

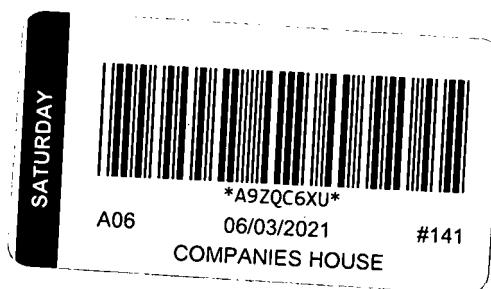
THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MAGNAVALE LIMITED



(Adopted by special resolution passed on 30/12/2018)

INTRODUCTION

1 INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles:

"**A Shares**" means the A ordinary shares of £1 each in the capital of the Company having the rights contained in these Articles;

"**Act**" means the Companies Act 2006;

"**Adoption Date**" means the date of adoption of these Articles;

"**Articles**" means the Company's articles of association for the time being in force;

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

"**B Shares**" means the B ordinary shares of £0.01 each in the capital of the Company having the rights contained in these Articles;

"**Board**" means the board of directors of the Company as constituted from time to time;

"**Body Corporate**" means a company or other corporate body including a limited liability partnership;

"**Business**" means the business carried on by the respective Group Companies namely that of a coldstore operator together with ancillary services (including, but not limited to, blast freezing, microwave up-tempering, case picking, date coding, metal detecting distribution and logistics);

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

"C Shares" means the C ordinary shares of £0.75 each in the capital of the Company having the rights contained in these Articles;

"Chairman" means a Director designated as such from time to time; **"Company"** means Magnavale Limited (Company number 0841170); **"connected"** has the meaning given in section 252 of the Act;

"Controlling Interest" an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

"D Shares" means the D ordinary shares of £1 each in the capital of the Company having the rights contained in these Articles;

"Director" means a director of the Company from time to time;

"Disposal" means the disposal by the Company of all, or a substantial part of, its business and assets;

"Eligible Director" means a Director who would be entitled to vote on the matter at a meeting of the Board (but excluding any Director whose vote is not to be counted in respect of the particular matter);

"Equity Shareholders" means the holders of Equity Shares from time to time; **"Equity Shares"** means the A Shares, B Shares, C Shares and D Shares;

"Exit" a Share Sale or a Disposal;

"Financial Year" means an accounting reference period (as defined in section 391 of the Act) of the Company;

"Group" means the Company and its subsidiaries (if any) from time to time and **"Group Company"** shall be construed accordingly;

"holding company" has the meaning given in section 1159 of the Act;

"Majority Shareholder" means a holder for the time being of the majority of the Equity Shares;

"Model Articles" means the Model Articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date;

"Redeemable Preference Shares" means the redeemable preference shares of £1.00 each in the capital of the Company;

"Relevant Agreement" means any agreement to which the Shareholders, in their capacity as shareholders of the Company and the Company are party;

"Relevant Securities" means any shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than:

- (a) the grant of any options under a share option plan (and the issue of Shares on the exercise of any such options);
- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles and/or any shareholders agreement; and
- (c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business;

"Sale Proceeds" means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale;

"Share Sale" the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale;

"Shares" means shares (of any class) in the capital of the Company and **"Share"** shall be construed accordingly;

"Shareholder(s)" means any person who holds Shares in the Company;

"subsidiary" means in relation to a holding company wherever incorporated, a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

"Writing or written" 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.

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
 - 1.6.1 an article is a reference to the relevant numbered article of these Articles; and
 - 1.6.2 a Model Article is a reference to the relevant model article, unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as it is in force on the Adoption Date. A reference to a statute or statutory provision shall include all subordinate legislation made as at the Adoption Date under that statute or statutory provision.
- 1.8 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

- 1.9.1 another person (or its nominee), by way of security or in connection with the taking of security; or
- 1.9.2 its nominee.
- 1.10 In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of the Board is to the right to appoint or remove members holding a majority of the voting rights.

2 ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles (together with those provisions of Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) referred to in article 24) shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 18(e), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.4 Model Article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

3 LIABILITY OF MEMBERS

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

DIRECTORS

4 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than one and shall not be subject to a maximum number.

5 PROCEEDINGS OF DIRECTORS

- 5.1 Any decision of the Board must be taken at a meeting of the Board in accordance with these Articles or must be a decision taken in accordance with article 5.2 (subject to article 5.2 and article 5.4).
- 5.2 The day to day management of the Company (and any Group Company) shall be undertaken by the Board acting by majority vote.
- 5.3 A majority decision of the Board is taken when a majority in number of the Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 5.4 A decision taken in accordance with article 5.2 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.

- 5.5 A decision may not be taken in accordance with article 5.2 if the Eligible Directors would not have formed a quorum at a Board meeting to vote on the matter in accordance with article 5.8 and article 5.9.
- 5.6 Meetings of the Board shall take place at least every 3 months. At least 5 Business Days' advance notice in writing of each such meeting shall be given to each Director except if there are exceptional circumstances or all of the Directors agree to shorter notice.
- 5.7 The quorum for any meeting (or, where specified below, part of a meeting) of the Board shall be not less than two Directors, one of which shall be the representative of the Majority Shareholder.
- 5.8 If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Board determines. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.
- 5.9 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a Conflict (as defined in article 8.1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 5.10 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:
- 5.10.1 appoint further Directors; or
- 5.10.2 call a general meeting so as to enable the Shareholders to appoint further Directors.
- 5.11 Subject to article 5.2 questions arising at any meeting of the Board shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall not have a second or casting vote.
- 5.12 Where a decision of the Board is taken by electronic means, such decisions shall be recorded by the Board in permanent form, so that they may be read with the naked eye.
- 5.13 The Board 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.

6 APPOINTMENT AND REMOVAL OF DIRECTORS

- 6.1 Model Article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
- 6.1.1 he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director; and
- 6.1.2 in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.
- 6.2 Each notice of a meeting of the Board shall be accompanied by an agenda and relevant supporting papers.
- 6.3 Minutes of a meeting of the Board shall be taken and shall be delivered to each Director as soon as practicable after the meeting.

7 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 7.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 7.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 7.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Board (or committee of the Board) in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 7.1.3 shall be entitled to be converted as part of the quorum and vote at a meeting of the Board (or of a committee of the Board) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 7.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
 - 7.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any Body Corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 7.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such Body Corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

8 DIRECTORS' CONFLICTS

- 8.1 The Board may, in accordance with the requirements set out in this article 8, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest ("Conflict").
- 8.2 Any authorisation under this article 8 will be effective only if:
- 8.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Board under the provisions of these Articles or in such other manner as the Board may determine;
 - 8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 8.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 8.3 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):

- 8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 8.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Board or otherwise) related to the Conflict;
 - 8.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Board in relation to any resolution related to the Conflict;
 - 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Board authorises;
 - 8.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 8.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Board and be excused from reviewing papers prepared by, or for, the Board to the extent they relate to such matters.
- 8.4 Where the Board authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Board in relation to the Conflict.
- 8.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 8.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 8.1 shall be necessary in respect of any such interest.
- 8.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Board in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 8.8 Notwithstanding the provisions of this Agreement but subject to compliance with any mandatory legal requirements, the Board and the Company may be authorised to undertake any of the following matters with the consent of a Majority Shareholder:
- 8.8.1 connected party transactions; and/or
 - 8.8.2 any transactions not carried out at arm's length.

SHARES AND DISTRIBUTIONS

9 DIVIDENDS

- 9.1 Unless otherwise agreed by all of the holders of Equity Shares, in respect of any Financial Year, the Company's Available Profits will be applied as set out in this article 9. Article 30(2) of the Model Articles shall not apply.
- 9.2 The Company and the Shareholders shall ensure that all amounts available for distribution to Shareholders shall be distributed in cash by any lawful means prorata amongst the holders of Equity Shares (as if the Equity Shares constituted one and the same class).
- 9.3 Every dividend shall be distributed to the appropriate Shareholders pro rata according to the numbers of shares held by them respectively. All dividends are expressed net and shall be paid in cash.
- 9.4 Article 31(1) of the Model Articles shall be amended by:
- 9.4.1 the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing"; and
- 9.4.2 the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".
- 9.5 The Company will procure that the profits of any other Group Company available for distribution will be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company) or if and to the extent that dividends are necessary to permit lawful and prompt payment by the Company of dividends to its members.
- 9.6 Subject to the Act and these articles, the Board may, provided it has the consent of the Majority Shareholder, pay interim dividends if justified by the Available Profits in respect of the relevant period.
- 9.7 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.
- 9.8 The Redeemable Preference Shares shall confer no right to participate in the profits of the Company save in the case of redemption under Article 11A below.

10 LIQUIDATION PREFERENCE

On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities (to the extent that the Company is lawfully permitted to do so) will be distributed in the following order of priority:-

- 10.1 first, in paying to the holders of the Redeemable Preference Shares in respect of each Redeemable Preference Share held the sum of £1.00 together with interest at 25% per annum compounded annually calculated from the date of issue of the shares down to (and including) the date of the return of capital and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Redeemable Preference Shares pro rata to the aggregate amount due under this article 10.1 to each such Redeemable Preference Share held; and
- 10.2 thereafter, in distributing the balance among the holders of the Equity Shares pro rata to the number of Equity Shares held, as if they all constituted shares of the same class.

11 EXIT PROVISIONS

- 11.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in article 10. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:
- 11.1.1 the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in article 10; and
 - 11.1.2 each Shareholder shall take any reasonable action (to the extent lawful and within its control) required by the Board to ensure that the balance of the Sale Proceeds are distributed in order of priority set out in article 10.
- 11.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in article 10, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any action required by the Board (including, but without prejudice to the generality of this article 11.2, such action as may be necessary to put the Company into voluntary liquidation so that article 10 applies).
- 11.3 In the event of a Disposal approved by the Board ("**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful 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 11.3:
- 11.3.1 the Company shall be constituted the agent and attorney of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit;
 - 11.3.2 the Directors may authorise an officer of the Company or a Shareholder to execute and deliver on behalf of such defaulting Shareholder all or any necessary documents; and
 - 11.3.3 the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders (without any obligation to pay interest).

11A REDEMPTION OF REDEEMABLE PREFERENCE SHARES

- 11A.1 Subject to the provisions of the Act and these Articles, the Company may redeem, out of Available Profits, the Redeemable Preference Shares at such time and such numbers as the Directors may in their absolute discretion determine.
- 11A.2 On redemption of a Redeemable Preference Share the Company shall be liable to pay to a holder of Redeemable Preference Share £1.00 (**Redemption Amount**) for each Redeemable Preference Share together with an amount equal to interest at 25% per annum, compounded annually on the Redemption Amount calculated from the date of issue of the shares down to (and including) the date of redemption (**Interest Payment**). The Company's liability to pay to such holder the Redemption Amount for each such Redeemable Preference Share and the Interest Payment shall be discharged by the Company by a payment to such holder within 10 days of the date of redemption.
- 11A.3 All Redeemable Preference Shares redeemed shall be cancelled and the Company shall not be entitled to re-issue them.

12 VARIATION OF CLASS RIGHTS

- 12.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class (excluding any holder(s) of Restricted Shares).
- 12.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall, constitute a variation of the rights of those existing classes of Shares.

13 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 13.1 Subject to the remaining provisions of this article 13, the Board are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

- 13.1.1 offer or allot;
- 13.1.2 grant rights to subscribe for or to convert any security into; and
- 13.1.3 otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Board think proper.

- 13.2 The authority referred to in article 13.1:

- 13.2.1 shall be limited to a maximum nominal amount of £10,000,000 of each class of Share;
- 13.2.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- 13.2.3 may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Board may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Board may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

- 13.3 Sections 561 and 562 of the Act shall apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

- 13.4 NOTWITHSTANDING THE PROVISIONS OF Article 13.1 unless otherwise agreed by special resolution if the Company proposes to allot any Shares or Relevant Securities, those Shares or Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Equity Shares (each an "Offeree") on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Shares or Relevant Securities are being, or are to be, offered to any other person.

- 13.5 An offer made under article 13.4 shall:

- 13.5.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;

- 13.5.2 remain open for a period of 14 Business Days from the date of service of the offer; and
- 13.5.3 stipulate that any Offeree who wishes to subscribe for a number of Shares or Relevant Securities in excess of the number to which he is entitled under article 13.4 shall, in his acceptance, state the number of excess Shares or Relevant Securities ("**Excess Securities**") for which he wishes to subscribe.
- 13.6 If, on the expiry of an offer made in accordance with article 13.4, the total number of Shares or Relevant Securities applied for is less than the total number of Shares or Relevant Securities so offered, the Board shall allot the Shares or Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 13.7 Any Shares or Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 13.4 shall be used to satisfy any requests for Excess Securities made pursuant to article 13.5.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, be offered to any other person(s) as the Board may determine, at the same price and on the same terms as the offer to the Shareholders.
- 13.8 If, after completion of the allotments referred to in articles 13.4 and article 13.7 not all of the Shares or Relevant Securities have been allotted, the balance of such Shares or Relevant Securities shall be offered to any other person(s) as the Board may, determine, at the same price and on the same terms as the offer to the Shareholders.
- 13.9 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

14 **TRANSFERS OF SHARES**

None of the Shareholders may charge, transfer or otherwise dispose of any of their shares or any (legal or beneficial) interest therein otherwise than in accordance with any Relevant Agreement.

Notwithstanding anything in these Articles to the contrary (whether by way of or in relation to pre-emption rights, restrictions on, or conditions applicable to, share transfers):

- (a) the directors shall neither decline to register any transfer of shares which have been mortgaged or charged or are expressed to be mortgaged or charged pursuant to a shares charge (a "**Shares Charge**") made by any shareholder of the Company nor suspend the registration of any transfer of shares where that transfer is:
- (i) in favour of a chargee or mortgagee of such shares;
 - (ii) in favour of any nominee of a chargee or mortgagee of such shares;
 - (iii) a purchaser of such shares from a chargee or mortgagee (or its nominee) of such shares;
 - (iv) a purchaser of such shares from any receiver, administrative receiver or administrator appointed by a chargee or mortgagee of such shares;

and a certificate by the relevant chargee or mortgagee (or an officer thereof) that the relevant transfer is within paragraph (i), (ii), (iii) or (iv) above shall be conclusive evidence of that fact.

- (b) no person who transfers or proposes to transfer any shares in any of the circumstances described in Article 14 is required to offer those shares to any shareholder from time to time of the Company, and no shareholder shall have any right under these Articles or otherwise to require that those shares be transferred to them (whether for consideration or not).
- (c) no lien shall attach to the shares of the Company which are subject to a Shares Charge, whether any moneys are presently payable or not, and the Company shall not exercise any rights to sell those shares; and
- (d) the directors shall not have any right of forfeiture over the shares of the Company subject to a Shares Charge.

DECISION-MAKING BY SHAREHOLDERS

15 GENERAL MEETINGS

- 15.1 No business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 15.2 The quorum for any meeting of the Shareholders in general meeting shall be the person or persons that hold a majority of the Equity Shares (and for class meetings of Shareholders shall be 2 Shareholders owning Shares of the relevant class or the sole Shareholder where there is only one holder of such class of Shares).
- 15.3 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the Chairman of the meeting must be the first business of the meeting. The Chairman shall not be entitled to a second or casting vote.
- 15.4 If within half an hour of the time appointed for any meeting of Shareholders as described in article 15.2 there is no quorum, the meeting shall adjourn to a place and time not less than 5 Business Days nor more than 10 Business Days later. If at such adjourned meeting the quorum is not present within half an hour from the time appointed for the adjourned meeting or such longer interval as the Chairman of the meeting may think fit to allow, then those present shall constitute a quorum.

16 VOTING

- 16.1 Subject to any other provisions in these Articles concerning voting rights, the holders of the Equity Shares shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 16.2 Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Model Article.
- 16.3 Model Article 45(1) shall be amended by:
 - 16.3.1 the deletion of Model Article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any

instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and

- 16.3.2 the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Board, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Model Article.

17 PURCHASE OF OWN SHARES

- 17.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:

- 17.1.1 £15,000; and
- 17.1.2 the value of 5% of the Company's share capital.
- 17.1.3 Subject to the remaining provisions of this article 17, on a purchase or redemption of Shares under Part 18 of the Act, the Company may:
- 17.1.4 hold the Shares (or any of them) in treasury;
- 17.1.5 deal with any of the Shares, at any time, in accordance with section 727 of the Act; or
- 17.1.6 cancel any of the Shares, at any time, in accordance with section 729 of the Act.
- 17.1.7 reference in article 13 to an allotment shall include the sale or transfer of Shares.

ADMINISTRATIVE ARRANGEMENTS

18 MEANS OF COMMUNICATION TO BE USED

- 18.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 18.1.1 if delivered by hand, at the time the notice, document or other information is left at the address; or
- 18.1.2 if sent by fax, at the time of transmission; or
- 18.1.3 if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- 18.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 18.1.5. 9.00 am on the fifth Business Day after posting; or
- 18.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, at the time the notice, document or other information is left at the address; or
- 18.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or

- 18.1.7 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
 - 18.1.8 if deemed receipt under the previous paragraphs of this article 18.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 18.2 To prove service, it is sufficient to prove that:
- 18.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
 - 18.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 18.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
 - 18.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 19 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.