

Company Number: 08720732

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF
SHAVEKIT LTD**

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Contents

| | | |
|-----|---|----|
| 1. | DIS-APPLICATION OF MODEL ARTICLES | 3 |
| 2. | INTERPRETATION | 3 |
| 3. | SHARE CAPITAL AND LIMITATION OF LIABILITY | 7 |
| 4. | SHARES | 7 |
| 5. | FURTHER ISSUES OF SHARES | 9 |
| 6. | PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES | 9 |
| 7. | PROCEDURE FOR DISPOSING OF FRACTIONS OF SHARES..... | 10 |
| 8. | TRANSFER OF SHARES..... | 10 |
| 9. | COMPULSORY TRANSFERS | 12 |
| 10. | TRANSMISSION OF SHARES..... | 13 |
| 11. | TAG ALONG | 14 |
| 12. | DRAG ALONG | 14 |
| 13. | DIRECTORS' POWERS AND RESPONSIBILITIES..... | 16 |
| 14. | RECORDS AND RULES – DIRECTORS' DECISIONS | 17 |
| 15. | APPOINTMENT AND REMOVAL OF DIRECTORS | 17 |
| 16. | ALTERNATE DIRECTORS | 19 |
| 17. | DECISION-MAKING BY DIRECTORS..... | 21 |
| 18. | CONFLICTS OF INTEREST OF DIRECTORS | 23 |
| 19. | DIVIDENDS..... | 26 |
| 20. | CAPITALISATION OF PROFITS..... | 29 |
| 21. | ORGANISATION OF GENERAL MEETINGS | 30 |
| 22. | VOTING AT GENERAL MEETINGS | 32 |
| 23. | NAME..... | 35 |
| 24. | COMMUNICATIONS..... | 35 |
| 25. | COMPANY SEALS | 36 |
| 26. | NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS | 37 |
| 27. | PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS | 37 |
| 28. | INDEMNITY AND INSURANCE..... | 37 |

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OF

SHAVEKIT LTD

1. DIS-APPLICATION OF MODEL ARTICLES

- 1.1 None of the model articles contained in the schedules to the Companies (Model Articles) Regulations 2008 (SI 2008/3229), or any amended subsequent legislation or statutory instrument containing model articles, shall apply to the Company.
- 1.2 The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) shall not apply to the Company

2. INTERPRETATION

- 2.1 In these Articles, unless the context otherwise requires, the following words have the following meanings:

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| "Accepting Shareholder" | has the meaning given to it in Article 11.5; |
| "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 for the time being in force, |
| "Address" | includes a number or address used for the purposes of sending or receiving Documents or information, including by Electronic Means, |
| "Appointor" | has the meaning given to it in Article 16 1 1; |
| "Articles" | means these Articles of Association, |

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| "Associate" | in relation to a Shareholder- <ul style="list-style-type: none"> (a) who is an individual, any of his Relations, Family Trusts or the trustees of those Family Trusts, or (b) that is a company, any Member of the Same Group. |
| "Authenticated" | means (subject to section 1146 of the Companies Act) authenticated in such manner as the Board may in its absolute discretion determine, |
| "Board" | the board of Directors from time to time and any committee of such board constituted for the purpose of taking any action or decision contemplated by these Articles; |
| "Business Day" | a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for the transaction of non-automated banking business; |
| "Buyer" | has the meaning given to it in Article 11.1; |
| "Called Shareholders" | has the meaning given to it in Article 12.1, |
| "Called Shares" | has the meaning given to it in Article 12.2 1, |
| "Capitalised Sum" | has the meaning given to it in Article 20 1.1(b); |
| "Chairman" | has the meaning given to it in Article 17.6; |
| "Chairman of the Meeting" | has the meaning given to it in Article 21.3.3, |
| "Companies Act" | the Companies Act 2006 (as amended, consolidated and restated from time to time); |
| "Company" | Shavekit Ltd, a limited company registered in England & Wales under No. 08720732; |
| "Compulsory Transfer Notice" | a notice given by a Shareholder to the Company appointing the Company the agent of the Shareholder with full power to transfer specified Shares to such person and on such terms, or to determine that such Shares should not be transferred, as the Company deems reasonable and appropriate. |
| "Controlling Interest" | means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 995 of ITA |

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| | 2007, |
| "Drag Along Notice" | has the meaning given to it in Article 12.1, |
| "Drag Along Option" | has the meaning given to it in Article 12 1, |
| "Director" | a director of the Company from time to time; |
| "Distribution Recipient" | has the meaning give to it in Article 19.2.2; |
| "Document" | includes summons, notice, order or other legal process and registers; |
| "Electronic Form" and "Electronic Means" | have the meanings given to them in section 1168 of the Companies Act, |
| "Family Trusts" | in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder and/or his Relations, |
| "Fully Paid" | means, in relation to a Share, that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company, |
| "Group" | the Company and each and any of its subsidiaries from time to time, and "Group Company" shall be construed accordingly; |
| "Group Company Interest" | has the meaning given in Article 18.8, |
| "Hard Copy Form" | has the meaning given in section 1168 of the Companies Act; |
| "Holder" | in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares; |
| "Holding Company" | has the meaning given to it in the Companies Act; |
| "Instrument" | means a Document in Hard Copy Form; |
| "Interested Directors" | has the meaning given to it in Article 18.3.2; |
| "ITA 2007" | the Income Tax Act 2007; |
| "Member of the Same Group" | as regards any company, a Subsidiary of that company, a company which is from time to time its Holding Company, and any other Subsidiary of any such Holding Company, |
| "New Shareholder" | has the meaning given to it in Article 12.11, |

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| "Offer" | has the meaning given to it in Article 11.2, |
| "Offer Notice" | has the meaning given to it in Article 11.3; |
| "Offer Period" | has the meaning given to it in Article 11.3; |
| "Offer Shares" | has the meaning given to it in Article 11 3.4; |
| "Ordinary Resolution" | has the meaning given in section 282 of the Companies Act; |
| "Ordinary Shares" | the ordinary shares of £0.005 each in the capital of the Company; |
| "Paid" | means paid or credited as paid, |
| "Persons Entitled" | has the meaning given to it in Article 20 1.1(b), |
| "Proposed Buyer" | has the meaning given to it in Article 12.1, |
| "Proposed Transfer" | has the meaning given to it in Article 11 1, |
| "Proxy Notice" | has the meaning given to it in Article 22.4.1; |
| "Relation" | the spouse, civil partner, widow or widower of a Shareholder and the Shareholder's children and grandchildren (including step and adopted children), and step and adopted children of the Shareholder's children, |
| "Sale Date" | has the meaning given to it in Article 11.3; |
| "Seller" | a transferor of Shares; |
| "Sellers' Shares" | has the meaning given to it in Article 12.1, |
| "Selling Shareholders" | has the meaning given to it in Article 12.1, |
| "Shareholder" | a Holder of Shares; |
| "Shares" | shares in the capital of the Company from time to time, |
| "Special Resolution" | has the meaning given in section 283 of the Companies Act; |
| "Specified Price" | has the meaning given to it in Article 11.2, |
| "Subsidiary" | shall have the meaning given to it in the Companies Act and a company shall be treated, for the purposes only of the membership requirement contained in subsection 1159(1)(b) and (c) of the |

Companies Act, as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee;

"Transmittee"

means a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law;

"Writing" or "Written"

means printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words, symbols or other information in a legible and non-transitory form, including (subject to the provisions of the Companies Act) in Electronic Form.

- 2.2 References to the bankruptcy or insolvency of a person or the appointment of a liquidator, administrator or administrative receiver, or entry into compositions or arrangements with creditors shall include any analogous events or proceedings in any relevant jurisdiction.
- 2.3 References to a person shall include a natural person, body corporate or unincorporated body as the context requires.
- 2.4 Words importing the singular include the plural and vice versa, and words importing any gender include any other gender.

3. SHARE CAPITAL AND LIMITATION OF LIABILITY

- 3.1 The share capital of the Company at the date of adoption of these Articles consists of Ordinary Shares.
- 3.2 The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them

4. SHARES

4.1 All Shares to be fully paid up

- 4.1.1 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.
- 4.1.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum

4.2 Powers to issue different classes of Share

- 4.2.1 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.

- 4.2.2 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.

4.3 Company not bound by less than absolute interests

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.

4.4 Share certificates

- 4.4.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

- 4.4.2 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.

- 4.4.3 No certificate may be issued in respect of Shares of more than one class.

- 4.4.4 If more than one person holds a Share, only one certificate may be issued in respect of it.

- 4.4.5 Certificates must

- (a) have affixed to them the Company's common seal, or
- (b) be otherwise executed in accordance with the Companies Act.

4.5 Replacement share certificates

- 4.5.1 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

- 4.5.2 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.

5. FURTHER ISSUES OF SHARES

- 5.1 Section 550 of the Companies Act shall not apply to the Company. Subject to the remaining provisions of this Article 5, the Directors are generally and unconditionally authorised, for the purpose of section 551 of the Companies Act, to exercise any power of the Company to offer, allot or grant rights to subscribe for, or convert securities into, or otherwise deal in, or dispose of, any Shares to any person, at any time and subject to any terms and conditions as the Directors think proper.
- 5.2 The authority referred to in Article 5.1:
 - 5.2.1 shall be limited to a maximum nominal amount of £1,000,000.00;
 - 5.2.2 shall only apply insofar as the Company has not renewed, waived or revoked it, and
 - 5.2.3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Directors may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).
- 5.3 Sections 561 and 562 of the Companies Act shall apply to the Company but the offer period referred to in those sections shall be a period of at least 10 Business Days. This Article 5.3 is subject always to the provisions of sections 570 and 571 of the Companies Act.
- 5.4 The provisions of section 565 of the Companies Act shall not apply to the Company.

6. PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES

- 6.1 The Company may pay any person a commission in consideration for that person:
 - 6.1.1 subscribing, or agreeing to subscribe, for Shares, or
 - 6.1.2 procuring, or agreeing to procure, subscriptions for Shares.

6.2 Any such commission may be Paid

6.2.1 in cash or in fully Paid Shares or other securities, or partly in one way and partly in the other, and

6.2.2 in respect of a conditional or an absolute subscription.

7. PROCEDURE FOR DISPOSING OF FRACTIONS OF SHARES

7.1 When, as a result of a sub-division or a consolidation of Shares, Shareholders are entitled to fractions of Shares the Directors may:

7.1.1 sell the Shares representing the fractions to any person for the best price reasonably obtainable,

7.1.2 authorise an Instrument of transfer to be executed in accordance with the directions of the purchaser; and

7.1.3 distribute the net proceeds of sale in due proportion among the Shareholders.

7.2 The purchaser of such Shares shall not be obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

7.3 The purchaser's title to the Shares shall not be affected by any irregularity in, or invalidity of the process leading to their sale

8. TRANSFER OF SHARES

8.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share or the renunciation or assignment of any rights to receive or subscribe for that Share, and reference to a Share includes both a legal and a beneficial or other interest in a Share unless otherwise indicated, but it does not include, in situations where the Holder subscribed for or purchased the Share as nominee for one or more beneficial owners

8.1.1 The transfer, assignment or other disposal of a beneficial or other interest in, or the creation of a trust or encumbrance over or the renunciation or assignment of any rights to receive or subscribe for a beneficial or other interest in, a Share provided that the nominee that holds a legal interest in such Share remains the same, or

8.1.2 The transfer, assignment or other disposal of a legal interest in, or the creation of a trust or encumbrance over or the renunciation or assignment of any rights to receive or subscribe for a legal interest in, a Share from the nominee to any person who has a beneficial or other interest in that Share, provided that notice of such transfer is given to the Company.

8.2 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.

- 8.3 No fee may be charged for registering any Instrument of transfer or other Document relating to or affecting the title to any Share
- 8.4 The Company may retain any Instrument of transfer which is registered
- 8.5 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.
- 8.6 Any transfer of a Share by way of sale that is required to be made under these Articles shall be deemed to include a warranty that the transferor sells the Share with full title guarantee
- 8.7 The Directors may refuse to register a transfer of a Share.
 - 8.7.1 unless it is lodged at the office or at such other place as the Directors may appoint and is accompanied by the certificate for the Shares to which it relates (or a suitable indemnity for any lost share certificate) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
 - 8.7.2 to a bankrupt, a minor or a person of unsound mind; or
 - 8.7.3 to an employee, Director or prospective employee or Director where that person has not entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003
- 8.8 The Directors may, as a condition to the registration of any transfer of any Share, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar Document) in force between any of the Shareholders and the Company in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other Document). If any condition is imposed in accordance with this Article 8.8, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 8.9 To enable the Directors to determine whether or not there has been any transfer of a Share 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 provide the Company with any information and evidence that the Directors request regarding any matter which they deem relevant to that purpose. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or 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 Writing of that fact and the following shall occur

- 8.9.1 the relevant Shares shall cease to confer any rights to vote or to receive dividends or other distributions otherwise attaching to those Shares or to any further Shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant Holder, and
 - 8.9.2 the holder may be required at any time following receipt of the notice, to transfer some or all of his Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.
- 8.10 The rights referred to in Article 8.9 1 may be reinstated by the Directors at such time as they think fit or, if earlier, shall be reinstated on the completion of any transfer referred to in Article 8.9 2.

9. COMPULSORY TRANSFERS

- 9.1 Subject to Article 9 4, if any Shares remain 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

- 9.1.1 to effect a transfer of those Shares, or
- 9.1.2 to show, to the satisfaction of the Directors, that a transfer will be effected before (or promptly on) the completion of the administration of the estate of the deceased Shareholder.

If either paragraph 9.1 1 or 9.1.2 of this Article 9.1 is not fulfilled to the satisfaction of the Directors, a Compulsory Transfer Notice shall be deemed to have been given in respect of such Shares on such date as the Directors determine.

- 9.2 Subject to Article 9.4, if a Shareholder is adjudged bankrupt or makes any arrangement or composition with his creditors generally, then that Shareholder shall immediately be deemed to have given a Compulsory Transfer Notice in relation to all Shares held by him
- 9.3 Subject to Article 9 4, if a Shareholder that is a company suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it (or a material part of its business) or enters into a composition or arrangement with its creditors generally, then that Shareholder shall immediately be deemed to have given a Compulsory Transfer Notice in respect of all Shares held by it.
- 9.4 Where a Shareholder holds a legal interest in a Share on behalf of another person and the Company is on notice of such arrangement, the provisions of Articles 9.1, 9.2 and 9 3 shall not apply to such Shareholder, and instead if such a Shareholder suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it (or a material part of its business) or enters into a composition or arrangement with its creditors generally, then

- 9.4.1 If the Shareholder notifies the Company of its intention to transfer the legal interest in the relevant Shares within one month from the date of such appointment or composition or arrangement, then the Company shall, together with such Shareholder, take such steps as may be reasonably be required to effect such a transfer of the legal interest of the relevant Shares; and
- 9.4.2 If the Shareholder fails to notify the Company in accordance with Article 9.4.1, then a Compulsory Transfer Notice shall be deemed to have been given in respect of such Shares on such date as the Directors determine.

10. TRANSMISSION OF SHARES

10.1 Transmission

- 10.1.1 If title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.
- 10.1.2 A Transmitttee 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.
- 10.1.3 But Transmitttees 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.

10.2 Exercise of Transmitttees' rights

- 10.2.1 Transmitttees who wish to become the Holders of Shares to which they have become entitled must notify the Company in Writing of that wish.
- 10.2.2 If the Transmitttee wishes to have a Share transferred to another person, the Transmitttee must execute an Instrument of transfer in respect of it.
- 10.2.3 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 Transmitttee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

10.3 Transmitttees bound by prior notices

If a notice is given to a Shareholder in respect of Shares and a Transmitttee is entitled to those Shares, the Transmitttee is bound by the notice if it was given

to the Shareholder before the Transmittal's name has been entered in the register of members.

11. TAG ALONG

- 11.1 Except in the case of transfers pursuant to Article 9 or Article 12, the provisions of Article 11.2 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any Shares (a **"Proposed Transfer"**) which would, if carried out, result in any person (other than a person who holds a Controlling Interest in the Company at that time or an Associate of such a person) (a **"Buyer"**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 11.2 Before completing the Proposed Transfer, a Seller shall procure that the Buyer makes an offer (an **"Offer"**) to each of the other Shareholders to buy all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share and in any event on no less favourable terms than any terms offered or Paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the six months preceding the date of the Proposed Transfer (the **"Specified Price"**).
- 11.3 The Offer shall be made by Written notice (an **"Offer Notice"**), at least 20 Business Days (the **"Offer Period"**) before the proposed sale date (the **"Sale Date"**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 11.3.1 the identity of the Buyer;
 - 11.3.2 the purchase price and other terms and conditions of payment;
 - 11.3.3 the proposed date of the transfer; and
 - 11.3.4 the number of Shares proposed to be purchased by the Buyer from each such Shareholder (the **"Offer Shares"**).
- 11.4 If the Buyer fails to make the Offer to all holders of Shares in the Company then, except where Article 12.7 applies, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer intended to effect the Proposed Transfer.
- 11.5 If the Offer is accepted by any Shareholder (an **"Accepting Shareholder"**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by all Accepting Shareholders.

12. DRAG ALONG

- 12.1 If the Holders of 50% or more of the Shares in issue for the time being (the **"Selling Shareholders"**) wish to transfer all of their interest in Shares (the **"Sellers' Shares"**) to a bona fide arm's length purchaser (the **"Proposed Buyer"**), the Selling Shareholders have the option to require all the other Holders of Shares (the **"Called Shareholders"**) to sell and transfer all their

Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (the **"Drag Along Option"**).

- 12.2 The Selling Shareholders may exercise the Drag Along Option by giving Written notice to that effect (a **"Drag Along Notice"**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:
- 12.2.1 the Called Shareholders are required to transfer all their Shares (the **"Called Shares"**) pursuant to this Article 12;
 - 12.2.2 the person to whom the Called Shares are to be transferred;
 - 12.2.3 the consideration payable for the Called Shares calculated in accordance with Article 12.3, and
 - 12.2.4 the proposed date of the transfer.
- 12.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 12.4 The Called Shareholders shall sell each Called Share for a consideration in cash per Share that is at least equal to the highest price per Share and in any event on no less favourable terms than any terms offered or Paid by the Proposed Buyer, or any person Acting in Concert with the Proposed Buyer, to the Selling Shareholders for the Sellers' Shares or in any related previous transaction in the six months preceding the date of the Drag Along Notice.
- 12.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 12.
- 12.6 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.
- 12.7 Provided that the Proposed Buyer has put the Company in funds to pay the consideration due pursuant to Article 12.3 on the completion date determined in accordance with Article 12.6, the requirement for a mandatory offer under Article 11 shall not apply to any transfer of Shares to a Proposed Buyer (or as they may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 12.8 On the completion date determined in accordance with Article 12.6, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company and, against delivery of such documents, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to Article 12.3 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to

Article 12.3 in trust for the Called Shareholders without any obligation to pay interest.

- 12.9 To the extent that the Proposed Buyer has not, on the completion date determined in accordance with Article 12.6, put the Company in funds to pay the consideration due pursuant to Article 12.3, no sale of the Sellers' Shares nor the Called Shares shall be permitted and the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further obligations under this Article 12 in respect of their Shares.
- 12.10 Subject to the Proposed Buyer having put the Company in funds to pay the consideration due pursuant to Article 12.3, if any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by him, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent to execute all necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such Holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the Holder thereof. After the Proposed Buyer (or their nominee) has been registered as the Holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this Article 12.
- 12.11 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares or on 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 on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 12 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

13. DIRECTORS' POWERS AND RESPONSIBILITIES

13.1 Directors' general authority

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.

13.2 Shareholders' reserve power

13.2.1 The Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action

13.2.2 No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution.

13.3 Directors may delegate

13.3.1 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.

13.3.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated

13.3.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

13.4 Committees

13.4.1 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.

13.4.2 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.

14. RECORDS AND RULES – DIRECTORS' DECISIONS

14.1 Records of decisions to be kept

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.

14.2 Directors' discretion to make further rules

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.

15. APPOINTMENT AND REMOVAL OF DIRECTORS

15.1 Number of Directors

Unless and until the Company by Ordinary Resolution determines otherwise, there shall be no minimum and no maximum number of Directors

15.2 Methods of appointing Directors

15.2.1 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.

15.2.2 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

15.2.3 For the purposes of paragraph 15.2.2, where two 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.

15.3 Termination of Directors' appointment

A person ceases to be a Director as soon as

15.3.1 that person ceases to be a Director by virtue of any provision of the Companies Act or is prohibited from being a Director by law;

15.3.2 a bankruptcy order is made against that person;

15.3.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

15.3.4 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;

15.3.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

15.3.6 notification is received by the Company from the Director that the Director is resigning from office as Director, and such resignation has taken effect in accordance with its terms,

15.3.7 he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period (and his alternate Director (if any) has not during such period attended in his place) and the Directors resolve that his office be vacated,

15.3.8 he is convicted of a criminal offence (other than a motoring offence not involving a term of imprisonment) and the Directors resolve that his office should be vacated; or

15.3.9 he is removed from office by notice in Writing served upon him by a majority of his fellow Directors, but only if he was appointed as a Director pursuant to Article 15.2 1(b).

15.4 Directors' remuneration

15.4.1 Directors may undertake any services for the Company that the Directors decide.

15.4.2 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

15.4.3 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

15.4.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

15.4.5 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.

15.5 Directors' expenses

15.5.1 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,

(d) or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

16. ALTERNATE DIRECTORS

16.1 Appointment and removal of alternates

16.1.1 Any Director (the "**Appointor**") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:

- (a) exercise that Director's powers, and
- (b) carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

16.1.2 Any appointment or removal of an alternate must be effected by notice in Writing to the Company signed by the Appointor, or in any other manner approved by the Directors

16.1.3 The notice must

- (a) identify the proposed alternate, and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

16.2 Rights and responsibilities of alternate Directors

16.2.1 An alternate Director may act as alternate Director to more than one Director and has the same rights, in relation to any decision of the Directors, as the alternate's Appointor.

16.2.2 Alternate Directors.

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) are not deemed to be agents of or for their Appointors

and in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member

16.2.3 A person who is an alternate Director but not a Director

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating),
- (b) may participate in a unanimous decision of the Directors (but only if his Appointor is eligible to vote in relation to that decision but does not participate), and

- (c) shall not be counted as more than one Director for the purposes of Articles 16.2.3(a) and 16.2.3(b).

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

16.2.5 An alternate Director may be paid expenses and may be indemnified by the Company to the same extent as his Appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in Writing made to the Company.

16.3 Termination of alternate Directorship

An alternate Director's appointment as an alternate terminates:

- 16.3.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- 16.3.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director,
- 16.3.3 on the death of the alternate's Appointor, or
- 16.3.4 when the alternate's Appointor's appointment as a Director terminates.

17. DECISION-MAKING BY DIRECTORS

17.1 Directors to take decisions collectively

17.1.1 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 17.2.

17.1.2 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 these Articles relating to Directors' decision-making, including those set out in Article 17.5.

17.2 Unanimous decisions

- 17.2.1 A decision of the Directors is taken in accordance with this Article when all eligible Directors indicate to each other by any means that they share a common view on a matter.
- 17.2.2 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.
- 17.2.3 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.
- 17.2.4 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.

17.3 Calling a Directors' meeting

- 17.3.1 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
- 17.3.2 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.
- 17.3.3 Notice of a Directors' meeting must be given to each Director, but need not be in Writing
- 17.3.4 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 seven 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.

17.4 Participation in Directors' meetings

- 17.4.1 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

17.4.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

17.4.3 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.

17.5 Quorum for Directors' meetings

17.5.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

17.5.2 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.

17.5.3 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.

17.6 Chairing of Directors' meetings

17.6.1 The Directors may appoint a Director to chair their meetings.

17.6.2 The person so appointed for the time being is known as the "Chairman".

17.6.3 The Directors may terminate the Chairman's appointment at any time.

17.6.4 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.

17.7 Casting vote

17.7.1 If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting shall have a casting vote

17.7.2 Article 17.7 1 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.

18 CONFLICTS OF INTEREST OF DIRECTORS

- 18.1 Subject to the provisions of the Companies Act and provided that he has previously disclosed the nature and extent of such duty or interest to the Directors in accordance with the provisions of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 18.1.1 may vote at a Board meeting (or any committee of the Directors), and form part of a quorum present at that meeting, or participate in any decision making of the Directors in relation to such transaction or arrangement with the Company;
 - 18.1.2 may be a party to, or otherwise interested in, any such transaction or arrangement; and
 - 18.1.3 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 and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest nor shall the receipt of any remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 18.2 For the purposes of section 175 of the Companies Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company
- 18.3 Authorisation of a matter under Article 18.2 shall be effective only if:
- 18.3.1 the matter in question shall have been proposed in writing for consideration at a meeting of the Directors or in accordance with the Board's normal procedures or in such other manner as the Directors may approve;
 - 18.3.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the **"Interested Directors"**) save that if there are only two Directors holding office, the quorum for that part of the meeting dealing with the matter is to be authorised under Article 18.2, shall be any Director who is not interested in the matter and Article 17.5.2 shall be amended accordingly,
 - 18.3.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted; and
 - 18.3.4 in taking the decision, the Directors act in a way they consider, in good faith, will be most likely to promote the Company's success.
- 18.4 Any authorisation of a matter pursuant to Article 18.2 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

18.5 Any authorisation of a matter under Article 18.2 shall be subject to such conditions or limitations as the Directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently, and may be varied or terminated by the Directors (excluding the Interested Directors) at any time. Such conditions or limitations may include (without limitation):

18.5.1 (without prejudice to a Director's general obligations of confidentiality) the application to the interested Director of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the matter;

18.5.2 the exclusion of the interested Director from all information relating to, and discussion by the Company of, the matter; and

18.5.3 that, where the interested Director obtains (other 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 it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence

18.6 A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

18.7 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under Article 18.2 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

18.8 Subject to compliance by him with his duties as a Director under Part 10 of the Companies Act (other than the duty in section 175(1) of the Companies Act which is the subject of this Article 18.8), a Director (including the chairman of the Board (if any) and any other non-executive Director) may, at any time:

18.8.1 be an officer of, employed by, or hold Shares or other securities (whether directly or indirectly) in, the Company; or

18.8.2 be a Director or other officer of, employed by or hold Shares or other securities (whether directly or indirectly) in, or otherwise be interested, whether directly or indirectly, in any other Group Company,

(in either case a **"Group Company Interest"**) and notwithstanding his office or the existence of an actual or potential conflict between any Group Company Interest and the interests of the Company which would fall within the ambit of that section 175(1), the relevant Director

(a) shall be entitled to attend any meeting or part of a meeting of the Directors or a committee of the Directors at which any matter which may be relevant to the Group Company Interest may be discussed, and to vote on any resolution of the Directors or a committee thereof relating to such matter, and any board papers relating to such matter shall be provided to the relevant Director at

the same time as the other Directors (save that a Director may not vote on any resolution in respect of matters relating to his employment with the Company or other Group Company),

- (b) shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives in consequence of any Group Company Interest and any contract, transaction or arrangement relating to a Group Company Interest shall not be liable to be avoided on the grounds of any such benefit, and
- (c) will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him by virtue of his Group Company Interest and otherwise than by virtue of his position as a Director, if to do so would breach any duty of confidentiality to any other Group Company or third party.

18.9 Any Director who has a Group Company Interest shall, as soon as reasonably practicable following the relevant interest arising, disclose to the Board the existence of such interest and the nature and extent of such interest so far as the relevant Director is able at the time the disclosure is made provided that no such disclosure is required to be made of any matter in respect of which the relevant Director owes any duty of confidentiality to any third party. A disclosure made to the Board under this Article 18.9 may be made either at a meeting of the Board or by notice in Writing to the Company marked for the attention of the Directors.

18.10 Notwithstanding the provisions of Article 18.8, the Directors (excluding the Interested Directors) may at any time impose such conditions or limitations on the authorisations given under Article 18.8 and may vary or terminate any such authorisations in respect of a particular Group Company Interest.

19. DIVIDENDS

19.1 Procedure for declaring dividends

- 19.1.1 The Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim dividends.
- 19.1.2 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.
- 19.1.3 No dividend may be declared or Paid unless it is in accordance with Shareholders' respective rights.
- 19.1.4 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.
- 19.1.5 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 arrears

19.1.6 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.

19.1.7 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

19.2 Payment of dividends and other distributions

19.2.1 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.

19.2.2 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 Transmittree.

19.3 No interest on distributions

19.3.1 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