

Company No 08223061

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF THE MEMBERS
OF SATAGO LIMITED

In accordance with Chapter 2 of Part 13 of the Companies Act 2006, the directors of Satago Limited (the "Company") propose that the following resolution (the "Resolution") is passed as a special resolution

SPECIAL RESOLUTION

- 1 THAT the articles of association attached to this Resolution in the Appendix for the purposes of identification be adopted as the articles of association of the Company in substitution for and to the exclusion of all the existing articles of association of the Company

Please read the notes below before signifying your agreement to the Resolution

We, the undersigned, being a member of the Company entitled to vote on the Resolution on the circulation date of this written resolution being 3 June 2016, hereby agree to the Resolution

Signed

Name of person
signing

For and on behalf of

[Handwritten Signature]
DR JUSUO NEWFIELD
GOV VENTURE PARTNERS
MANAGEMENT GMBH

Please write your name in
block capital letters

If you are signing on behalf of
an organisation, please write
the organisation's full legal
name in block capital letters

Date

7 JUNE 2016

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FRIDAY



A18 28/10/2016 #63
COMPANIES HOUSE

NOTES

- 1 If you agree to the Resolution, please signify your agreement by completing, signing and dating this document where indicated above and returning it to the Company using one of the following methods
 - (a) by delivering the signed copy personally or sending it by post to Satago Limited, c/o Ashfords LLP, 1 New Fetter Lane, London EC4A 1AN, marked for the attention of Gayle Hawke, or
 - (b) by sending a scanned copy of the signed document by email to g.hawke@ashfords.co.uk
- 2 The signed copy of this document should be returned to the Company using one of the above methods as soon as possible and, in any event, so as to be received by the Company by not later than 28 days from the circulation date
- 3 If the Resolution has not been passed within 28 days of the circulation date it will lapse
- 4 Once you have signified your agreement to the Resolution, you may not revoke your agreement
- 5 If you do not agree to the Resolution, you need not take any action, you will not be deemed to agree to the Resolution if you do not reply
- 6 If you are signing this document on behalf of a member under a power of attorney or other authority, please send a copy of the power of attorney or other authority when returning this document to the Company

THE COMPANIES ACT 2006

ARTICLES OF ASSOCIATION

- of -

SATAGO LIMITED

Company Number 08223061

Adopted by Special Resolution
on.....7 JUNE..... 2016

A PRIVATE COMPANY LIMITED BY SHARES



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CONTENTS

1	INTRODUCTION	4
2	DEFINITIONS	4
3	SHARE CAPITAL	11
4	DIVIDENDS	12
5	SHARE SALE	12
6	DISTRIBUTIONS	13
7	VOTES IN GENERAL MEETING AND WRITTEN RESOLUTIONS	13
8	VESTING OF FOUNDER SHARES	14
9	CONVERSION OF PREFERENCE SHARES	15
10	CONVERSION OF SERIES S SHARES	17
11	DEFERRED SHARES	18
12	LEAD INVESTOR MAJORITY CONSENT	19
13	ALLOTMENT OF NEW SHARES OR OTHER SECURITIES PRE-EMPTION	19
14	TRANSFERS OF SHARES - GENERAL	20
15	PERMITTED TRANSFERS	23
16	TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS	25
17	VALUATION OF SHARES	28
18	COMPULSORY TRANSFERS - GENERAL	30
19	MANDATORY OFFER ON A CHANGE OF CONTROL	30
20	CO-SALE RIGHT	32
21	DRAG-ALONG	33
22	GENERAL MEETINGS	34
23	PROXIES	35
24	DIRECTORS' BORROWING POWERS	36
25	NUMBER OF DIRECTORS	36
26	APPOINTMENT OF DIRECTORS	36
27	DISQUALIFICATION OF DIRECTORS	37
28	PROCEEDINGS OF DIRECTORS	37
29	DIRECTORS' INTERESTS	38
30	NOTICES	41
31	INDEMNITIES AND INSURANCE	43
32	SECRETARY	44
33	LIEN	44
34	CALL NOTICES	46

35	FORFEITURE OF SHARES	48
36	SURRENDER OF SHARES	49
Schedule 1	- Model Articles	51

1 INTRODUCTION

1 1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "Model Articles") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following articles. A copy is set out in the schedule to these articles.

1 2 In these articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

1 3 In these articles

- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these articles,
- (b) each reference to a numbered article is to a provision of these articles unless specified to be an article of the Model Articles,
- (c) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa, and
- (d) articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 52 and 53 of the Model Articles shall not apply to the Company.

2 DEFINITIONS

In these articles the following words and expressions shall have the following meanings

"Act" means the Companies Act 2006 (as amended 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),

"Arrears" means in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share, if any,

"Asset Sale" means the disposal by the Company of all or substantially all of its undertaking and assets which shall include an license or sale of all or substantially all its Intellectual Property,

"Associate" in relation to any person means

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined), or

(b) any Member of the same Group, or

(c) any Member of the same Fund Group,

"Auditors" means the auditors of the Company from time to time,

"Available Profits" means profits available for distribution within the meaning of part 23 of the Act,

"Bad Leaver" means a Founder who ceases to be an Employee at any time during the Relevant Period as a consequence of

(a) such person's resignation as an Employee at any time during the Relevant Period, except in circumstances which are decided by a judgment or order made by a court of competent jurisdiction to constitute a constructive dismissal save in the case that unfair dismissal is as a result of a procedural defect, or

(b) that person's dismissal as an Employee for cause, where "cause" shall mean the lawful termination of that person's contract of employment where the Founder is dismissed, or his employing company was entitled to dismiss him, for a reason justifying summary dismissal,

"Board" means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these articles,

"Beneficial Owners" has the meaning set out in any shareholders' agreement of the Company,

"Beneficial Shares" the Shares a Beneficial Owner is beneficially entitled to,

"Business Day" means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday),

"Civil Partner" means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder,

"Company" means Satago Limited,

"Company's Lien" has the meaning given in article 33 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 CTA 2010,

"Conversion Date" means the date any conversion of a Series S Share takes effect in accordance with article 10,

"CTA 2010" means the Corporation Tax Act 2010,

"Date of Adoption" means the date on which these articles were adopted,

"Deferred Conversion Date" means the date that the Ordinary Shares held by the Founders convert into Deferred Shares pursuant to article 8 1,

"Deferred Shares" means the deferred shares of £0.01 each in the capital of the Company,

"Director(s)" means a director or directors of the Company from time to time,

"Distribution" means an Asset Sale or a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of shares),

"Effective Termination Date" means the date on which the Employee's employment or consultancy terminates,

"electronic address" has the same meaning as in section 333 of the Act,

"electronic form" and **"electronic means"** have the same meaning as in section 1168 of the Act,

"Eligible Director" means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors,

"Employee" means an individual who is employed or appointed by, or who provides consultancy services to, or is otherwise engaged by the Company or any member of the Group,

"Employee Trust" means a trust, the terms of which are approved by the Lead Investor Majority, whose beneficiaries are limited to persons of the kind described in section 1166 of the Act, or any of them,

"Encumbrance" means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law),

"Equity Shares" means the Shares other than the Deferred Shares,

"Exit" means a Share Sale or an Asset Sale,

"Expert Valuer" is as determined in accordance with article 17.2,

"Fair Value" is as determined in accordance with article 17.3,

"Family Trusts" means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual, and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons,

"Financial Year" has the meaning set out in section 390 of the Act,

"Founders" means Steven Renwick and Adam Horner,

"Fund Manager" means a person whose principal business is to make, manage or advise upon investments in securities,

"Group" means the Company and its Subsidiary Undertaking(s) (if any) from time to time and "Group Company" shall be construed accordingly,

"hard copy form" has the same meaning as in section 1168 of the Act,

"Holding Company" means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company immediately prior to the transfer of the issued share capital of the Company to such holding company,

"IPO" means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be admitted to or traded or quoted on NASDAQ or the Official List of the United Kingdom Financial Conduct Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended)),

"ITEPA" means Income Tax (Earnings and Pensions) Act 2003,

"Issue Price" means the price at which the relevant Share is issued, including any premium,

"Lead Investor" means ESF Capital Limited (company number 09707863 and incorporated under the laws of England and Wales), and its Permitted Transferees,

"Lead Investor Majority" means the holders of not less than 50.01 per cent of the issued Preference Shares,

"Lead Investor Majority Consent" means the prior written consent of the Lead Investor Majority,

"Lead Investor Subscription Agreement" means the subscription agreement to be entered into between the Company, the Founders and the Lead Investor on or around the Date of Adoption,

"Leaver's Percentage" means, in relation to and for the purposes of determining the number of Ordinary Shares that are required (pursuant to article 8) to be converted into Deferred Shares or to be transferred as a result of a Founder ceasing to be an Employee by reason of being a Bad Leaver within the period commencing on the Date of Adoption and ending on the Effective Termination Date, the percentage (rounded to the nearest two decimal places) as calculated using the formula below

$100 - ((1.6667 \times NM) + 40),$

where NM = number of full calendar months from the Date of Adoption to the Effective Termination Date such that the Leaver's Percentage shall be zero on the first day of the 37th month after the Date of Adoption and thereafter,

"Lien Enforcement Notice" has the meaning given in article 33 3,

"any Member of the same Fund Group" means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) or a nominee of that Investment Fund

(a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business),

(b) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager, or

(c) any trustee, nominee or custodian of such Investment Fund and vice versa,

"Member of the same Group" means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking,

"NASDAQ" means the NASDAQ Global Market of the NASDAQ OMX Group Inc,

"New Nominated Custodian" has the meaning set out in article 15 11(a),

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in article 13 6),

"New Shares" has the meaning set out in article 21 10,

"Nominated Custodian" means Seedrs Nominees Limited, acting as nominated custodian for the Nominee, or such other nominated custodian as the Nominee may appoint,

"Nominee" means Seedrs Limited (company number 06848016 and incorporated under the laws of England and Wales),

"Observer" has the meaning set out in article 26 3(a),

"Ordinary Shares" means the ordinary shares of £0.01 each in the capital of the Company,

"Permitted Transfer" means a transfer of Shares in accordance with article 15, and

"Permitted Transferee" means

(a) in relation to any Shareholder

- (i) any Employee Trust, or
 - (ii) any transfer of up to 9,928 Shares to the Lead Investor, or
 - (iii) any transfer of Shares held by the Lead Investor pursuant to a provision relating to deadlock provision set out in any outlined in any document in force (from time to time) between some or all of the Shareholders and the Company,
- (b) in relation to any Shareholder which is an Employee Trust, any Employee or individual who has been an Employee,
- (c) in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees,
- (d) in relation to a Shareholder which is an undertaking (as defined in section 1161 (1) of the Act) means any Member of the same Group or, if applicable, any Member of the Same Fund Group,
- (e) in relation to the Nominee to
 - (i) any other nominee, trustee or custodian of the Nominee in accordance with article 15 11,
 - (ii) in the event of a liquidation or winding up of the Nominee, to the relevant Beneficial Owner, or
 - (iii) in the event that the Nominee or nominee, trustee or custodian of the Nominee is legally not able to hold the Beneficial Shares, to the relevant Beneficial Owner,
- (f) in relation to a Beneficial Owner, to any other person, provided that the Nominated Custodian or a New Nominated Custodian remains or becomes the registered holder of such Shares,

"Preference Amount" means (i) in relation to the Preference A Shares, 1 5 times the Issue Price of the relevant Preference A Share, and (ii) in relation to the Preference B Shares, the Issue Price of the relevant Preference B Share,

"Preference Conversion Date" means the date any conversion of a Preference Share takes effect in accordance with article 9 5,

"Preference A Shares" means convertible preference A shares of £0 01 each in the capital of the Company having the rights set out in these articles,

"Preference B Shares" means convertible preference B shares of £0 01 each in the capital of the Company having the rights set out in these articles,

"Preference Shares" means the Preference A Shares and the Preference B Shares,

"Preference Shareholders" means the holders of the Preference Shares,

"Privileged Relation" means in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue),

"Proceeds of Sale" means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale and in respect of any consideration payable otherwise in cash, shall be the amount certified by the Auditors (or if the Auditors decline to act or are unable to act, an independent firm of accountants appointed by the Company) acting as experts and not as arbitrators as being in their opinion the current cash value of that consideration,

"Proposed Purchaser" means a proposed purchaser who at the relevant time has made an offer on arm's length terms,

"Proposed Seller" means the holder(s) of more than 50% of the Shares in the Company who together are proposing to transfer their Shares,

"Qualifying Person" has the meaning given in section 318(3) of the Act,

"Relevant Interest" has the meaning set out in article 29 4,

"Relevant Period" means 36 months from the Date of Adoption,

"Sale Shares" has the meaning set out in article 16 2(a) of these articles,

"Seller" has the meaning set out in article 16 2 of these articles,

"Series S1 Ordinary Shares" means series S1 ordinary shares of £0 01 each in the capital of the Company having the rights set out in these articles,

"Series S2 Ordinary Shares" means series S2 ordinary shares of £0 01 each in the capital of the Company having the rights set out in these articles,

"Series S Shares" means Series S1 Ordinary Shares and the Series S2 Ordinary Shares,

"Series S Shareholders" means the holders of the Series S Shares,

"Shareholder" means any holder of any Shares,

"Shares" means any shares in the capital of the Company from time to time,

"Share Option Plan(s)" means the share option plan(s) of the Company, the terms of which have been approved by the Lead Investor Majority,

"Share Sale" means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale,

"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking" have the respective meanings set out in sections 1159 and 1162 of the Act,

"Super Majority" means the holders for the time being of not less than 90 per cent of the issued Shares,

"Transfer Notice" shall have the meaning given in article 16 2,

"Transfer Price" shall have the meaning given in article 16 2(c), and

"Trustees" in relation to a Shareholder means the trustee or the trustees of a Family Trust

3 SHARE CAPITAL

- 3 1 In these articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption 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
- 3 2 Except as otherwise provided in these articles, the Preference A Shares, the Preference B Shares, the Series S1 Ordinary Shares, the Series S2 Ordinary Shares and the Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares
- 3 3 Subject to Lead Investor Majority Consent and the Act, the Company may purchase its own Shares with cash to the extent permitted by section 692(1)(b) of the Act
- 3 4 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale
- 3 5 When the Company sub-divides or consolidates all or any of its Shares, the Company may, subject to the Act and to these articles including articles 9 and 10, by ordinary resolution determine that, as between the Shares resulting from the sub-division or consolidation any of them may have any preference or advantage or be subject to any restriction as compared with the others
- 3 6 The words 'and the directors may determine the terms, conditions and manner of redemption of any such shares' shall be deleted from article 22(2) of the Model Articles
- 3 7 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid, and" with the words "the amount paid up on them, and"

- 3 8 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine"

4 DIVIDENDS

- 4 1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this article 4

- 4 2 Every dividend shall be distributed to the holders of Equity Shares (pari passu as if the Equity Shares constituted one class of share) pro rata according to the numbers of Equity Shares held by them respectively and shall accrue on a daily basis assuming a 365 day year All dividends are expressed net and shall be paid in cash

- 4 3 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any sums unpaid on existing Shares held by the persons entitled to such capitalised sum

- 4 4 If

- (a) a Share is subject to the Company's Lien, and
- (b) the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice Money so deducted shall be used to pay any of the sums payable in respect of that Share The Company shall notify the distribution recipient in writing of

- (i) the fact and sum of any such deduction,
- (ii) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction, and
- (iii) how the money deducted has been applied

5 SHARE SALE

- 5 1 On a Share Sale, the Proceeds of Sale shall be distributed in the following order of priority

- (a) first, in paying to each of the Preference Shareholders, in priority to any other classes of shares an amount per Preference Share held equal to the Preference Amount together with Arrears (if any) (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Preference Shareholders pro rata to their respective aggregate Preference Amount),

- (b) second, in paying each of the Series S Shareholders an amount per share held equal to the Issue Price together with any Arrears (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Issue Price, the remaining surplus assets shall be distributed to the Series S Shareholders pro rata to the amounts paid up on the Series S Shares),
- (c) third, in paying to the holders of the Deferred Shares, if any, a total of £1 00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares), and
- (d) the balance of the Proceeds of Sale (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held

5 2 The Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale

- (a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in this article 5, and
- (b) the Shareholders shall take any action required by the Lead Investor Majority to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in this article 5

6 DISTRIBUTIONS

6 1 On a Distribution, the surplus assets of the Company remaining after payment of its liabilities shall be distributed in the same order of priority as the Proceeds of Sale are distributed in accordance with article 5 1

6 2 In the event of an Exit approved by the Board and the Lead Investor Majority in accordance with the terms of these articles or any document in force (from time to time) between some or all of the Shareholders and the Company (the "**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit ("**Actions**") The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit If any Shareholder fails to comply with the provisions of this article 6 2, the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders

7 VOTES IN GENERAL MEETING AND WRITTEN RESOLUTIONS

7 1 The Preference A Shares shall confer on each holder of Preference A Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company

- 7.2 The Preference B Shares shall confer on each holder of Preference B Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company
- 7.3 The Series S1 Ordinary Shares shall confer on each holder of Series S1 Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company
- 7.4 The Series S2 Ordinary Shares shall confer on each holder of Series S2 Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company
- 7.5 The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company
- 7.6 The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company
- 7.7 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him
- 8 VESTING OF FOUNDER SHARES**
- 8.1 Unless both the Board and the Lead Investor Majority determine that this article 8.1, shall otherwise not apply, if at any time during the Relevant Period a Founder ceases to be an Employee by reason of being a Bad Leaver, the Leaver's Percentage of the Ordinary Shares relating to such Founder shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held) on the Effective Termination Date (rounded down to the nearest whole share)
- 8.2 Upon such conversion into Deferred Shares, the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date. Upon the Deferred Conversion Date, the Founder (and his Permitted Transferee(s)) shall deliver to the Company at its registered office the shares certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for lost certificate in a form acceptable to the Board) for the Ordinary Shares so converting and upon such delivery there shall be issued to him (or his Permitted Transferee(s)) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Ordinary Shares
- 8.3 The Board, subject to Lead Investor Majority Consent, shall be entitled to determine that, in the alternative to article 8.1, if a Founder ceases to be an Employee by reason of being a Bad Leaver a Transfer Notice shall be deemed to be given in

respect of the Ordinary Shares which were to convert into Deferred Shares under article 8 1 on the Effective Termination Date, and in such circumstances

- (a) the Transfer Price shall be the nominal value of such Ordinary Shares, and
- (b) such Ordinary Shares are offered in the following order of priority (notwithstanding the provisions of article 16)
 - (i) to any person(s) approved by the Board (other than the departing Founder) and an Investor Majority; and/or
 - (ii) to the Company (subject always to the provisions of the Act)

9 CONVERSION OF PREFERENCE SHARES

- 9 1 Any Preference Shareholder may at any time, by notice in writing to the Company, require conversion of some or all of its Preference Shares held by it into Ordinary Shares. Those Preference Shares shall convert automatically on the date of service of such notice on the Company (unless such notice states that conversion is to be effective on some later date, or when any conditions specified in the notice have been fulfilled, in which case conversion shall take effect on that later date, or when such conditions have been fulfilled, as the case may be)
- 9 2 All of the Preference Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of either
 - (a) an election by the Lead Investor Majority, or
 - (b) an IPO
- 9 3 Where any Preference Share is converted into an Ordinary Share in accordance with article 9 1 or 9 2(a), each holder of the relevant Preference Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being within five Business Days after the conversion has taken effect
- 9 4 Where any Preference Share is converted into an Ordinary Share in accordance with article 9 2(b), each holder of the relevant Preference Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being at least five Business Days prior to the occurrence of the IPO
- 9 5 Conversion will be effective
 - (a) where article 9 2(a) applies, on the date of service of a notice on the Company by the holders of Preference Shares who together hold a simple majority of the entire issued Preference Shares of the Company (unless such notice states that conversion is to be effective on some later date, or when any conditions specified in the notice have been fulfilled, in which

case conversion shall take effect on that later date, or when such conditions have been fulfilled, as the case may be), or

- (b) where article 9 2(b) applies, immediately prior to an IPO and, if the IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred

9 6 On a Preference Conversion Date, the relevant Preference Shares shall without further authority than is contained in these articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Preference Share held and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares

9 7 The Company shall, on a Preference Conversion Date, enter the holder of the converted Preference Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Preference Shares in accordance with this article 9, the Company shall within 10 Business Days of the Preference Conversion Date forward to such holder of Preference Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares

9 8 If the Ordinary Shares or the Preference Shares are consolidated or sub-divided then the number of Ordinary Shares arising from the conversion of Preference Shares shall be reduced or increased accordingly and if any doubt arises as to the number of these shares, and the Company and the relevant Preference Shareholder cannot agree, it shall be referred to

- (a) the Auditors, or
- (b) if the Auditors decline to act or are unable to act, an independent firm of accountants jointly appointed by the Company and the relevant Preference Shareholder, or
- (c) in the absence of agreement between the Company and the relevant Preference Shareholder, an independent firm of accountants nominated for this purpose by the President for the time being of the Institute of Chartered Accountants in England and Wales (or his duly authorised deputy) on the application of either the Company or the Preference Shareholder. As soon as reasonably practicable following acceptance by the independent firm of such nomination, the Company and the Preference Shareholder shall jointly appoint such independent firm and shall act reasonably and in good faith to agree the detailed terms of reference and the procedures with such independent firm which are to apply in relation to the consideration and determination of the number of Ordinary Shares arising from the conversion of the Preference Shares. If either the Company or the Preference Shareholder fails to agree with such independent firm such terms of reference and procedures and appoint such independent firm in accordance with this article 9 8 the other party, acting reasonably, shall be entitled in its sole capacity to agree such terms of reference and procedures with such independent firm and appoint such independent firm,

and the Auditors (or such other person appointed in accordance with this article 9 8) shall act as experts and not as an arbitrator and its determination shall, in the

absence of manifest error, be final and binding on the Company and each of its Shareholders. The apportionment of costs of such referral shall be determined by the Auditors (or such other person appointed in accordance with this article 9.8).

10 CONVERSION OF SERIES S SHARES

- 10.1 Any Series S Shareholder may at any time, by notice in writing to the Company, require conversion of some or all of its Series S Shares held by it into Ordinary Shares. Those Series S Shares shall convert automatically on the date of service of such notice on the Company (unless such notice states that conversion is to be effective on some later date, or when any conditions specified in the notice have been fulfilled, in which case conversion shall take effect on that later date, or when such conditions have been fulfilled, as the case may be).
- 10.2 Where any Series S Share is converted into an Ordinary Share in accordance with article 10.1, each holder of the relevant Series S Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being within five Business Days after the conversion has taken effect.
- 10.3 All of the Series S Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of an IPO.
- 10.4 At least five Business Days prior to the occurrence of the IPO, each holder of the relevant Series S Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being.
- 10.5 Conversion will be effective where article 10.3 applies, immediately prior to an IPO and, if the IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred.
- 10.6 On the Conversion Date, the relevant Series S Shares shall without further authority than is contained in these articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Series S Share held and the Ordinary Shares resulting from that conversion shall in all other respects rank *par passu* with the existing issued Ordinary Shares.
- 10.7 The Company shall on the Conversion Date enter the holder of the converted Series S Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Series S Shares in accordance with this article 10.7, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Series S Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.
- 10.8 If the Ordinary Shares or the Series S Shares are consolidated or sub-divided then the number of Ordinary Shares arising from the conversion of Series S Shares shall be reduced or increased accordingly and if any doubt arises as to the number of these shares, and the Company and the relevant Series S Shareholder cannot agree, it shall be referred to

- (a) the Auditors, or
- (b) if the Auditors decline to act or are unable to act, an independent firm of accountants jointly appointed by the Company and the relevant Series S Shareholder, or
- (c) in the absence of agreement between the Company and the relevant Series S Shareholder, an independent firm of accountants nominated for this purpose by the President for the time being of the Institute of Chartered Accountants in England and Wales (or his duly authorised deputy) on the application of either the Company or the Series S Shareholder. As soon as reasonably practicable following acceptance by the independent firm of such nomination, the Company and the Series S Shareholder shall jointly appoint such independent firm and shall act reasonably and in good faith to agree the detailed terms of reference and the procedures with such independent firm which are to apply in relation to the consideration and determination of the number of Ordinary Shares arising from the conversion of the Series S Shares. If either the Company or the Series S Shareholder fails to agree with such independent firm such terms of reference and procedures and appoint such independent firm in accordance with this article 10.8 the other party, acting reasonably, shall be entitled in its sole capacity to agree such terms of reference and procedures with such independent firm and appoint such independent firm,

and the Auditors (or such other person appointed in accordance with this article 10.8) shall act as experts and not as an arbitrator and its determination shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders. The apportionment of costs of such referral shall be determined by the Auditors (or such other person appointed in accordance with this article 10.8).

11 DEFERRED SHARES

11.1 The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to

- (a) appoint any person to execute any transfer (or any agreement to transfer) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise), and/or
- (b) give, on behalf of such holder, consent to the cancellation of such Deferred Shares, and/or
- (c) purchase such Deferred Shares in accordance with the Act,

in any such case (i) for a price being not more than an aggregate sum of one penny for all the Deferred Shares registered in the name of such holder(s) and (ii) with the Company having authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.

11.2 No Deferred Share may be transferred without the prior consent of the Board.

12 LEAD INVESTOR MAJORITY CONSENT

Save with Lead Investor Majority Consent, the Company shall not be entitled to effect any matter outlined in any document in force (from time to time) between some or all of the Shareholders and the Company which provides that such matter cannot be effected without Lead Investor Majority Consent

13 ALLOTMENT OF NEW SHARES OR OTHER SECURITIES PRE-EMPTION

13 1 Subject to the remaining provisions of this article 13 1, the Directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to

- (a) allot Shares, or
- (b) grant rights to subscribe for or convert any securities into Shares,

to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that

- (i) this authority shall be limited to a maximum nominal amount of £1,000,174 06,
- (ii) this authority shall only apply insofar as the Company has not by resolution waived or revoked it, and
- (iii) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require Shares to be allotted or rights granted to subscribe for or convert any security into Shares after the expiry of such authority (and the Directors may allot Shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired)

This authority is in substitution for all subsisting authorities

13 2 In accordance with sections 567(1) and/or 570 of the Act, sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of equity securities made by the Company

13 3 Unless otherwise agreed by special resolution passed in general meeting or as a written resolution passed in accordance with part 13 of the Act, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Shares on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Equity Shares (as if the Equity Shares constituted one and the same class) held by those holders (as nearly as may be without involving fractions) The offer

- (a) shall be in writing, give details of the number and subscription price of the New Securities, and
- (b) may stipulate that any Shareholder who wishes to subscribe for a number of New Securities in excess of the proportion to which each is

entitled shall in their acceptance state the number of excess New Securities ("Excess Securities") for which they wish to subscribe

- 13 4 Any New Securities not accepted by Shareholders pursuant to the offer made to them in accordance with article 13 3 shall be used for satisfying any requests for Excess Securities made pursuant to article 13 3 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of Equity Shares held by the applicants immediately prior to the offer made to Shareholders in accordance with article 13 3 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) and after that allotment, any Excess Securities remaining shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Shareholders
- 13 5 Subject to articles 13 3 and 13 4 above and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper
- 13 6 The provisions of articles 13 3 to 13 5 shall not apply to
- (a) options to subscribe for Ordinary Shares and the issue of shares pursuant to the exercise of options granted under any Share Option Plan,
 - (b) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by the Lead Investor Majority,
 - (c) New Securities issued as a result of a bonus issue of shares which has been approved in writing by the Lead Investor Majority, and
 - (d) Shares or other securities convertible into, or carrying the right to subscribe for Shares issued or granted to the Lead Investor in accordance with the terms of the Lead Investor Subscription Agreement
- 13 7 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the board is tax resident in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company

14 TRANSFERS OF SHARES - GENERAL

- 14 1 In articles 14 to 21 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share
- 14 2 No Share may be transferred unless the transfer is made in accordance with these articles
- 14 3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him

- 14 4 Any transfer of a Share by way of sale which is required to be made under articles 14 to 21 inclusive will be deemed to include a warranty that the transferor sells with full title guarantee, and the transferor shall be under no obligation to give any further warranties pursuant to such transfer
- 14 5 Save where the provisions of articles 15, 19, 20 and 21 apply (but subject to the provisions of article 16 if applicable) from the Date of Adoption to the first anniversary of the Date of Adoption, no Ordinary Shares held by any Founder shall be transferred without Lead Investor Majority Consent
- 14 6 The Directors may refuse to register a transfer if
- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind,
 - (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is tax resident in the United Kingdom, and such person has not entered in a joint section 431 ITEPA election with the Company,
 - (c) it is a transfer of a Share which is not fully paid
 - (i) to a person of whom the Directors do not approve, or
 - (ii) on which Share the Company has a lien,
 - (d) the transfer is not lodged at the registered office or at such other place as the Directors may appoint,
 - (e) the transfer is not accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,
 - (f) the transfer is in respect of more than one class of Shares, or
 - (g) the transfer is in favour of more than four transferees,
- if the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent
- 14 7 The Directors shall, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise, but not in the case of Permitted Transfers made pursuant to sub-paragraph (1) of the definition of Permitted Transferee), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any document in force (from time to time) between some or all of the Shareholders and the Company in any 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) and if any condition is imposed in accordance with this article 14 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee
- 14 8 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the

Company) in breach of these articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur

- (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any vote in a general meeting of the Company or pursuant to any shareholder resolution, any rights to receive dividends or other distributions otherwise attaching to those shares or to any further shares issued in respect of those shares, and
- (b) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder,

the rights referred to in 13 8(a) above may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in 13 8(b) above

14 9 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these articles, the Transfer Notice will be treated as having specified that

- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares,
- (b) it does not include a Minimum Transfer Condition (as defined in article 16 2(d)), and
- (c) the Seller wishes to transfer all of the Shares held by it

14 10 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of

- (a) the transferor, and
- (b) (if any of the shares is partly or nil paid) the transferee

15 **PERMITTED TRANSFERS**

- 15 1 A Shareholder (who is not a Permitted Transferee) (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise
- 15 2 Shares previously transferred as permitted by article 15 1 or 15 3 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise
- 15 3 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 representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise
- 15 4 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares
- 15 5 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must, not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise, failing which it will be deemed to give a Transfer Notice in respect of such Shares on the first Business Day after the expiry of that five-Business Day period
- 15 6 Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying Company**") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise
- 15 7 No transfer of Shares may be made to Trustees unless the Board is satisfied
- (a) with the terms of the trust instrument and in particular with the powers of the trustees,
 - (b) with the identity of the proposed trustees,
 - (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts, and
 - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company

- 15 8 If a company to which a Share has been transferred under article 15 7, ceases to be a Qualifying Company it must within five Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (and may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares
- 15 9 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either
- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or
 - (b) give a Transfer Notice to the Company in accordance with article 16 2, failing which he shall be deemed to have given a Transfer Notice
- 15 10 On the death (subject to article 15 3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice
- 15 11 The Nominee may, at any time and entirely at its discretion
- (a) appoint any other person as a replacement nominated custodian for the Nominated Custodian (a "**New Nominated Custodian**"), and transfer the legal interest in the Shares of which the Nominated Custodian is the registered holder (the "**Beneficial Owner Shares**") to the New Nominated Custodian as nominated custodian of the Nominee, or
 - (b) appoint any other person as a replacement nominee (a "**New Nominee**"), provided that such New Nominee shall procure that the Nominated Custodian or a New Nominated Custodian remains or becomes the registered holder of the Beneficial Owner Shares
- 15 12 No transfer of Shares may be made to a New Nominated Custodian, and no appointment of a New Nominee may be made, unless the Board is reasonably satisfied
- (a) with the terms of the relevant agreement with respect to the New Nominated Custodian or New Nominee, as the case may be, and in particular with the powers of the New Nominee,

- (b) with the identity of the proposed New Nominated Custodian or New Nominee, as the case may be, and
 - (c) that no costs incurred in connection with the setting up or administration of the New Nominated Custodian or New Nominee in question are to be paid by the Company
- 15 13 A transfer of any Shares (other than a transfer by the Lead Investor) approved by the Lead Investor Majority may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors
- 15 14 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board
- 16 **TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**
- 16 1 Save where the provisions of articles 15, 19, 20, and 21 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this article 16
- 16 2 A Shareholder who wishes to transfer Shares (a "Seller") shall, except as otherwise provided in these articles, before transferring or unconditionally agreeing to transfer any Shares give notice in writing (a "Transfer Notice") to the Company specifying
 - (a) the number of Shares (and the amounts paid up on such Shares) which he wishes to transfer (the "Sale Shares"),
 - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,
 - (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (the "Transfer Price"), and
 - (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "Minimum Transfer Condition")
- 16 3 Except with the written consent of all the Directors, no Transfer Notice once given or deemed to have been given under these articles may be withdrawn
- 16 4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 16 5 As soon as practicable following the later of
 - (a) receipt of a Transfer Notice, and
 - (b) in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under article 17,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in articles 16 6 to 16 7. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

16 6 Transfers First Offer

- (a) the Board shall offer the Sale Shares to all Shareholders specified in the offer other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy,
- (b) if the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under articles 16 6 to 16 7 will be conditional on the fulfilment of the Minimum Transfer Condition,
- (c) if, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,
- (d) if not all Sale Shares are allocated in accordance with article 16 6(c) but there are applications for Sale Shares that have not been satisfied those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in article 16 6(c), and
- (e) if, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with article 16 7.

16 7 Transfers Second Offer

- (a) at the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy,
- (b) if, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy, and

- (c) if, at the end of the Second Offer Period, the number of initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the "Second Surplus Shares") will be offered to any other person in accordance with article 16 8(e)

16 8 Completion of transfer of Sale Shares

- (a) if the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under articles 16 6 and 16 7 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect,
- (b) if
 - (i) the Transfer Notice does not include a Minimum Transfer Condition, and
 - (ii) allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under articles 16 6 and 16 7, give written notice of allocation (an "Allocation Notice") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "Applicant") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares,
- (c) upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it,
- (d) if the Seller fails to comply with the provisions of article 16 8(c)
 - (i) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller,
 - 1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
 - 2 receive the Transfer Price and give a good discharge for it, and
 - 3 (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and

- (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate),
 - (e) if an Allocation Notice does not relate to all the Sale Shares then, subject to article 16 8(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Conditions, and
 - (f) the right of the Seller to transfer Shares under article 16 8(e) does not apply if the Board is of the opinion on reasonable grounds that
 - (i) the transferee is a person (or a nominee for a person) who the Board determines in its absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company,
 - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
 - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above
- 16 9 The restrictions imposed by this article 16 may be waived in relation to any proposed transfer of Shares with both Board consent and Lead Investor Majority Consent
- 17 **VALUATION OF SHARES**
- 17 1 If a Transfer Notice does not specify a Transfer Price or, subject to article 14 9, if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either
- (a) appoint expert valuers in accordance with article 17 2 (the "Expert Valuers") to certify the Fair Value of the Sale Shares, or
 - (b) (if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks), then that shall be the Fair Value of the Sale Shares to which the Transfer Notice relates
- 17 2 The Expert Valuers will be either be
- (a) the Auditors, or (if so specified in the relevant Transfer Notice),

- (b) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party As soon as reasonably practicable following acceptance by the independent firm of such nomination, the Board and the Seller shall jointly appoint such independent firm and shall act reasonably and in good faith to agree the detailed terms of reference and the procedures with such independent firm which are to apply in relation to the consideration and determination of the Fair Value If either the Board or the Seller fails to agree such terms of reference and procedures with such independent firm and appoint such independent firm in accordance with this article 17, the other party, acting reasonably, shall be entitled in its sole capacity to agree such terms of reference and procedures with such independent firm and appoint such independent firm
- 17 3 The 'Fair Value' of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases
 - (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer,
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
 - (c) that the Sale Shares are capable of being transferred without restriction, and
 - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent
- 17 4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit
- 17 5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination
- 17 6 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 17 7 The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose
- 17 8 The Expert Valuers shall deliver their certificate to the Company As soon as the Company receives the certificate it shall deliver a copy of it to the Seller Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days

of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares

17 9 The cost of obtaining the certificate shall be paid by the Company unless

- (a) the Seller cancels the Company's authority to sell, or
- (b) the sale is pursuant to a Transfer Notice which is deemed to have been served, and the sale price certified by the Expert Valuers is less than the price (if any) offered by the Directors to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller shall bear the cost

18 **COMPULSORY TRANSFERS - GENERAL**

18 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors

18 2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either

- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer), or
- (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder,

if either requirement in this article 18 2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine

18 3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine

18 4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice This article 18 4 shall not apply to the Lead Investor

19 **MANDATORY OFFER ON A CHANGE OF CONTROL**

- 19 1 Except in the case of Permitted Transfers and transfers pursuant to article 8, after going through the pre-emption procedure in article 16, the provisions of article 19 2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Equity Shares (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company
- 19 2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to any Shareholders who have not taken up their pre-emptive rights under article 16 to acquire all of the Equity Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in article 19 7)
- 19 3 The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**") The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**")
- 19 4 If any other holder of Equity Shares is not given the rights accorded him by this article 19, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect
- 19 5 If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders
- 19 6 The Proposed Transfer is subject to the pre-emption provisions of article 16 but the purchase of the Accepting Shareholders' shares shall not be subject to article 16
- 19 7 For the purpose of this article 19
- (a) the expression "**transfer**" and "**purchaser**" shall include the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment respectively,
 - (b) the expression "**Specified Price**" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser,
 - (i) in the Proposed Transfer, or
 - (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,
- plus an amount equal to the Relevant Sum, as defined in article 19 7(c), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the "**Supplemental Consideration**")

provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of article 5,

(c) **Relevant Sum** = C – A

Where

A = number of Equity Shares being sold in connection with the relevant Proposed Transfer,

C = the Supplemental Consideration

19 8 The provisions of this article 19 may not be varied, amended or terminated without the consent of a Super Majority

20 CO-SALE RIGHT

20 1 No transfer (other than a Permitted Transfer) of any of the Equity Shares may be made or validly registered unless the relevant Seller shall have observed the following procedures of this article 20

20 2 After the Seller has gone through the pre-emption process set out in article 16, the Seller shall give to each holder of Equity Shares who has not taken up their pre-emptive rights under article 16 (an "Equity Holder") not less than 15 Business Days' notice in advance of the proposed sale (a "Co-Sale Notice" The Co-Sale Notice shall specify

(a) the identity of the proposed purchaser (the "Buyer"),

(b) the price per share which the Buyer is proposing to pay,

(c) the manner in which the consideration is to be paid,

(d) the number of Equity Shares which the Seller proposes to sell, and

(e) the address where the counter-notice should be sent

20 3 Each Equity Holder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Seller that they wish to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Equity Shares which such Equity Holder wishes to sell. The maximum number of shares which an Equity Holder can sell under this procedure shall be

$$(X / Y) \times Z$$

Where

X is the number of Equity Shares held by the Equity Holder,

Y is the total number of Equity Shares,

Z is the number of Equity Shares the Seller proposes to sell

any Equity Holder who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no shares

- 20 4 Following the expiry of five Business Days from the date the Equity Holders receive the Co-Sale Notice, the Seller shall be entitled to sell to the Buyer on the terms notified to the Equity Holders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Equity Holders have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Equity Holders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Seller from the Buyer
- 20 5 No sale by the Seller shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice
- 20 6 Sales made in accordance with this article 20 shall not be subject to article 16

21 DRAG-ALONG

- 21 1 If the holders of more than 70 per cent of the Shares (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this article 21
- 21 2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this article 21, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article 21) and the proposed date of transfer
- 21 3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 21 4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of article 5
- 21 5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this article 21
- 21 6 Within five Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or

a suitable indemnity in lieu thereof) to the Company On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to article 21 4 to the extent the Proposed Purchaser has put the Company in the requisite funds The Company's receipt for the amounts due pursuant to article 21 4 shall be a good discharge to the Purchaser The Company shall hold the amounts due to the Called Shareholders pursuant to article 21 4 in trust for the Called Shareholders without any obligation to pay interest

- 21 7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to article 21 4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 21 in respect of their Shares
- 21 8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, the Company shall be constituted the agent of such defaulting Called Shareholder for taking such actions as are necessary to effect the transfer of the Called Shares and the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to article 21 4 for the Called Shareholder's Shares offered to him The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company On surrender, he shall be entitled to the amount due to him pursuant to article 21 4
- 21 9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of article 16
- 21 10 If any new shares ("**New Shares**") are issued to any person, following the issue of a Drag Along Notice pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion 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 in respect of their New Shares immediately upon that issue of New Shares on the same terms as the previous Drag Along Notice and the New Shareholder shall then be bound to sell and transfer all such New Shares to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this article 21 shall apply with the necessary changes to the New Shareholder except that completion of the sale of the New Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder

22 **GENERAL MEETINGS**

- 22 1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act

- 22 2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 50 per cent in nominal value of the Shares, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held
- 22 3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman
- 22 4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made
- 22 5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded
- 22 6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken
- 22 7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day
- 23 **PROXIES**
- 23 1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)
- 23 2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may
- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to

appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote,

- (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director, or
- (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid

24 DIRECTORS' BORROWING POWERS

The Directors may with Lead Investor Majority Consent exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party

25 NUMBER OF DIRECTORS

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than one and not more than five members

26 APPOINTMENT OF DIRECTORS

- 26 1 Each director shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking
- 26 2 For so long as either (i) a Founder and its Permitted Transferees hold at least 10 per cent of the Equity Shares in issue or (ii) a Founder is engaged as an Employee in a senior managerial position, that Founder shall have the right to be appointed as a director of the Company (and as a member of each and any committee of the Board), provided that if a Founder becomes a Bad Leaver
 - (a) the Company and the Shareholders shall procure that relevant steps are taken to remove such Founder from the Board, and
 - (b) such Founder shall subsequently have no right to be appointed as a director of the Company
- 26 3 For so long as the Lead Investor and its Permitted Transferees hold at least 10 per cent of the Equity Shares in issue it shall have the right to
 - (a) appoint and maintain in office one natural person as it shall from time to time nominate as a Director (and as a member of each and any committee of the Board) and to remove any Director so appointed and,

upon his removal whether by the Lead Investor or otherwise, to appoint another Director in his place, or

(b) appoint an Observer, and remove any Observer so appointed

26 4 The appointment or removal of an Observer by the Lead Investor in accordance with article 26 3(b) shall be without prejudice to the Lead Investor's ability subsequently to appoint or remove a Director pursuant to article 26 3(a), provided that the Lead Investor shall not be entitled to appoint both a Director and an Observer concurrently

26 5 The Board, acting by way of a majority (but subject always to subject to Lead Investor Majority Consent), shall have the right to appoint and maintain in office two natural persons as it shall from time to time nominate as Directors of the Company (and as a member of each and any committee of the Board) and to remove any Director so appointed and, upon his removal whether by the Board or otherwise, to appoint another Director in his place

27 DISQUALIFICATION OF DIRECTORS

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated

28 PROCEEDINGS OF DIRECTORS

28 1 In the event that the number of directors is more than one director, the quorum for Directors' meetings shall be two Directors one of whom, must be the Director appointed by the Lead Investor (if appointed) (save that where a Relevant Interest of a Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such Director and any other interested Director shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting) For the purposes of any meeting (or part of a meeting) held to authorise the Investor Director's Relevant Interest, the quorum for such meeting (or part of a meeting) shall be the number of Eligible Director(s) in office other than the Investor Director (to be no less than one Eligible Director) If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed

28 2 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting

28 3 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

- 28.4 Provided (if these articles so require) that he has declared to the Directors, in accordance with the provisions of these articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting
- 28.5 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote
- 28.6 A decision of the Directors 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 (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also

29 DIRECTORS' INTERESTS

Specific interests of a Director

- 29.1 Subject to the provisions of the Act and provided (if these articles so require) that he has declared to the Directors in accordance with the provisions of these articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
 - (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,
 - (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company,
 - (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
 - (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,

- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution

Interests of which a Director is not aware

- 29 2 For the purposes of this article 29, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

Accountability of any benefit and validity of a contract

- 29 3 In any situation permitted by this article 29 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

Terms and conditions of Board Authorisation

- 29 4 Any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt
- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed, or
 - (iii) restricting the application of the provisions in article 29 6, so far as is permitted by law, in respect of such Interested Director, and
 - (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Situation as they see fit from time to time,

and an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this article 29

Director's duty of confidentiality to a person other than the Company

- 29 5 Subject to article 29 6 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this article 29), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required
- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company, or
 - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director
- 29 6 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, article 29 5 shall apply only if the conflict arises out of a matter which falls within article 29 1 or has been authorised under section 175(5)(a) of the Act

Additional steps to be taken by a Director to manage a conflict of interest

- 29 7 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
 - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information

Requirement of a Director to declare an interest

- 29 8 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by article 29 1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest

- (a) falling under article 29 1(g),
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these articles

Shareholder approval

29 9 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this article 29

29 10 For the purposes of this article 29

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director, and
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified

30 NOTICES

30 1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these articles, or otherwise sent by the Company under the Act, may be given, sent or supplied

- (a) in hard copy form,
- (b) in electronic form, or
- (c) (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this article 30

Notices in hard copy form

30 2 Any notice or other document in hard copy form given or supplied under these articles may be delivered or sent by first class post (airmail if overseas)

- (a) to the Company or any other company at its registered office,
- (b) to the address notified to or by the Company for that purpose,
- (c) in the case of an intended recipient who is a member or his legal personal,
- (d) representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members,
- (e) in the case of an intended recipient who is a Director, to his address as shown in the register of Directors,
- (f) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied, or
- (g) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company

30 3 Any notice or other document in hard copy form given or supplied under these articles shall be deemed to have been served and be effective

- (a) if delivered, at the time of delivery, or
- (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first

Notices in electronic form

30 4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these articles may

- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,
- (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under article 30 2, or
- (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify by notice (in hard copy or electronic form) to all members of the Company from time to time

30 5 Any notice or other document in electronic form given or supplied under these articles shall be deemed to have been served and be effective

- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
 - (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
 - (c) if delivered in an electronic form, at the time of delivery, and
 - (d) if sent by any other electronic means as referred to in article 30 4(c), at the time such delivery is deemed to occur under the Act
- 30 6 Where the Company is able to show that any notice or other document given or sent under these articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

General

- 30 7 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "Primary Holder") Notice so given shall constitute notice to all the joint holders
- 30 8 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise)

31 INDEMNITIES AND INSURANCE

- 31 1 Subject to the provisions of and so far as may be permitted by, the Act
- (a) without prejudice to any indemnity to which a Director or other officer of the Company may otherwise be entitled, every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities, losses, costs and expenses incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against
 - (i) any liability incurred by the director to the Company or any associated company,
 - (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature, or

- (iii) any liability incurred by the director
 - (A) in defending any criminal proceedings in which he is convicted,
 - 1 in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him, or
 - 2 in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in articles 31 1(a)(i), 31 1(a)(ii) and 31 1(a)(iii) applying, and

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme

31 2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

32 SECRETARY

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them

33 LIEN

33 1 The Company shall have a first and paramount lien (the "Company's Lien") over every Share not fully paid for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not

that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable

33 2 The Company's Lien over a Share

- (a) shall take priority over any third party's interest in that Share, and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share,

the Directors may at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part

33 3 Subject to the provisions of this article 33, if

- (a) a notice complying with article 33 4 (a "Lien Enforcement Notice") has been given by the Company in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,

the Company shall be entitled to sell that Share in such manner as the Directors decide

33 4 A Lien Enforcement Notice

- (a) may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the Share concerned,
- (c) must require payment of the sum payable within 14 days of the notice,
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

33 5 Where any Share is sold pursuant to this article 33

- (a) the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser, and
- (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale

33 6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and
 - (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice
- 33 7 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date
 - (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
 - (b) subject to compliance with any other formalities of transfer required by these articles or by law, shall constitute a good title to the Share
- 34 **CALL NOTICES**
- 34 1 Subject to these articles and the terms on which Shares are allotted, the Directors may send a notice (a "Call Notice") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a "call") which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice
- 34 2 A Call Notice
 - (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholders Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium),
 - (b) shall state when and how any call to which it relates it is to be paid, and
 - (c) may permit or require the call to be paid by instalments
- 34 3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent
- 34 4 Before the Company has received any call due under a Call Notice the Directors may
 - (a) revoke it wholly or in part, or
 - (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made

- 34 5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share
- 34 6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to
- (a) pay calls which are not the same, or
 - (b) pay calls at different times
- 34 7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium)
- (a) on allotment,
 - (b) on the occurrence of a particular event, or
 - (c) on a date fixed by or in accordance with the terms of issue
- 34 8 If the due date for payment of such a sum as referred to in article 34 7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture
- 34 9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below)
- (a) the Directors may issue a notice of intended forfeiture to that person, and
 - (b) until the call is paid, that person shall be required to pay the Company interest on the call from the call payment date at the Relevant Rate (as defined below)
- 34 10 For the purposes of article 34 10 above
- (a) the "Call Payment Date" shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "Call Payment Date" is that later date,
 - (b) the "Relevant Rate" shall be
 - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted,
 - (ii) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors, or
 - (iii) if no rate is fixed in either of these ways, five per cent a year,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a)

34 11 The Directors may waive any obligation to pay interest on a call wholly or in part

34 12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice

35 FORFEITURE OF SHARES

35 1 A notice of intended forfeiture

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a Call Notice,
- (b) shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- (c) shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice,
- (d) shall state how the payment is to be made, and
- (e) shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited

35 2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture

35 3 Subject to these articles, the forfeiture of a Share extinguishes

- (a) all interests in that Share, and all claims and demands against the Company in respect of it, and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company

35 4 Any Share which is forfeited in accordance with these articles

- (a) shall be deemed to have been forfeited when the Directors decide that it is forfeited,
- (b) shall be deemed to be the property of the Company, and
- (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit

35 5 If a person's Shares have been forfeited then

- (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members,
 - (b) that person shall cease to be a Shareholder in respect of those Shares,
 - (c) that person shall surrender the certificate for the Shares forfeited to the Company for cancellation,
 - (d) that person shall remain liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture), and
 - (e) the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal
- 35 6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit
- 35 7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer
- 35 8 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been forfeited on a specified date
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share
- 35 9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share
- 35 10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which
- (a) was, or would have become, payable, and
 - (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,
- but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds
- 36 **SURRENDER OF SHARES**

36 1 A Shareholder shall be entitled to surrender any Share

- (a) in respect of which the Directors issue a notice of intended forfeiture,
- (b) which the Directors forfeit, or
- (c) which has been forfeited,

The Directors shall be entitled to accept the surrender of any such Share

36 2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share

36 3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited

Schedule 1 - Model Articles

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

The Companies (Model Articles) Regulations 2008 (SI 2008/3229)
As amended by the Mental Health (Discrimination) Act 2013

Note These Model Articles are adopted subject to the exclusions and amendments in article 1 of the Articles of Association

INDEX TO THE ARTICLES

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

- 1 Defined terms
- 2 Liability of members

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

- 3 Directors' general authority
- 4 Shareholders' reserve power
- 5 Directors may delegate
- 6 Committees

DECISION-MAKING BY DIRECTORS

- 7 Directors to take decisions collectively
- 8 Unanimous decisions
- 9 Calling a directors' meeting
- 10 Participation in directors' meetings
- 11 Quorum for directors' meetings
- 12 Chairing of directors' meetings
- 13 Casting vote
- 14 Conflicts of interest
- 15 Records of decisions to be kept
- 16 Directors' discretion to make further rules

APPOINTMENT OF DIRECTORS

- 17 Methods of appointing directors
- 18 Termination of director's appointment
- 19 Directors' remuneration
- 20 Directors' expenses

PART 3

SHARES AND DISTRIBUTIONS SHARES

- 21 All shares to be fully paid up
- 22 Powers to issue different classes of share
- 23 Company not bound by less than absolute interests
- 24 Share certificates
- 25 Replacement share certificates
- 26 Share transfers
- 27 Transmission of shares
- 28 Exercise of transmitters' rights
- 29 Transmitters bound by prior notices

DIVIDENDS AND OTHER DISTRIBUTIONS

- 30 Procedure for declaring dividends
- 31 Payment of dividends and other distributions
- 32 No interest on distributions

- 33 Unclaimed distributions
- 34 Non-cash distributions
- 35 Waiver of distributions

CAPITALISATION OF PROFITS

- 36 Authority to capitalise and appropriation of capitalised sums

PART 4 DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS

- 37 Attendance and speaking at general meetings
- 38 Quorum for general meetings
- 39 Chairing general meetings
- 40 Attendance and speaking by directors and non-shareholders
- 41 Adjournment

VOTING AT GENERAL MEETINGS

- 42 Voting general
- 43 Errors and disputes
- 44 Poll votes
- 45 Content of proxy notices
- 46 Delivery of proxy notices
- 47 Amendments to resolutions

PART 5 ADMINISTRATIVE ARRANGEMENTS

- 48 Means of communication to be used
- 49 Company seals
- 50 No right to inspect accounts and other records
- 51 Provision for employees on cessation of business

DIRECTORS' INDEMNITY AND INSURANCE

- 52 Indemnity
- 53 Insurance

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1 In the articles, unless the context requires otherwise—

"articles" means the company's articles of association,

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,

"chairman" has the meaning given in article 12,

"chairman of the meeting" has the meaning given in article 39,

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company,

"director" means a director of the company, and includes any person occupying the position of director, by whatever name called,

"distribution recipient" has the meaning given in article 31,

"document" includes, unless otherwise specified, any document sent or supplied in electronic form,

"electronic form" has the meaning given in section 1168 of the Companies Act 2006,

"fully paid" in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,

"hard copy form" has the meaning given in section 1168 of the Companies Act 2006,

"holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

"instrument" means a document in hard copy form,

"ordinary resolution" has the meaning given in section 282 of the Companies Act 2006,

"paid" means paid or credited as paid,
 "participate", in relation to a directors' meeting, has the meaning given in article 10,
 "proxy notice" has the meaning given in article 45,
 "shareholder" means a person who is the holder of a share,
 "shares" means shares in the company,
 "special resolution" has the meaning given in section 283 of the Companies Act 2006,
 "subsidiary" has the meaning given in section 1159 of the Companies Act 2006,
 "transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and
 "writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise
 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company

Liability of members

2 The liability of the members is limited to the amount, if any, unpaid on the shares held by them

PART 2 DIRECTORS DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

3 Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company

Shareholders' reserve power

4 —(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action
 (2) No such special resolution invalidates anything which the directors have done before the passing of the resolution

Directors may delegate

5 —(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
 (a) to such person or committee,
 (b) by such means (including by power of attorney),
 (c) to such an extent,
 (d) in relation to such matters or territories, and
 (e) on such terms and conditions,
 as they think fit
 (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
 (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions

Committees

6 —(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors
 (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7 —(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8
 (2) If—
 (a) the company only has one director, and
 (b) no provision of the articles requires it to have more than one director,
 the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making

Unanimous decisions

- 8 —(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) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting
- (4) 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

Calling a directors' meeting

- 9 —(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice
- (2) Notice of any directors' meeting must indicate—
- (a) its proposed date and time,
 - (b) where it is to take place, and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

Participation in directors' meetings

- 10 —(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

Quorum for directors' meetings

- 11.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—
- (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors

Chairing of directors' meetings

- 12 —(1) The directors may appoint a director to chair their meetings
- (2) The person so appointed for the time being is known as the chairman
- (3) The directors may terminate the chairman's appointment at any time
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

Casting vote

- 13 —(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

Conflicts of interest

- 14 —(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes
- (3) This paragraph applies when—
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
 - (c) the director's conflict of interest arises from a permitted cause
- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,
 - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
 - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors
- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
- (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive
- (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

Records of decisions to be kept

15 The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors

Directors' discretion to make further rules

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors

APPOINTMENT OF DIRECTORS

Methods of appointing directors

- 17 —(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—
- (a) by ordinary resolution, or
 - (b) by a decision of the directors
- (2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director
- (3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

Termination of director's appointment

- 18 A person ceases to be a director as soon as—
- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
 - (b) a bankruptcy order is made against that person,
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
 - (e) [removed by the Mental Health (Discrimination) Act 2013].

(f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

Directors' remuneration

19.—(1) Directors may undertake any services for the company that the directors decide

(2) Directors are entitled to such remuneration as the directors determine—

(a) for their services to the company as directors, and

(b) for any other service which they undertake for the company

(3) Subject to the articles, a director's remuneration may—

(a) take any form, and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested

Directors' expenses

20 The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

(a) meetings of directors or committees of directors,

(b) general meetings, or

(c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company

PART 3 SHARES AND DISTRIBUTIONS SHARES

All shares to be fully paid up

21 —(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

Powers to issue different classes of share

22 —(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

Company not bound by less than absolute interests

23 Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

Share certificates

24 —(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

(2) Every certificate must specify—

(a) in respect of how many shares, of what class, it is issued,

(b) the nominal value of those shares,

(c) that the shares are fully paid, and

(d) any distinguishing numbers assigned to them

(3) No certificate may be issued in respect of shares of more than one class

(4) If more than one person holds a share, only one certificate may be issued in respect of it

(5) Certificates must—

(a) have affixed to them the company's common seal, or

(b) be otherwise executed in accordance with the Companies Acts

Replacement share certificates

25 —(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares
- (2) A shareholder exercising the right to be issued with such a replacement certificate—
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

Share transfers

26 —(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor

- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- (3) The company may retain any instrument of transfer which is registered
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

Transmission of shares

27 —(1) If title to a share passes to a transferee, the company may only recognise the transferee as having any title to that share

- (2) A transferee who produces such evidence of entitlement to shares as the directors may properly require—
 - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- (3) But transferees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares

Exercise of transferees' rights

28 —(1) Transferees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish

- (2) If the transferee wishes to have a share transferred to another person, the transferee must execute an instrument of transfer in respect of it
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transferee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

Transferees bound by prior notices

29 If a notice is given to a shareholder in respect of shares and a transferee is entitled to those shares, the transferee is bound by the notice if it was given to the shareholder before the transferee's name has been entered in the register of members

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30 —(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it

- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights

Payment of dividends and other distributions

31 —(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share, or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

No interest on distributions

32 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company

Unclaimed distributions

33 —(1) All dividends or other sums which are—

- (a) payable in respect of shares, and
 - (b) unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the company until claimed

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it

(3) if—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) the distribution recipient has not claimed it,
- the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company

Non-cash distributions

34 —(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets,
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
- (c) vesting any assets in trustees

Waiver of distributions

35 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

(a) the share has more than one holder, or
(b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,
the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

36 —(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

(a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and

(b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled, and

(b) in the same proportions as a dividend would have been distributed to them

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and

(c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

PART 4

DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

37 —(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

Quorum for general meetings

38 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

Chairing general meetings

39 —(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

(3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting"

Attendance and speaking by directors and non-shareholders

40.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting

Adjournment

41 —(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

(4) When adjourning a general meeting, the chairman of the meeting must—

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

(a) to the same persons to whom notice of the company's general meetings is required to be given, and

(b) containing the same information which such notice is required to contain

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

VOTING AT GENERAL MEETINGS

Voting general

42 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles

Errors and disputes

43 —(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid

(2) Any such objection must be referred to the chairman of the meeting, whose decision is final

Poll votes

44 —(1) A poll on a resolution may be demanded—

(a) in advance of the general meeting where it is to be put to the vote, or

(b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared

(2) A poll may be demanded by—

(a) the chairman of the meeting,

(b) the directors,

(c) two or more persons having the right to vote on the resolution, or

(d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution

(3) A demand for a poll may be withdrawn if—

(a) the poll has not yet been taken, and

(b) the chairman of the meeting consents to the withdrawal

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs

Content of proxy notices

45 —(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

- (a) states the name and address of the shareholder appointing the proxy,
 - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

Delivery of proxy notices

46 —(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person

- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

Amendments to resolutions

47 —(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution

- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
 - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

PART 5 ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

48 —(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company

- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

Company seals

- 49 —(1) Any common seal may only be used by the authority of the directors
(2) The directors may decide by what means and in what form any common seal is to be used
(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
(4) For the purposes of this article, an authorised person is—
(a) any director of the company,
(b) the company secretary (if any), or
(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

No right to inspect accounts and other records

50 Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder

Provision for employees on cessation of business

51 The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

- 52 —(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—
(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
(b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
(c) any other liability incurred by that director as an officer of the company or an associated company
(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
(3) In this article—
(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
(b) a "relevant director" means any director or former director of the company or an associated company

Insurance

- 53 —(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss
(2) In this article—
(a) a "relevant director" means any director or former director of the company or an associated company,
(b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director'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
(c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate