capacity)

Save as expressly provided in these Articles, an alternate director shall be deemed to be a director for the purposes of these Articles and may perform all the functions of a director, and shall owe the Company the same duties in the performance of his office as are owed by a director
- (f) An alternate director shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct
- (g) For the purposes of any provisions of these Articles relating to directors' interests, an interest of an alternate director's appointor shall be treated as an interest of that alternate director, without prejudice to any interest which that alternate director has otherwise
- (h) The provisions of this Article 3.6 relating to attendance and voting at Board Meetings also apply mutatis mutandis in respect of meetings of any committee of the Board

- (i) An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor

3.7 Directors' expenses

In Model Article 20, the word "may" in the first line shall be replaced by "shall"

4. Shares

5. Share Capital and Share Classes

In these Articles, unless the context requires otherwise

- (a) the Ordinary Shares and B Investment Shares shall, except with respect to matters set out in these Articles, rank *pari passu* in all respects but shall constitute separate classes of Shares,
- (b) the B Investment Shares and the Deferred Shares shall have no voting rights attached to them, and the B Investment Shareholders and the Deferred Shareholders shall not have the right to receive notice of or attend, speak at or vote at any general meeting of the Company or to vote in any other manner or form, whether in respect of any written resolution of the Company or otherwise,
- (c) the Deferred Shares shall have no voting or economic rights attached to them whatsoever including, without limitation, that on a return of capital (or similar) the Deferred Shareholder shall receive no capital payment, on an Exit, whether or not using the Drag Along Right, the Deferred Shareholder shall receive no consideration, a conversion of Deferred Shares to Ordinary Shares prior to an IPO, the Deferred Shares shall not entitle the holder to receive any Ordinary Shares and further the Deferred Shares hold no right to receive any dividend or other distribution should the Company redeem or buyback the Deferred Shares, it shall do so at its option, subject to the Act and no payment or consideration shall be paid to the holder of Deferred Shares,
- (d) references to Shares of a particular class shall include Shares created and/or issued after the Adoption Date and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares of the relevant class then in issue,
- (e) the Shareholders agree, to the fullest extent permissible by law, that nothing in these Articles shall grant to them, class rights,
- (f) to the extent class rights are created or implied by law, the Shareholders agree that they shall vote in the same manner as the Ordinary Shareholders

6. Allotment and Issue of Shares

6.1 Authority to allot Shares

- (a) Subject to paragraphs (b) and (c) below and any directions which may be given by the Company in general meeting, the Board is generally and unconditionally authorised for the purposes of Section 551 of the Act to exercise the power of the Company to allot Shares, or to grant rights to subscribe for or to convert any security into Shares, to such persons (including any directors) on such terms and at such times as the Board may think proper
- (b) The maximum nominal amount of Shares which the Board may allot, or grant subscription or conversion rights over or otherwise deal with or dispose of (subject always to the provisions of this Article), shall be

- (i) in respect of Ordinary Shares £50,000,
- (ii) in respect of B Investment Shares £100,000, and
- (iii) in respect of Deferred Shares the equivalent nominal amount of Ordinary Shares and B Investment Shares in issuance from time to time,

or such other amount (whether lesser or greater) as shall be authorised by the Company in general meeting

- (c) The authority conferred on the Board by this Article shall expire on the day preceding the fifth anniversary of the date of the adoption of these Articles but the Company may make an offer or agreement before the expiry of the authority which would or might require Shares to be allotted, or rights to subscribe for or to convert any security into Shares to be granted, after the expiry of the authority (and the Board may allot Shares or grant rights in pursuance of such offer or agreement as if such authority had not expired)

6.2 Pre-emption rights

- (a) In accordance with Section 567(1) of the Act, Sections 561 and 562 of the Act shall not apply to an allotment of Shares authorised pursuant to Article 6 1

7. Transfer of Shares

7.1 General

- (a) The Board shall decline to register any transfer of any share other than a transfer made pursuant to the provisions of this Article 7
- (b) The Board may also refuse to register a transfer of a share if it is not fully paid or on which the Company has a lien
- (c) If a holder of Shares or other person entitled to a share at any time attempts to deal with or dispose of any interest in any Shares otherwise than in accordance with this Article 7, he shall, if the Board so determines, be deemed immediately before the attempt to have served the Company with a Transfer Notice (as defined in Article 7 4(a)) in respect of those Shares and the provisions of Article 7 6(c) shall apply to those Shares
- (d) Any direction, whether by way of renunciation, nomination or otherwise, by a member entitled to an allotment of Shares, to the effect that such Shares or any of them be allotted or issued to some person other than himself shall for the purposes of these Articles be deemed to constitute a disposition of that member's interests in the Shares comprised in such direction

7.2 Permitted transfers

- (a) Shares may be transferred
 - (i) by any member, being an individual, with the prior written consent of the Board, to his Privileged Relations or the trustees of a Family Trust,
 - (ii) by any person entitled to Shares by transmission to a Privileged Relation of, or the trustees of a Family Trust of, the member from whom he derives his entitlement,
 - (iii) by the trustees of a Family Trust to any beneficiary of that Family Trust or, on any change of trustees, to the new trustees of that Family Trust,

- (iv) by a corporate member to any other Group Company,
 - (v) by any member in accordance with the provisions of Articles 7 3, 8 and 9 or the provisions of the Shareholders' Agreement including good leaver/bad leaver or other compulsory transfer provisions combined therein, or
 - (vi) where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal personal representatives of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case such transfer being without restriction as to price or otherwise Shares previously transferred as permitted by this paragraph (vii) may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise
- (b) If any trust whose trustees hold Shares ceases to be a Family Trust the trustees shall without delay notify the Company that such event has occurred and shall give a Transfer Notice (as defined in Article 7 4(a)) in respect of those Shares and, if the trustees fail to give a Transfer Notice within 30 days of the occurrence of that event, they shall be deemed to have served the Company with a Transfer Notice in respect of the Shares 30 days after the occurrence of that event and the provisions of Article 7 6(c) shall apply to those Shares
- (c) If a corporate member holding Shares transferred to it pursuant to paragraph (a)(iv) above ceases to be a Group Company of the member from which it took a transfer of those Shares, the corporate member shall notify the Company that such event has occurred and shall either simultaneously retransfer its Shares to the member from which it took a transfer of those Shares or to another Group Company of that member or without delay give a Transfer Notice in respect of those Shares and, if the corporate member fails to give a Transfer Notice within 30 days of the occurrence of that event, it shall be deemed to have served the Company with a Transfer Notice in respect of those Shares 30 days after the occurrence of that event and the provisions of Article 7 6(c) shall apply to those Shares

7.3 Compulsory transfers

On bankruptcy

- (a) A Shareholder and also a person entitled to any Shares in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of those Shares at a time determined by the Board and the provisions of Article 7 6(c) shall apply to those Shares

On death

- (b) If any Shares remain registered in the name of a deceased Shareholder for longer than one year after the date of his death the Board may require the legal personal representatives of that deceased Shareholder either,
- (i) to effect a Permitted Transfer of those Shares under Article 7 2(a)(vi)7 2(a)(v) (including for that purpose to make an election to be registered as the holder), or
 - (ii) to show to the satisfaction of the Board that such a Permitted Transfer will be effected before or promptly on the completion of the administration of the estate of the deceased Shareholder,

and if either of these requirements are not fulfilled when required, a Transfer Notice shall be deemed to have been given in respect of those Shares at a time determined by the Board and the provisions of Article 7 6(c) shall apply to those Shares, except to the extent that the Board determines otherwise

On liquidation of a Shareholder

- (c) If a Shareholder which is a company is subject to an Insolvency Event, that Shareholder shall be deemed to have given a Transfer Notice in respect of all the Shares held by it at a time determined by the Board and the provisions of Article 7 6(c) shall apply to those Shares, except to the extent that the Board determines otherwise

7.4 Rights of first refusal on transfer

- (a) Except in the case of a transfer expressly authorised by Article 7 2, including, without limitation, a Drag along or Tag Along under Articles 8 or 9, no person shall be entitled to transfer, assign, make the subject of a trust or otherwise deal with or dispose of any interest in any Ordinary Shares without first offering them for transfer to the other Ordinary Shareholders. The offer shall be made by the proposing transferor by notice in writing to the Company (a "**Transfer Notice**") and may be in respect of all or some only of the Ordinary Shares held by him
- (b) The Transfer Notice shall specify the Ordinary Shares being offered for transfer (the "**Offer Shares**") and the price at which they are offered (the "**Prescribed Price**") and shall constitute the Board as the agent of the proposing transferor for the sale of the Offer Shares to other Ordinary Shareholders at the Prescribed Price. The Transfer Notice may contain a provision that, unless all the Offer Shares are sold under this Article, none shall be sold. The Transfer Notice may not be revoked unless that provision applies or the Board otherwise agrees
- (c) Within 14 days after the Transfer Notice is received by the Company, the Board meet to decide whether it shall refuse the Transfer Notice or allow the following procedure to be followed. If directed, the procedure shall be that the Company shall give notice to all Ordinary Shareholders (other than the proposing transferor) of the number and description of the Offer Shares and the Prescribed Price, inviting each of the persons to whom it is addressed to notify the Company within 30 days whether he is willing to purchase any and, if so, what maximum number, of Offer Shares
- (d) On the expiry of the 30 day period referred to in paragraph (c) above the Board shall allocate the Offer Shares to those Ordinary Shareholders who have applied to purchase Ordinary Shares and (if the number of Ordinary Shares for which those persons have applied exceeds the number available) the allocation shall be made so far as practicable in proportion to the nominal amount of share capital held by each of those persons but shall not in the case of any person exceed the number of Offer Shares for which he has applied. If the Transfer Notice contains a provision that unless all the Offer Shares are sold under this Article then none shall be sold, no allocation of the Offer Shares shall be made under this paragraph unless all the Offer Shares are allocated
- (e) The Board shall promptly give details of the allocation in writing to the proposing transferor and each holder of Shares who has stated his willingness to purchase Offer Shares and, within 7 days after such details are given, the persons to whom the allocation has been made shall be bound to pay the purchase price for the Offer Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchase price, to transfer the Offer Shares to the respective purchasers
- (f) If in any case a proposing transferor, after having become bound to transfer any Ordinary Shares to a purchaser, shall make default in transferring the Ordinary Shares, the Board may authorise some other person to execute on behalf of and as agent for

the proposing transferor any necessary transfers and may receive the purchase moneys and shall thereupon cause the name of the purchaser to be entered in the register of members of the Company as the holder of such Ordinary Shares and hold the purchase moneys in trust for the proposing transferor but without interest. The receipt of the Company for the purchase moneys shall be a good discharge to the purchaser and after the name of the purchaser has been entered in the register of members of the Company the validity of these transactions shall not be questioned by any person.

- (g) Where more than one holder of Ordinary Shares has stated his willingness to purchase Offer Shares and through no default of the proposing transferor any purchase is not duly completed, the Board shall forthwith notify all the other persons who have stated their willingness to purchase Offer Shares and if, within 7 days of such notice being given, those other persons shall not between them duly complete the purchase of the Shares in respect of which there has been default in completion the provisions of paragraph (h) shall apply.
- (h) If, following the expiry of the 30 day period referred to in paragraph (c), any of the Offer Shares have not been allocated under paragraph (d), or if paragraph (g) applies, the proposing transferor may at any time within a period of 90 days after the expiry of the 30 or 7 day period (as appropriate) transfer the Offer Shares which have not been allocated to any person (whether or not a holder of Shares) and at any price (being not less than the Prescribed Price) provided that
 - (i) the Board may require to be satisfied that those Shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the purchaser and, if not so satisfied, may refuse to register that transfer, and
 - (ii) if the Transfer Notice contains a provision that, unless all the Offer Shares are sold under this Article, none shall be sold, he shall be entitled to transfer all but not some only of the Offer Shares, except where paragraph (g) applies, where he shall be entitled to transfer only those Shares in respect of which there has been default in completion.
- (i) The provisions of this Article 7.4 shall not apply with regard to B Investment Shares. Subject to the other provisions of these Articles, if a B Investment Shareholder wishes to transfer B Investment Shares he shall notify the Company in writing that he wishes to transfer his B Investment Shares (the "**B Transfer Notice**") and request the prior written approval of the Company to the transfer (which shall not be unreasonably withheld). The B Transfer Notice must include the name and address of the proposed transferee, the number of B Investment Shares he wishes to transfer and the price payable in respect of those B Investment Shares. Within 30 days of receipt of the B Transfer Notice by the Company, the Board shall meet to decide whether it shall refuse the transfer set out in the B Transfer Notice or allow the transfer to proceed. The B Investment Shareholder shall provide any information reasonably requested by the Company to assist the decision-making process. If the transfer is approved, the Company shall issue a written notice to the B Investment Shareholder who shall only transfer the shares on the terms set out in the B Transfer Notice. If the transfer is refused, the B Investment Shareholder shall not transfer the B Investment Shares.

7.5 Application to personal representatives

- (a) Where a holder of Shares who is an individual (a "**Deceased Shareholder**") dies and his Shares in the Company are not transferred in accordance with Articles 7.2 or 7.3 before the end of the Relevant Period (as defined in paragraph (b) below), the Board may, and on the application of any other member shall, by notice in writing addressed to the personal representatives of the Deceased Shareholder and served at his address appearing in the register of members, require that his personal representatives give a

Transfer Notice in respect of his Shares and, if they fail to give a Transfer Notice within 30 days from the date of service of the notice by the Board, or if the Deceased Shareholder has no personal representatives, a Transfer Notice shall be deemed to have been given 30 days after the date of service of the notice by the directors and the provisions of Article 7 6(c) shall apply to the Shares. The Prescribed Price shall be either

- (i) as the personal representatives of the Deceased Shareholder and the Board may agree, or
 - (ii) in the absence of such agreement within 30 days from the date of service of the notice by the Board (or such longer period as the personal representatives and the Board may agree or, if there are not personal representatives, as the Board may decide) the Fair Price (as defined in paragraph (c) below) as at the date on which the Transfer Notice is given or deemed to have been received by the Company
- (b) For the purposes of paragraph (a) above, the "**Relevant Period**" means the period of 12 months from the death of the Deceased Shareholder or, if probate is not granted in respect of the Deceased Shareholder's estate before the expiry of 6 months after his death, the period from his death until the expiry of 6 months from the date of the grant of probate or, if shorter, the period from his death until the expiry of 15 months from the date of his death
- (c) The "**Fair Price**" means the price which the auditors of the Company state in writing to be in their opinion the fair value of the Shares on a sale as between a willing seller and a willing purchaser at arm's length (taking no account of whether the Shares comprise a minority holding or carry control of the Company, nor of any restrictions on transfer in relation to the Shares) and, if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so. In stating the Fair Price the auditors (whose charges shall be borne by the Company) shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding on the parties in the absence of manifest error

7.6 Powers of enforcement

- (a) For the purposes of ensuring that a transfer of Shares is made in accordance with these Articles or that no circumstances have arisen whereby a Transfer Notice is required to be given, the Board may from time to time require any member or the personal representatives of any Deceased Shareholder or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they may deem relevant to such purpose
- (b) Failing such information or evidence referred to in paragraph (a) above being furnished to the satisfaction of the Board within a reasonable time after request, the Board shall be entitled to refuse to register the transfer in question or, if no transfer is in question, to require by notice in writing that a Transfer Notice be given in respect of any Shares concerned. If no Transfer Notice is given within 30 days from the date of service of the notice by the Board, a Transfer Notice shall be deemed to have been given in respect of those Shares 30 days after the date of service of the notice by the Board and the provisions of paragraph (d) below shall apply to those Shares
- (c) If a Transfer Notice is deemed to have been given in respect of Shares under Articles 7 1(c), 7 2(b), 7 2(c), 7 3(a), 7 3(b), 7 3(c), 7 5(a) or paragraph (a) of this Article 7 6 the provisions of Article 7 3 shall apply to those Shares save that

- (i) except in the case of a Transfer Notice deemed to have been given under Article 7 5(a), the Prescribed Price shall be the Fair Price ascertained in accordance with Article 7 5(c) as at the date on which the Transfer Notice is deemed to have been given,
- (ii) the period of 14 days referred to in Article 7 4(c) shall run from the date on which the Prescribed Price is ascertained, and
- (iii) Article 7 3 shall not apply to any Shares in respect of which a transfer in accordance with Article 7 2(a) has been lodged for registration before the Prescribed Price has been ascertained

8. Drag Along

- (a) If at any time Dragging Shareholders intend to sell all of their Shares to a Proposed Purchaser, the Dragging Shareholders shall have the right (the "**Drag Along Right**") to require all Shareholders of whatever class other than Dragging Shareholders (the "**Dragged Shareholders**") to sell and transfer, in accordance with the provisions of this Article 8, all of their Shares (the "**Dragged Shares**") to the Proposed Purchaser or as the Proposed Purchaser may direct. The provision of Article 7 4 shall not apply to the Drag Along Right
- (b) For the purposes of this Article, "**Dragging Shareholders**" means Ordinary Shareholders holding a majority of the Ordinary Shares
- (c) The Drag Along Right shall be exercisable by the Dragging Shareholders' giving written notice (a "**Drag Along Notice**") to that effect to the Company at least 20 Business Days prior to the transfer of the Dragging Shareholders' Shares to the Proposed Purchaser. The Drag Along Notice shall specify
 - (i) that the Dragged Shareholders are required to transfer all their Dragged Shares pursuant to this Article,
 - (ii) the identity of the Proposed Purchaser,
 - (iii) the proposed price to be paid by the Proposed Purchaser for each of the Dragging Shareholders' Shares and the other terms and conditions of payment, and
 - (iv) the proposed place, date and time of completion of the transfer
- (d) The Board shall promptly send the Drag Along Notice to each of the Dragged Shareholders and require all of them to sell to the Proposed Purchaser at Transfer Completion all of their Dragged Shares on the terms set out in the Drag Along Notice, the price for each of the Dragged Shares being the highest price proposed to be paid for any Share of a Dragging Shareholder in the Drag Along Notice except that the price for the Deferred Shares shall be nil
- (e) Transfer Completion shall take place on the same date as the date proposed for completion of the sale of the Dragging Shareholders' Shares unless the holders of a majority of the Dragged Shares and the holders of a majority of the Dragging Shareholders' Shares agree otherwise
- (f) A Drag Along Notice served on the Company shall be irrevocable but shall lapse (and the obligations under such notice shall lapse) if the sale of the Dragging Shareholders' Shares to the Proposed Purchaser does not proceed either

- (i) due to the expiry or non-fulfilment of any conditions to the sale (unless the conditions have been waived in accordance with the terms of the sale documentation), or
- (ii) in any event, within 60 Business Days after the date of service of the Drag Along Notice,

and the Dragging Shareholders shall be entitled to serve further Drag Along Notices no earlier than 5 Business Days following the lapse of any previous Drag Along Notice

- (g) A transfer of Dragged Shares by Dragged Shareholders to a Proposed Purchaser (or as it may direct) pursuant to the terms of this Article shall not be subject to the right of first refusal provisions set out in Article 7 4

9 Tag Along

- (a) No transfer (other than a Permitted Transfer) of any Shares which would, if carried out, result in the buyer (as defined in (b)(i) below), and any person Acting in Concert with the buyer, acquiring a Controlling Interest in the Company, may be made by any person or shall be validly registered by the Board unless the Proposed Seller has complied with the procedures set out in this Article 9 (the "**Tag Along Right**") The provision of Article 7 4 shall not apply to the Tag Along Right
- (b) After the Proposed Seller has gone through the right of first refusal procedures set out in Article 7 4, the Proposed Seller shall send a notice (a "**Tag Along Notice**") to each Shareholder (a "**Tagging Shareholder**"), with a copy to the Company, not less than 20 Business Days nor more than three months in advance of the proposed transfer specifying
 - (i) the identity of the person (the "**buyer**") to which the Proposed Seller is proposing to transfer Shares,
 - (ii) the price per Share which the buyer is proposing to pay, and the other terms and conditions of payment,
 - (iii) the number of Shares which the Proposed Seller proposes to transfer to the buyer,
 - (iv) the proposed date and time of completion of the transfer, and
 - (v) the address where a notice of acceptance pursuant to paragraph (d) below should be sent
- (c) The Proposed Seller shall procure that
 - (i) the buyer makes a binding written offer (the "**Tag Offer**") to each Tagging Shareholder to purchase all of the Shares of that Tagging Shareholder for a price per Share equal to the highest price per Share paid or payable by the buyer for any of the Proposed Seller's Shares, and on the same terms as the proposed transaction with the Proposed Seller as to the date of completion and terms of payment except that the price for the Deferred Shares shall be nil,
 - (ii) the Tag Offer is kept open for at least 10 Business Days from delivery of the Tag Along Notice to the relevant Tagging Shareholder, and
 - (iii) the Tag Offer is otherwise on terms that are not worse in any respect than the terms applicable between the Proposed Seller and the buyer

- (d) Each Tagging Shareholder shall be entitled to accept the Tag Offer by sending a notice of acceptance to the buyer, with a copy to the Proposed Seller, but for the avoidance of doubt acceptance must be in respect of all and not some only of the Tagging Shareholder's Shares
- (e) If a Tagging Shareholder does not send a notice of acceptance of the Tag Offer in accordance with paragraph (d) above, it shall be deemed to have specified that it does not wish to sell any Shares to the buyer
- (f) The Proposed Seller shall not be entitled to sell any Shares to the buyer
 - (i) prior to the proposed date for completion of the transfer specified in the Tag Along Notice,
 - (ii) which exceed the number of Shares specified in the Tag Along Notice, and
 - (iii) unless and until the buyer purchases, in compliance with the terms of the Tag Offer, the Shares of any Tagging Shareholder serving a notice of acceptance pursuant to paragraph (d) above
- (g) Transfers of Shares to a buyer made in accordance with this Article 9 by a Tagging Shareholder to a buyer shall not be subject to the right of first refusal provisions set out in Article 7 4

10. Indemnity and Insurance

- (a) In Model Article 52(1) the word "may" in the second line shall be replaced by "shall"

11. Electronic Communication

- 11.1** Without prejudice to Article 48 of the Model Articles, notices and any other communications sent or supplied, by or to Shareholders or Directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such Shareholder or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such Shareholders or Directors)
- 11.2** For the purposes of Article 11 1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by Shareholders or Directors are up to date and current, and it is the sole responsibility of each Shareholder and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all Shareholders and Directors agree that the Company has no responsibility to any Shareholder or Director who fails to receive any notice or other communication as a result of the Shareholder or Director failing to comply with this Article 11 2
- 11.3** When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Companies Act
- 11.4** Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient 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, and any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission

- 11.5** The Company's obligation to send or supply any notice or communication to Shareholders or Directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control
- 11.6** Each Shareholder and Director shall for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website
- 12. Share Certificates**
- 12.1** The following sentence shall be added at the end of Model Article 24(1) "Share certificates may be produced in paper format or electronic format at the discretion of the Board "
- 12.2** Model Article 24(5) shall not apply to share certificates in electronic format
- 12.3** In Model Article 25(2)(b) the words "(if the certificate was initially issued in paper format)" after the word "certificate"