

Company number 08198227

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

of

**North Farm 2012 Limited (Company)**

Date: 10/12/ 2019 (Circulation Date)

Under Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the resolutions below are passed as special resolutions (**Special Resolutions**):

**SEPCIAL RESOLUTIONS**

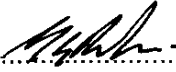
1. THAT the draft regulations attached to these special resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.
2. That each of the 30 issued ordinary shares of £0.10 in the capital of the Company held by Michael Baker as at the date of this resolution, be and are hereby re-designated as A ordinary shares of £0.10 in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to Special Resolution 1.
3. THAT each of the 20 issued ordinary shares of £0.10 in the capital of the Company held by Ian Baker as at the date of this resolution, be and are hereby re-designated as a B ordinary shares of £0.10 in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to Special Resolution 1.

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



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


Signed by Michael Baker

  
.....

Date:

10/12/2019  
.....

Signed by Ian Baker

  
.....

Date:

10/12/2019  
.....

## NOTES

1. You can choose to agree to all of the Special Resolutions or none of them but you cannot agree to only some of the resolutions. If you agree to all of the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods:
  - a. By hand: delivering the signed copy to North Farm 2012, Breck Farm, Bayfield, Holt, NR25 7DZ.
  - b. Post returning the signed copy by post to North Farm 2012, Breck Farm, Bayfield, Holt, NR25 7DZ.
  - c. Email: by attaching a scanned copy of the signed document to an email and sending it to [ian@northfarmlivestock.co.uk](mailto:ian@northfarmlivestock.co.uk). Please type "Written resolutions dated [CIRCULATION DATE]" in the email subject box.

You may not return the Resolutions to the Company by any other method.

If you do not agree to the Resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
3. Unless sufficient agreement is received for the Resolutions to pass within 28 days of the Circulation Date, the Resolutions will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**NORTH FARM 2012 LIMITED**

**(Adopted by special resolution passed on 10 Dec 2019)**

**1. INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires:

**Act:** means the Companies Act 2006;

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

**appointor:** has the meaning given in article 11(1);

**Articles:** means the company's articles of association for the time being in force;

**A Ordinary Shares:** an ordinary share of £0.10 in the capital of the Company designated as an A Ordinary Share.

**B Ordinary Shares:** an ordinary share of £0.10 in the capital of the Company designated as a B Ordinary Share.

**business day:** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

**Conflict:** has the meaning given in article 7.1;

**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;

**eligible director:** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

**Model Articles:** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (S/2008/3229) as amended prior to the date of adoption of these Articles;

**Permitted Transferee:** the spouse, Civil Partner, widow or widower of a shareholder and the Shareholder's children and grandchildren (including step and adopted children), and step and adopted children of the Shareholder's children.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.5.1 any subordinate legislation from time to time made under it; and
  - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the company.
- 1.9 Article 7 of the Model Articles shall be amended by:

- 1.9.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
- 1.9.2 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".
- 1.10 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.11 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 1.12 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

## **DIRECTORS**

### **2. UNANIMOUS DECISIONS**

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **3. CALLING A DIRECTORS' MEETING**

- 3.1 Any director may call a directors' meeting by giving not less than two business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

### **4. QUORUM FOR DIRECTORS' MEETINGS**

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than

the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

4.3.1 to appoint further directors; or

4.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## 5. **CASTING VOTE**

- 5.1 The chairman or other director chairing the meeting shall not have a casting vote.

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

- 6.1 *Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:*

6.1.1 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;

6.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

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

6.1.4 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;

6.1.5 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

- 6.1.6 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

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

- 7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this article 7 will be effective only if:
- 7.2.1 the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;
  - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
  - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):
- 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - 7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;



- 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
  - 7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 8. RECORDS OF DECISIONS TO BE KEPT**
- 8.1 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.
- 9. NUMBER OF DIRECTORS**
- 9.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.
- 10. APPOINTMENT OF DIRECTORS**

- 10.1 The holders of 5 % or more shares in share capital of the Company for the time being shall each be entitled to appoint and maintain in office one person to be a director of the Company.
- 10.2 Any director appointed under Article 10.1 may at any time be removed from office by his appointor. If such a director is removed from office or shall vacate his office or die, the opposition of such director shall be entitled to appoint another person to be a director in accordance with Article 10.1.
- 10.3 Any appointment or removal of a director pursuant to this Article 10, shall be in writing and signed by or on behalf other shareholder holding not less than 5% of the shares in the capital of the Company and shall be served on each of the other shareholders and the Company at it registered office. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 10.4 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

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

- 11.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- 11.1.1 exercise that director's powers; and
  - 11.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 11.2 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.
- 11.3 The notice must:
- 11.3.1 identify the proposed alternate; and
  - 11.3.2 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.

**12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

12.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

12.2 Except as the Articles specify otherwise, alternate directors:

12.2.1 are deemed for all purposes to be directors;

12.2.2 are liable for their own acts and omissions;

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

12.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

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

12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

12.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and

12.3.3 shall not be counted as more than one director for the purposes of articles 12.3(a) and (b).

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

12.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

**13. TERMINATION OF ALTERNATE DIRECTORSHIP**

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

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

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

13.1.3 on the death of the alternate's appointor; or

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

#### **14. SECRETARY**

14.1 The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

#### **15. SHARE CAPITAL**

15.1 Except as otherwise provided in these Articles, the A Ordinary Shares and the B Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

15.2 Where a dividend is declared or distributed on one class of share there shall not in consequence be an entitlement for the holders of the other class of share to require any dividend to be declared or, save as specifically declared on that class of share, distributed.

#### **16. SHARE TRANSFERS**

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

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

16.3 A shareholder may at any time transfer all (but not some only) of its shares in the Company to a Permitted Transferee without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in this article 15.

- 16.4 Except where article 16.3 applies, a shareholder wishing to transfer its shares (**Seller**) must give a Transfer Notice to the other shareholder (**Continuing Shareholder**) giving details of the proposed transfer including, in particular, the identity of the buyer, the price of the shares and other payment terms and conditions.
- 16.5 If the Continuing Shareholder gives written notice to the Seller within 28 days of receiving the Transfer Notice (the first day being the day after it receives the Transfer Notice) that it wishes to buy all the Seller's shares in the Company, the Continuing Shareholder will have the right to do so at the price specified in the Transfer Notice.
- 16.6 The Continuing Shareholder is bound to buy all the Seller's shares when it gives notice to the Seller under article 16.5 that it wishes to do so.
- 16.7 If, at the expiry of the period specified in article 16.5, the Continuing Shareholder has not notified the Seller that it wants to buy the shares, the Seller may transfer all of its shares in the Company to the buyer identified in the Transfer Notice (subject to the provisions of article 17 and article 18 where applicable) at a price not less than the price specified in that notice provided that it does so within three months of the expiry of the period specified in article 16.5.
- 16.8 Any transfer of shares by way of a sale that is required to be made under article 15, article 16, article 17 or article 18 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.
- 16.9 Subject to article 16.10, the directors shall forthwith register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 16.10 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 16.10, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

## 17. **OBLIGATORY TRANSFERS**

- 17.1 If any of the following events (**Obligatory Transfer Events**) happen to a shareholder (in this article, the **Seller**), it shall serve a Transfer Notice on the other shareholder (in this article, the **Buyer**) as soon as possible, which shall include details of the Obligatory Transfer Event:
- 17.1.1 the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation in which a new company assumes (and is capable of assuming) all the obligations of the shareholder, provided that such reconstruction or amalgamation does not result in a transfer of the shareholder's shares in the Company to any person other than a Permitted Transferee; or
  - 17.1.2 the presentation at court by any competent person of a petition for the winding up or bankruptcy petition of the shareholder; or
  - 17.1.3 a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the shareholder; or
  - 17.1.4 the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or
  - 17.1.5 any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
  - 17.1.6 the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
  - 17.1.7 the shareholder entering into a composition or arrangement with its creditors; or
  - 17.1.8 any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager); or
  - 17.1.9 the shareholder becomes bankrupt; or
  - 17.1.10 the shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other shareholder requiring such remedy; or

- 17.1.11 in the case of the Obligatory Transfer Events set out in paragraphs 16.1.1, 16.1.2, 16.1.4, 16.1.5 or 16.1.9 above, any competent person takes any analogous step in any jurisdiction in which the shareholder carries on business.

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

- 17.2 As soon as practicable after service, or deemed service, of the Transfer Notice, the shareholders shall appoint an Expert to determine the Fair Value of the Seller's shares in the Company.
- 17.3 The Buyer has the right, within 30 days of receiving notification of the Fair Value determined by the Expert (the first day being the day after the Buyer receives the Fair Value notification) to serve a written notice on the Seller to buy all of the Seller's shares at the Fair Value.
- 17.4 In this article the Fair Value of the shares to be sold in the Company shall be the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions:
- 17.4.1 the value of the shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Seller's shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Seller's shareholding or for the rights or restrictions applying to the shares);
  - 17.4.2 the sale is between a willing buyer and a willing seller on the open market;
  - 17.4.3 the sale is taking place on the date that the Obligatory Transfer Event occurred;
  - 17.4.4 if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so;
  - 17.4.5 the shares are sold free of all encumbrances; and
  - 17.4.6 to take account of any other factors that the Expert reasonably believes should be taken into account.

If any problem arises in applying any of the assumptions set out in this article 17.4, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit.

- 17.5 The Expert shall be requested to determine the Fair Value within 20 Business Days of his appointment and to notify the shareholders in writing of his determination.
- 17.6 Subject to any confidentiality provisions, the Expert may have access to all accounting records and other relevant documents of the Company.
- 17.7 The Expert's determination shall be final and binding on the shareholders (in the absence of fraud or manifest error).
- 17.8 If the Seller fails to complete the transfer of shares as required under this article, the Company:
  - 17.8.1 is irrevocably authorised to appoint any person as agent to transfer the shares on the Seller's behalf and to do anything else that the Buyer may reasonably require to complete the sale; and
  - 17.8.2 may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Buyer.

## 18. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 18.1 Except in the case of transfers pursuant to Article 16, and after going through the pre-emption procedure set out in Article 15, the provisions of article 18.2 to article 18.6 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 18.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to:
  - 18.2.1 the other shareholders to purchase all of the shares held by them;
  - 18.2.2 the holders of any existing options to acquire shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer; and



18.2.3 the holders of any securities of the Company that are convertible into shares (Convertible Securities), to purchase any shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer,

for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the three months preceding the date of the Proposed Transfer (**Specified Price**).

18.3 The Offer shall be given by written notice (**Offer Notice**), at least 20 Business Days (**Offer Period**) before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

18.3.1 the identity of the Buyer;

18.3.2 the purchase price and other terms and conditions of payment;

18.3.3 the Sale Date; and

18.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).

18.4 If the Buyer fails to make the Offer to all of the persons listed in article 18.2 in accordance with article 18.2 and article 18.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

18.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

18.6 The Proposed Transfer is subject to the pre-emption provisions of Article 15, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

## 19. **DRAG ALONG**

19.1 After first giving a Transfer Notice and going through the procedure set out in Article 15, If the holders of 50% of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in the Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**).

- 19.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 19.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 18;
  - 19.2.2 the person to whom the Called Shares are to be transferred;
  - 19.2.3 the consideration payable for the Called Shares which shall, for each Called Share, be an amount equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
  - 19.2.4 the proposed date of the transfer.
- 19.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 18.
- 19.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- 19.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
  - 19.5.2 that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the three months after delivery of the Drag Along Notice.
- 19.6 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in Article 15, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 19.7 On or before the Completion Date, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the

Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 19.2.3 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 19.2.3 in trust for the Called Shareholders without any obligation to pay interest.

- 19.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to article 19.2.3, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 19 in respect of their Shares.
- 19.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 19.7) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 18.
- 19.10 Following the issue of a Drag Along Notice, upon any person exercising a pre-existing option to acquire shares in the Company or exercising a conversion right in respect of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 18 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the Company, if later.

## 20. **POLL VOTES**

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

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

21. **PROXIES**

- 21.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 21.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid [unless the directors, in their discretion, accept the notice at any time before the meeting]" as a new paragraph at the end of that article.

22. **MEANS OF COMMUNICATION TO BE USED**

- 22.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 22.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or [five] business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - 22.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 22.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - 22.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

22.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

## 23. INDEMNITY

23.1 Subject to article 22.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

23.1.1 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:

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

23.1.1.2 in relation to the company's (or any associated company's) activities 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 company's (or any associated company's) affairs; and

23.1.2 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 18(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

23.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

23.3 In this article:

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

23.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any

company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

## **24. INSURANCE**

24.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

24.2 In this article:

24.2.1 a "relevant officer" means any director or other officer [or former director or other officer] of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor]);

24.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

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