

**COMPANY HAVING A SHARE CAPITAL**

**MEMORANDUM OF ASSOCIATION  
OF**

**Proton Partners International Limited  
Company Number: 09420705**

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company and to take at least one share

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**Name of each subscriber**

**Authentication by each subscriber**

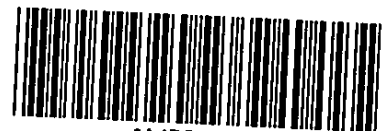
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Michael Moran

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Dated 03 February 2015

TUESDAY



A01 \*A4B5P7JD\* 07/07/2015 #238  
COMPANIES HOUSE

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**THE COMPANIES ACT 2006**

**Company Number: 09420705**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**Proton Partners International Limited**

**(Adopted by Special Resolution on 03 June 2015)**



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## CONTENTS

### CLAUSE/PART

PART 1	1
INTERPRETATION AND LIMITATION OF LIABILITY	1
1        Defined terms	1
2        Liability of members	6
PART 2	6
DIRECTORS	6
DIRECTORS' POWERS AND RESPONSIBILITIES	6
3        Directors' general authority	6
4        Change of Company name	7
5        Members' reserve power	7
6        Directors may delegate	7
7        Committees	7
DECISION-MAKING BY DIRECTORS	7
8        Directors to take decisions collectively	7
9        Directors' written resolutions	8
10        Unanimous decisions	8
11        Calling a directors' meeting	8
12        Participation in directors' meetings	9
13        Chairing of directors' meetings	9
14        Chairman's casting vote at directors' meetings	9
15        Quorum for directors' meetings	9
16        Directors' conflicts of interests	10
17        Records of decisions to be kept	12
18        Directors' discretion to make further rules	12
APPOINTMENT AND TERMINATION OF APPOINTMENT OF DIRECTORS	12
19        Number of directors	12
20        Methods of appointing directors	12
21        Termination of director's appointment	13
22        Directors' remuneration	13
23        Directors' expenses	13
ALTERNATE DIRECTORS	14
24        Appointment and removal of alternate directors	14
25        Rights and responsibilities of alternate directors	14
26        Termination of alternate directorship	15
SECRETARY	15
27        Appointment and removal of secretary	15

PART 3	15
SHARES AND DISTRIBUTIONS	15
SHARES	15
28        Further issues of shares authority	15
29        Further issues of shares pre-emption rights	16
30        Powers to issue different classes of share	18
31        Variation of class rights	18
32        Company's lien over shares	19
33        Enforcement of the company's lien	19
34        Call notices	20
35        Liability to pay calls	20
36        When call notice need not be issued	21
37        Failure to comply with call notice automatic consequences	21
38        Notice of intended forfeiture	22
39        Directors' power to forfeit shares	22
40        Effect of forfeiture	22
41        Procedure following forfeiture	23
42        Surrender of shares	23
43        Payment of commission on subscription for shares	24
44        Company not bound by less than absolute interests	24
45        Share certificates	24
46        Replacement share certificates	25
51        Exercise of transmitters' rights	38
52        Transmitters bound by prior notices	39
53        Procedure for disposing of fractions of shares	39
DIVIDENDS AND OTHER DISTRIBUTIONS	39
54        Procedure for declaring dividends	39
55        Calculation of dividends	40
56        Payment of dividends and other distributions	40
57        Deductions from distributions in respect of sums owed to the company	40
58        No interest on distributions	41
59        Unclaimed distributions	41
60        Non-cash distributions	41
61        Waiver of distributions	42
CAPITALISATION OF PROFITS	43
62        Authority to capitalise and appropriation of capitalised sums	43
PART 4	44
DECISION-MAKING BY MEMBERS	44
ORGANISATION OF GENERAL MEETINGS	44

63	Convening general meetings	44
64	Notice of general meetings	44
65	Resolutions requiring special notice	44
66	Attendance and speaking at general meetings	44
67	Quorum for general meetings	45
68	Chairing general meetings	45
69	Attendance and speaking by directors and non-members	45
70	Adjournment	46
	VOTING AT GENERAL MEETINGS	46
71	Voting general	46
72	Errors and disputes	47
73	Poll votes	47
74	Content of proxy notices	48
75	Delivery of proxy notices	49
76	Representation of corporations at meetings	50
77	Amendments to resolutions	50
	WRITTEN RESOLUTIONS	50
78	Written Resolutions	50
PART 5		50
	MISCELLANEOUS PROVISIONS	50
	COMMUNICATIONS	50
79	Means of communication to be used	50
	ADMINISTRATIVE ARRANGEMENTS	51
80	Company seals	51
81	No right to inspect accounts and other records	52
82	Provision for employees on cessation of business	52
	DIRECTORS' INDEMNITY AND INSURANCE	52
83	Indemnity	52
84	Insurance	53

## PART I

### INTERPRETATION AND LIMITATION OF LIABILITY

#### 1 Defined terms

1.1 In these Articles, unless the context requires otherwise

**Allocation Notice** has the meaning given in Article 47 3(a),

**Applicant** has the meaning given in Article 47 3(a),

**appointor** has the meaning given to that term in Article 24 1,

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

**Bad Leaver** means any Leaver who is not a Good Leaver,

**Bonus Issue or Reorganisation** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the Series A Shareholders) or any consolidation or sub-division or any repurchase or redemption of shares,

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

**Business Day** means days on which clearing banks are open for business in the city of London,

**Buyer** has the meaning given to that term in Article 48 12,

**CA 2006** means the Companies Act 2006,

**call** has the meaning given to that term in Article 34 1,

**call notice** has the meaning given to that term in Article 34 1,

**call payment date** has the meaning given to that term in Article 37 2 1,

**capitalised sum** has the meaning given to that term in Article 62 1 2,

**Cause** means a breach by an employee or consultant of the Company entitling the Company to terminate the employee's or the consultant's contract with the Company,

**chairman** has the meaning given to that term in Article 13 2,

**chairman of the meeting** has the meaning given to that term in Article 68,

**Clear Days** means (in relation to the period of a notice) that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect,

**Companies Acts** means the Companies Acts (as defined in section 2 of CA 2006), in so far as they apply to the Company,

**Company's lien** has the meaning given to that term in Article 32,

**Compulsory Transfer** means a transfer which is required to be made pursuant to Article 47 4,

**Continuing Shareholders** has the meaning given in Article 47 3(a),

**Conflict** has the meaning given to that term in Article 16 2,

**conflicted director** means a director who has, or could have, a Conflict in a situation involving the Company and consequently whose vote is not to be counted in respect of any resolution to authorise such Conflict and who is not to be counted as participating in the quorum for the meeting (or part of the meeting) at which such resolution is to be voted upon,

**corporate representative** has the meaning given to that term in Article 76,

**Deferred Shares** means deferred shares of 0 1p each in the capital of the Company,

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

**distribution recipient** has the meaning given to that term in Article 56 2,

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

**Drag Along Notice** has the meaning given in Article 48(c),

**Drag Along Right** has the meaning given in Article 48(a),

**Dragged Shareholders** has the meaning given in Article 48(a),

**Dragging Shareholders** has the meaning given in Article 48(b),

**Equity Shares** means the Shares in issue from time to time other than Deferred Shares,

**electronic form** has the meaning given to that term in section 1168 of CA 2006,

**Excess Securities** has the meaning given to that term in Article 29 3 2,

**Excess Shares** has the meaning given to that term in Article 48 11 1,

**Expert Valuers** has the meaning given in Article 47 5(a),

**Fair Value** means the price for a Share determined in accordance with Article 47 5(d),

**Family Trust** means a trust, whether arising under

- (a) a settlement inter vivos,
- (b) a testamentary disposition made by any person, or
- (c) intestacy,

in respect of which no beneficial interest in Shares is for the time being vested in any person other than an Employee or a Privileged Relation of an Employee and no power of control over the voting powers conferred by those Shares is for the time being exercisable by or subject to the consent of any person other than the Trustees or an Employee or a Privileged Relation of that Employee,

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

**Good Leaver** means a Manager who (a) becomes a Leaver because (i) he dies or terminates his consultancy agreement, (ii) he retires with the consent of the Company, (iii) is dismissed because he has suffered physical or mental deterioration (other than due to alcohol or drug abuse), which prevents him performing his duties, or (iv) is dismissed otherwise than for Cause, or (b) does not fall within any of the foregoing categories but nevertheless the Investors (in their discretion) designates him as a Good Leaver,

**Group** means in relation to a company (i) that company, (ii) any parent undertaking of which that company is a wholly owned subsidiary, and (iii) any wholly owned subsidiary undertaking of that company or of any such holding company, and a "Group Member" shall mean another company which is a member of that company's Group,

**First Offer Period** has the meaning given in Article 47 3(a),

**hard copy form** has the meaning given to that term in section 1168 of CA 2006,

**holder** in relation to shares means the person whose name is entered in the register of members as the holder of the shares or, in the case of a share in respect of which a share warrant has been issued (and not cancelled), the person in possession of that warrant,

**Incoming Shareholder** has the meaning given in Article 48(i),

**Initial Surplus Shares** has the meaning given in Article 47 3(d),

**instrument** means a document in hard copy form,

**Investment Fund** means any person holding Shares (including any beneficial interest in shares) for investment purposes and not being an Employee or Permitted Transferee of an Employee,

**Investor Associates** means the Investor's partners, trustees, shareholders, unitholders and other participants, any management company authorised from time to time to act on behalf of the Investor, and any Group Members of the Investor,

**Investor Group** means in relation to any corporate investor, VAT investor and its associated companies from time to time,

**Leaver** means a Manager who ceases to be employed or to act as a consultant to the Company,

**lien enforcement notice** has the meaning given to that term in Article 33,

**Managers** means Mike Moran MBE and/or Professor Karol Sikora,

**Market Value** has the meaning given to that term in Article 48 4 1,

**member** has the meaning given to that term in section 112 of CA 2006,

**Model Articles** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these Articles,

**New Securities** means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the date of adoption of Article 29D (other than shares or securities issued as a result of the operation of Article 29D or under a share option scheme operated by the Company or shares issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by the Investors),



**non-conflicted director** means any director who is not a conflicted director,

**Offer Notice** has the meaning given to that term in Articles 48 9 and 48 10,

**ordinary resolution** has the meaning given to that term in section 282 of CA 2006,

**Original Shareholder** has the meaning given in Article 47 2,

**paid** means paid or credited as paid,

**participate**, in relation to a directors' meeting, has the meaning given to that term in Article 12,

**partly-paid** in relation to a share means that part of that share's nominal value or any premium at which it was issued has not been paid to the Company,

**Permitted Investor Transferee** means in relation to any holder of W Investor Shares or any interest in them (such holder being for these purposes as an investor)

- (a) any member for the time being of its Investor Group,
- (b) any body corporate or other entity controlled by that Investor or another member of its Investor Group or any investment manager or advise that investor and/or member or which immediately following the transfer of W Investor Shares concerned with be such a body corporate,
- (c) any investment fund or trust or partnership or mandate controlled or managed or advised (in an investment adviser capacity) or promoted by (i) that Investor or (ii) another member of its Investor Group or (iii) any investment manager or advisor of that Investor and/or any such group member,
- (d) any trustee or manager or beneficiary or shareholder or partner or investor or umiholder or other participant in or of that investor or any investment fund or trust or partnership or mandate referred to in paragraph (c) above,
- (e) any directors or employees of that W Investor or a member of its Investor Group or any trust or carried interest or similar partnership in which they or any of them participate, or
- (f) a nominee or custodian for any of the above,

**Permitted Transfer** means a transfer of Shares permitted in accordance with Article 47 2,

**persons entitled** has the meaning given to that term in Article 62 1 2,

**Privileged Relation** means in relation to a Shareholder who is an individual member or deceased or former member means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate children and their issue),

**Proposed Sale Price** has the meaning given to that term in Article 48 2 3,

**Proposed Seller** means a person proposing to transfer any Shares,

**proxy notice** has the meaning given to that term in Article 74 2,

**proxy notification address** has the meaning given to that term in Article 75 1,

**relevant officer** has the meaning given to that term in Articles 83 3 2 or 84 2 1, as the case may be,

**relevant loss** has the meaning given to that term in Article 84 2 2,

**relevant rate** has the meaning given to that term in Article 37 2 2,

**Sale Price** has the meaning given to that term in Article 48 4,

**Sale Shares** has the meaning given in Article 47 3(a)(i),

**Second Offer Period** has the meaning given in Article 47 3(a),

**Second Surplus Shares** has the meaning given in Article 47 3(c),

**Seller** has the meaning given to that term in Article 48 1,

**shares** means shares in the Company,

**special resolution** has the meaning given to that term in section 283 of CA 2006,

**Starting Price** means £1 00 (if applicable, adjusted as referred to in Article 29D 3),

**subsidiary** has the meaning given to that term in section 1159 of CA 2006,

**Tag Along Notice** has the meaning given in Article 49(b),

**Tag Offer** has the meaning given in Article 49(c),

**Tagging Shareholder** has the meaning given in Article 49(b),

**Total Transfer Condition** has the meaning given to that term in Article 48 2 5,

**transfer** or **transferring** has the meaning given to those terms respectively in Article 47 1,

**Transfer Completion** means in respect of a transfer of Shares, formal completion of such transfer,

**Transfer Notice** has the meaning given in Article 47 3(a),

**Transfer Price** has the meaning given in Article 47 3(a)(ii),

**transmittee** means a person entitled to a share by reason of the death or bankruptcy of a holder or otherwise by operation of law,

**Trustees** means in relation to a Shareholder, the trustee or the trustees of a Family Trust of that Shareholder,

**United Kingdom** means Great Britain and Northern Ireland,

**Valuers** means the auditors for the time being of the Company, unless the auditors give notice to the Company that they decline an instruction to report on the matter in question, when the Valuers shall be a firm of chartered accountants agreed between the Seller and the directors or, in default of such agreement within 10 working days following the notice from the auditors declining to report, as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of any such party, and

**WEIF** means CF Woodford Equity Income Fund,

**WEIF Shares** means any shares held from time to time by WEIF,

**WIM** means Woodford Investment Management LLP,

**W Investor** means WEIF and/or WPCT (acting by its investment manager WIM) together with WLSIF,

**W Investor Shares** means any shares held from time to time by the W Investors,

**WPCT** means Woodford Patient Capital Trust PLC, and

**writing** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in CA 2006 as in force on the date when these Articles become binding on the Company shall have the same meanings in these Articles

1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

1 4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time and shall include any orders, regulations or subordinate legislation from time to time made under it and any amendment or re-enactment of it or any such orders, regulations or subordinate legislation for the time being in force

1 5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

1 6 No regulations set out in any statute or in any statutory instrument or other subordinate legislation concerning companies, including but not limited to the Model Articles, shall apply to the Company, but the following shall be the articles of association of the Company

## 2 **Liability of members**

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

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS' POWERS AND RESPONSIBILITIES**

## 3 **Directors' general authority**

Subject to the Articles and to the applicable provisions for the time being of the Companies Acts, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company

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**4 Change of Company name**

Without prejudice to the generality of Article 3, the directors may resolve in accordance with Article 8 to change the Company's name

**5 Members' reserve power**

5 1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action

5 2 No such special resolution invalidates anything which the directors have done before the passing of the resolution

**6 Directors may delegate**

6 1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles

6 1 1 to such person or committee,

6 1 2 by such means (including by a power of attorney),

6 1 3 to such an extent,

6 1 4 in relation to such matters or territories, and

6 1 5 on such terms and conditions,

as they think fit

6 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

6 3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

**7 Committees**

7 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

7 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

7 3 Where a provision of the Articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee

**DECISION-MAKING BY DIRECTORS**

**8 Directors to take decisions collectively**

8 1 The general rule about decision-making by directors is that any decision of the directors must be taken as a majority decision at a meeting or as a directors' written resolution in accordance with

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Article 9 (Directors' written resolutions) or otherwise as a unanimous decision taken in accordance with Article 10 (Unanimous decisions)

8 2 If

8 2 1 the Company only has one director for the time being, and

8 2 2 no provision of the Articles requires it to have more than one director,

the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making

8 3 Subject to the Articles, each director participating in a directors' meeting has one vote

## 9 **Directors' written resolutions**

9 1 Any director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors (including alternate directors)

9 2 If the company has appointed a company secretary, the company secretary must propose a directors' written resolution if a director so requests by giving notice in writing to each of the other directors (including alternate directors)

9 3 Notice of a proposed directors' written resolution must indicate

9 3 1 the proposed resolution, and

9 3 2 the time by which it is proposed that the directors should adopt it

9 4 A proposed directors' written resolution is adopted when a majority of the non-conflicted directors (or their alternates) have signed one or more copies of it, provided that those directors (or their alternates) would have formed a quorum at a directors' meeting were the resolution to have been proposed at such meeting

9 5 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles

## 10 **Unanimous decisions**

10 1 A decision of the directors is taken in accordance with this Article 10 when all non-conflicted directors indicate to each other by any means that they share a common view on a matter

10 2 A decision may not be taken in accordance with this Article 10 if the non-conflicted directors would not have formed a quorum at a directors' meeting had the matter been proposed as a resolution at such a meeting

10 3 Once a directors' unanimous decision is taken in accordance with this Article 10 it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles

## 11 **Calling a directors' meeting**

11 1 Any director may call a directors' meeting by giving notice of the meeting to each of the directors (including alternate directors), whether or not he is absent from the United Kingdom, or by authorising the company secretary (if any) to give such notice

11 2 Notice of any directors' meeting must indicate

- 
- 11 2 1 its proposed date and time,
    - 11 2 2 where it is to take place, and
    - 11 2 3 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
  - 11 3 Subject to Article 11 4, notice of a directors' meeting must be given to each director but need not be in writing
  - 11 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 prior to or up to and including 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
- 12 Participation in directors' meetings**
- 12 1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when
    - 12 1 1 the meeting has been called and takes place in accordance with the Articles, and
    - 12 1 2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
  - 12 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
  - 12 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
- 13 Chairing of directors' meetings**
- 13 1 The directors may appoint a director to chair their meetings
  - 13 2 The person so appointed for the time being is known as the chairman
  - 13 3 The directors may terminate the chairman's appointment at any time
  - 13 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
- 14 Chairman's casting vote at directors' meetings**
- 14 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote
  - 14 2 Article 14 1 does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director chairing the meeting is a conflicted director for the purposes of that meeting (or that part of that meeting at which the proposal is voted upon)
- 15 Quorum for directors' meetings**
- 15 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
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15 2 Subject to Article 15 3, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors but it must never be less than two directors, and unless otherwise fixed it is two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. If and so long as there is a sole director, he may exercise all the powers and authorities vested in the directors by these Articles and accordingly the quorum for the transaction of business in these circumstances shall be one.

15 3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 16 (Directors' conflicts of interests) to authorise a director's Conflict, if there is only one non-conflicted director in office in addition to the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one non-conflicted director.

## 16 Directors' conflicts of interests

16 1 For the purposes of this Article 16, a **conflict of interest** includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

16 2 The directors may, in accordance with the requirements set out in this Article 16, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of CA 2006 to avoid conflicts of interest (such matter being hereinafter referred to as a **Conflict**).

16 3 A director seeking authorisation in respect of a Conflict shall declare to the other directors the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The director shall provide the other directors with such details of the relevant matter as are necessary for the other directors to decide how to address the Conflict, together with such other information as may be requested by the other directors.

16 4 Any authorisation under this Article 16 will be effective only if

16 4 1 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,

16 4 2 any requirement as to the quorum at any meeting of the directors at which the matter is considered is met without counting the director in question and any other conflicted director(s), and

16 4 3 the matter was agreed to without the director and any other conflicted director(s) voting or would have been agreed to if their votes had not been counted.

16 5 Any authorisation of a Conflict under this Article 16 may (whether at the time of giving the authorisation or subsequently)

16 5 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised,

16 5 2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, or

16 5 3 be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

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- 16 6 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to
- 16 6 1 disclose such information to the directors or to any director or other officer or employee of the Company, or
- 16 6 2 use or apply any such information in performing his duties as a director,
- where to do so would amount to a breach of that confidence
- 16 7 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director
- 16 7 1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,
- 16 7 2 is not given any documents or other information relating to the Conflict,
- 16 7 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict
- 16 8 Where the directors authorise a Conflict
- 16 8 1 the director will be obliged to conduct himself in accordance with any terms, limits and/or conditions imposed by the directors in relation to the Conflict,
- 16 8 2 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of CA 2006 provided he acts in accordance with such terms, limits and/or conditions (if any) as the directors impose in respect of its authorisation
- 16 9 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 receives as director or other officer or employee of the Company's subsidiaries or of any other body corporate in which the Company is interested or which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of CA 2006
- 16 10 Subject to the applicable provisions for the time being of the Companies Acts and to any terms, limits and/or conditions imposed by the directors in accordance with Article 16 5 2, and provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with the Companies Acts, a director notwithstanding his office
- 16 10 1 may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested,
- 16 10 2 shall be counted as participating for voting and quorum purposes in any decision in connection with any proposed or existing transaction or arrangement with the Company, in which he is in any way directly or indirectly interested,
- 16 10 3 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,
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- 16 10 4 may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and
- 16 10 5 shall not, by reason of his office, be accountable to the Company for any benefit which he (or anyone connected with him (as defined in section 252 of CA 2006) derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, nor shall the receipt of any such remuneration or benefit constitute a breach of his duty under section 176 of CA 2006
- 16 11 For the purposes of this Article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
- 16 12 Subject to Article 16 13, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive
- 16 13 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes
- 17 **Records of decisions to be kept**
- 17 1 The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded, of every unanimous or majority decision taken by the directors
- 17 2 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye
- 18 **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
- APPOINTMENT AND TERMINATION OF APPOINTMENT OF DIRECTORS**
- 19 **Number of directors**
- Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one
- 20 **Methods of appointing directors**
- 20 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
- 20 1 1 by ordinary resolution, or
- 20 1 2 by a decision of the directors
- 20 2 In any case where, as a result of death or bankruptcy, the Company has no members and no directors, the transmittee(s) of the last member to have died or to have a bankruptcy order made

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against him (as the case may be) shall have the right, by notice in writing, to appoint a person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

- 20 3 For the purposes of Article 20 2, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member

## **21 Termination of director's appointment**

- 21 1 A person ceases to be a director as soon as

- 21 1 1 that person ceases to be a director by virtue of any provision of CA 2006 or is prohibited from being a director by law,
- 21 1 2 a bankruptcy order is made against that person,
- 21 1 3 a composition is made with that person's creditors generally in satisfaction of that person's debts and the Company resolves that his office be vacated,
- 21 1 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, or
- 21 1 5 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

## **22 Directors' remuneration**

- 22 1 Directors may undertake any services for the Company that the directors decide

- 22 2 Directors are entitled to such remuneration as the directors determine

- 22 2 1 for their services to the Company as directors, and
- 22 2 2 for any other service which they undertake for the Company

- 22 3 Subject to the Articles, a director's remuneration may

- 22 3 1 take any form, and
- 22 3 2 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

- 22 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day

## **23 Directors' expenses**

- 23 1 The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary (if any) properly incur in connection with their attendance at

- 23 1 1 meetings of directors or committees of directors,
  - 23 1 2 general meetings, or
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23 1 3 separate meetings of the holders of any class of shares or of debentures of the Company,

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

#### **ALTERNATE DIRECTORS**

#### **24 Appointment and removal of alternate directors**

24 1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

24 1 1 exercise that director's powers, and

24 1 2 carry out that director's responsibilities,

24 1 3 in relation to the taking of decisions by the directors in the absence of the alternate's appointor

24 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

24 3 The notice must

24 3 1 identify the proposed alternate, and

24 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

#### **25 Rights and responsibilities of alternate directors**

25 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

25 2 Except as the Articles specify otherwise, alternate directors

25 2 1 are deemed for all purposes to be directors,

25 2 2 are liable for their own acts and omissions,

25 2 3 are subject to the same restrictions as their appointors (including those set out in sections 172 to 177 CA 2006 inclusive and Article 16), and

25 2 4 are not deemed to be agents of or for their appointors,

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

25 3 A person who is an alternate director but not a director

25 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating and provided that no alternate may be counted as more than one director for these purposes),

- 25 3 2 may participate in a unanimous decision of the directors (but only if his appointor does not participate), and
- 25 3 3 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor)
- 25 4 A director who is also an alternate director is entitled, in the absence of any of his appointors, to a separate vote on behalf of that appointor, in addition to his own vote on any decision of the directors but he shall count as only one for the purpose of determining whether a quorum is present
- 25 5 An alternate director is not 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

**26 Termination of alternate directorship**

An alternate director's appointment as an alternate for any appointor terminates

- 26 1 when that appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- 26 2 when notification is received by the Company from the alternate that the alternate is resigning as alternate for that appointor and such resignation has taken effect in accordance with its terms,
- 26 3 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to that appointor, would result in the termination of that appointor's appointment as a director,
- 26 4 on the death of that appointor, or
- 26 5 when the alternate's appointor's appointment as a director terminates

**SECRETARY**

**27 Appointment and removal of secretary**

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

**PART 3**

**SHARES AND DISTRIBUTIONS**

**SHARES**

**28 Further issues of shares: authority**

- 28 1 The following paragraphs of this Article 28 shall not apply to a private company with only one class of shares
- 28 2 Subject to Article 28 1 and save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company
- 28 3 Subject to the remaining provisions of this Article 28 and to Article 29 (Further issues of shares pre-emption rights) and to any directions which may be given by the Company in general

meeting, the directors are generally and unconditionally authorised, for the purpose of section 551 of CA 2006 to exercise any power of the Company to

28 3 1 offer or allot,

28 3 2 grant rights to subscribe for or to convert any security into,

28 3 3 otherwise create, deal in, or dispose of,

any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper

28 4 The authority referred to in Article 28 3

28 4 1 shall be limited to a maximum nominal amount of £1,000,

28 4 2 shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution, and

28 4 3 may only be exercised for a period of five years commencing on the date on which the Company is incorporated or these Articles are adopted whichever is the later, 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)

## 29 Further issues of shares pre-emption rights

29 1 In accordance with section 567(1) of CA 2006, sections 561 and 562 of CA 2006 shall not apply to an allotment of equity securities (as defined in section 560(1) of CA 2006) made by the Company

29 2 Unless otherwise agreed by special resolution, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all members on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to such other person on a pari passu basis and pro rata to the nominal value of shares held by those members (as nearly as possible without involving fractions)

29 3 The offer

29 3 1 shall be in writing, shall be open for acceptance for a period of fifteen working days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities, and

29 3 2 may stipulate that any member who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe

29 4 Any equity securities not accepted by members pursuant to the offer made to them in accordance with Articles 29 2 and 29 3 shall be used for satisfying any requests for Excess Securities made pursuant to Article 29 3 2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants as nearly as practicable in the proportion that the number of Excess Securities each member indicated he would accept bears to the total number of Excess Securities applied for (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any member beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person

as the directors may determine, at the same price and on the same terms as the offer to the members

## 29D Anti-Dilution

29D 1 If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a "**Qualifying Issue**") (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall issue to each of the Investors a number of new Ordinary Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 29D 3 (the "**Anti-Dilution Shares**")

$$N = \left( \left( \frac{SIP}{WA} \right) \times Z \right) - Z$$

Where

N= Number of Anti-Dilution Shares to be issued to the Investor

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = Starting Price

ESC = the number of Equity Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to the Qualifying Issue

QISP = the lowest per share price of the New Securities issued pursuant to the Qualifying Issue (which in the event that that New Security is not issued for cash shall be the sum certified by the Auditors acting as experts and not arbitrators as being in their opinion the current cash value of the non cash consideration for the allotment of the New Security)

NS = the number of New Securities issued pursuant to the Qualifying Issue

Z = the number of Ordinary Shares held by the Investor prior to the Qualifying Issue

29D 2 The Anti-Dilution Shares shall

- (a) be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful in which event the Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par and the entitlement of such Investors to Anti-Dilution Shares shall be increased by adjustment to

the formula set out in Article 29D 1 so that the Investors shall be in no worse position than if they had not so subscribed at par. In the event of any dispute between the Company and any Investor as to the effect of Article 29D 1 or this Article 29D 2, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Investor, and

- (b) subject to the payment of any cash payable pursuant to Article 29D 2(a) (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing Ordinary Shares, within five Business Days of the expiry of the offer being made by the Company to the Investor and pursuant to Article 29D 2(a)

29D 3 In the event of any Bonus Issue or Reorganisation, the Starting Price shall also be subject to adjustment on such basis as may be agreed by the Company with the Investors within 10 Business Days after any Bonus Issue or Reorganisation. If the Company and the Investors cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of the Shareholders. The costs of the Auditors shall be borne by the Company.

### **30 Powers to issue different classes of share**

- 30 1 Subject to these 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.
- 30 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.

### **31 Variation of class rights**

- 31 1 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any 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 of the holders of the issued shares of that class given in accordance with Article 31 2.
- 31 2 The consent of the holders of a class of shares may be given by
  - 31 2 1 a special resolution passed at a separate general meeting of the holders of the issued shares of that class, or
  - 31 2 2 a written resolution in any form signed by or on behalf of the holders of three-quarters in nominal value of the issued shares of that class,

but not otherwise. To every such meeting, all the provisions of these Articles and CA 2006 relating to general meetings of the Company shall apply (with such amendments as may be necessary to give such provisions efficacy) but so that the necessary quorum shall be two holders of shares of the relevant class present in person or by proxy and holding or representing not less than one third in nominal value of the issued shares of the relevant class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and that any holder of shares of the class, present in person or by proxy or (being a corporation) by a duly authorised representative, may demand a poll. If at any adjourned

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meeting of such holders such a quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum

**32 Company's lien over shares**

The Company has a lien (**Company's lien**) over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future and whether or not a call notice has been sent in respect of it

**32 1 The Company's lien over a share**

32 1 1 takes priority over any third party's interest in that share, and

32 1 2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share

32 2 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

**33 Enforcement of the company's lien**

**33 1 Subject to the provisions of this Article 33, if**

33 1 1 a lien enforcement notice has been given in respect of a share, and

33 1 2 the person to whom the notice was given has failed to comply with it,

the Company may sell that share in accordance with Article 41 5

**33 2 A lien enforcement notice**

33 2 1 may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,

33 2 2 must specify the share concerned,

33 2 3 must be in writing and require payment of the sum payable within fourteen days of the notice,

33 2 4 must be addressed either to the holder of the share or to a transmittee of that holder, and

33 2 5 must state the Company's intention to sell the share if the notice is not complied with

**33 3 Where shares are sold under this Article 33**

33 3 1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and

33 3 2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

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33 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

33 4 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,

33 4 2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien for any money payable (whether payable immediately or at some time in the future) as existed over the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice

33 5 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary (as the case may be) and that a share has been sold to satisfy the Company's lien on a specified date

33 5 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

33 5 2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

#### 34 Call notices

34 1 Subject to the Articles and the terms on which shares are allotted, the directors may send a notice (**call notice**) to a member requiring the member to pay the Company a specified sum of money (**call**) which is payable by that member to the Company at the date when the directors decide to send the call notice

34 2 A call notice

34 2 1 must be in writing,

34 2 2 may not require a member to pay a call which exceeds the total amount of his indebtedness or liability to the Company,

34 2 3 must state when and how any call to which it relates it is to be paid, and

34 2 4 may permit or require the call to be paid by instalments

34 3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before fourteen days have passed since the notice was sent

34 4 Before the Company has received any call due under a call notice the directors may

34 4 1 revoke it wholly or in part, or

34 4 2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose shares the call is made

#### 35 Liability to pay calls

35 1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid

- 35 2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share
- 35 3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them

- 35 3 1 to pay calls which are not the same, or

- 35 3 2 to pay calls at different times

### 36 When call notice need not be issued

- 36 1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share

- 36 1 1 on allotment,

- 36 1 2 on the occurrence of a particular event, or

- 36 1 3 on a date fixed by or in accordance with the terms of issue

- 36 2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

### 37 Failure to comply with call notice: automatic consequences

- 37 1 If a person is liable to pay a call and fails to do so by the call payment date

- 37 1 1 the directors may issue a notice of intended forfeiture to that person, and

- 37 1 2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate

- 37 2 For the purposes of this Article 37

- 37 2 1 the **call payment date** is the time when the call notice states that a call is payable, unless the directors give a notice in writing specifying a later date, in which case the **call payment date** is that later date,

- 37 2 2 the **relevant rate** is

- 37 2 2 1 the rate fixed by the terms on which the share in respect of which the call is due was allotted,

- 37 2 2 2 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or

- 37 2 2 3 if no rate is fixed in either of these ways, five per cent (5%) per annum

- 37 3 The relevant rate must not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998

- 37 4 The directors may waive any obligation to pay interest on a call wholly or in part

### **38 Notice of intended forfeiture**

#### **38 1 A notice of intended forfeiture**

- 38 1 1** must be in writing,
- 38 1 2** may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,
- 38 1 3** must be sent to the holder of that share (or, in the case of joint holders of a share in accordance with Article 79 6) or to a transmittee of that holder in accordance with Article 79 7,
- 38 1 4** must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than fourteen days after the date of the notice,
- 38 1 5** must state how the payment is to be made, and
- 38 1 6** must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited

### **39 Directors' power to forfeit shares**

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

### **40 Effect of forfeiture**

#### **40 1 Subject to the Articles, the forfeiture of a share extinguishes**

- 40 1 1** all interests in that share, and all claims and demands against the Company in respect of it, and
- 40 1 2** all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company

#### **40 2 Any share which is forfeited in accordance with the Articles**

- 40 2 1** is deemed to have been forfeited when the directors decide that it is forfeited,
- 40 2 2** is deemed to be the property of the Company, and
- 40 2 3** may be sold, re-allotted or otherwise disposed of as the directors think fit in accordance with Article 41 5

#### **40 3 If a person's shares have been forfeited**

- 40 3 1** the Company must send that person written notice that forfeiture has occurred and record it in the register of members,
- 40 3 2** that person ceases to be a member in respect of those shares,
- 40 3 3** that person must surrender the certificate for the shares forfeited to the Company for cancellation,

- 40 3 4 that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
- 40 3 5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- 40 4 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit

#### **41 Procedure following forfeiture**

- 41 1 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer
- 41 2 A statutory declaration by a director or the Company secretary (if any) that the declarant is a director or the Company secretary (as the case may be) and that a share has been forfeited on a specified date
  - 41 2 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
  - 41 2 2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share
- 41 3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share
- 41 4 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which
  - 41 4 1 was, or would have become, payable, and
  - 41 4 2 had not, when that share was forfeited, been paid by that person in respect of that share,but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them
- 41 5 All shares to be sold in the enforcement of the company's lien or rights of forfeiture shall be offered in accordance with Article 48 (Voluntary Transfers) as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Seller the holder of those shares save that the Sale Price shall be the Market Value of those shares and the Transfer Notice shall be deemed not to contain a Total Transfer Condition

#### **42 Surrender of shares**

- 42 1 A member may surrender any share
  - 42 1 1 in respect of which the directors may issue a notice of intended forfeiture,
  - 42 1 2 which the directors may forfeit, or

- 42 1 3 which has been forfeited
  - 42 2 The directors may accept the surrender of any such share
  - 42 3 The effect of surrender on a share is the same as the effect of forfeiture on that share
  - 42 4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited
- 43 **Payment of commission on subscription for shares**
  - 43 1 The Company may pay any person a commission in consideration for that person
    - 43 1 1 subscribing, or agreeing to subscribe, for shares, or
    - 43 1 2 procuring, or agreeing to procure, subscriptions for shares
  - 43 2 Any such commission may be paid
    - 43 2 1 in cash, or in fully paid or partly paid shares or other securities or partly in one way and partly in the other, and
    - 43 2 2 in respect of a conditional or an absolute subscription
- 44 **Company not bound by less than absolute interests**
  - 44 1 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
- 45 **Share certificates**
  - 45 1 The Company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds
  - 45 2 Every certificate must specify
    - 45 2 1 in respect of how many shares, of what class, it is issued,
    - 45 2 2 the nominal value of those shares,
    - 45 2 3 the extent to which shares are paid up, and
    - 45 2 4 any distinguishing numbers assigned to them
  - 45 3 No certificate may be issued in respect of shares of more than one class
  - 45 4 If more than one person holds a share, only one certificate may be issued in respect of it
  - 45 5 Certificates must
    - 45 5 1 have affixed to them the Company's common seal, or
    - 45 5 2 be otherwise executed in accordance with the Companies Acts

## **46 Replacement share certificates**

- 46 1 If a certificate issued in respect of a member's shares is
- 46 1 1 damaged or defaced, or
  - 46 1 2 said to be lost, stolen or destroyed,
- that member is entitled to be issued with a replacement certificate in respect of the same shares
- 46 2 A member exercising the right to be issued with such a replacement certificate
- 46 2 1 may at the same time exercise the right to be issued with a single certificate or separate certificates,
  - 46 2 2 must return the certificate which is to be replaced to the Company if it is damaged or defaced, and
  - 46 2 3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide
- 46 3 The Company may retain any instrument of transfer which is registered
- 46 4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it

## **47 Share Transfers**

- 47 1 General
- (a) No person shall transfer any Share nor shall any person purport to transfer or enter into any commitment or agreement in respect of the transfer of any Share, save as permitted in accordance with the following
- (i) where the prior written consent of all of the Shareholders is obtained for the relevant transfer (but for the avoidance of doubt, such consent is to be given at each Shareholder's absolute discretion and without having to provide reasons),
  - (ii) a Permitted Transfer made in accordance with Article 47 2,
  - (iii) a transfer made in accordance with Article 47 3 (whereby a right of first refusal is afforded to other Shareholders),
  - (iv) a Compulsory Transfer which is required to be made in accordance with Article 47 4,
  - (v) a transfer to a Proposed Purchaser pursuant to a Drag Along Notice made in accordance with Article 48, or
  - (vi) a transfer to a Proposed Purchaser pursuant to a Tag Along Notice made in accordance with Article 49
- (b) If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles, such act shall be void and have no legal effect nor confer any legal or beneficial rights

on the purported beneficiary or recipient, [and that Shareholder will be deemed immediately to have served a Transfer Notice in respect of all Shares held by it]

- (c) The Board may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company, in a form that the Board may reasonably require, a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document), and if any such condition is imposed the transfer may not be registered unless the deed has been executed and delivered by the transferee
- (d) Without prejudice to Model Article 26(5), the Board may in particular refuse to register a transfer of a Share if
  - (i) the transfer is in respect of more than one class of Share,
  - (ii) the transfer is in favour of more than four transferees,
  - (iii) the transfer is to a bankrupt, trustee in bankruptcy a minor or a person of unsound mind, or
  - (iv) the transfer is to an Employee (other than a consultant), or prospective employee or director, and such person has not entered in a joint Section 431 ITEPA election with the Company
- (e) Where reference is made in these Articles to a Shareholder giving or being deemed to have given a Transfer Notice in respect of its Shares, such reference shall be construed as relating to all Shares held by that Shareholder together with all Shares held by its nominees and Permitted Transferees, and that Shareholder shall procure that each of its nominees and Permitted Transferees takes such action and executes such notices and documents as may be required to give full effect to the provisions of these Articles
- (f) No Manager shall be permitted to transfer his Shares for period of two years from the date of adoption of this Article 47 1 (f) other than (i) with the prior written consent of the W Investors or (ii) in accordance with the other provisions of the Company's Article of Association

#### 47 2 Permitted Transfers

- (a) A "**Permitted Transfer**" shall mean a transfer of a Share by a Shareholder (the "**Original Shareholder**") to a Permitted Transferee or a transfer of a share by a W Investor to a Permitted Investor Transferee made fully in accordance with the provisions of this Article 47 2
- (b) A Shareholder shall be entitled to make a Permitted Transfer without restriction as to price or otherwise, and without being subject to the right of first refusal provisions set out in Article 47 3, but subject to Article 47 1(d)
- (c) In respect of any shareholder which is a fund or otherwise holds investments on behalf of a fund each of the following shall be a Permitted Transferee
  - (i) any Investor Associate,

- (ii) any Investment Fund managed or advised by the same manager or adviser as that Shareholder, or any Group Member of that manager or adviser,
  - (iii) any Investment Fund which acquires all or substantially all of the securities held by that Shareholder in both the Company and all or substantially all of its other portfolio companies, or
  - (iv) any bare trustee or nominee of that Shareholder (or of any other Permitted Transferee under this paragraph (d))
- (d) In respect of any Shareholder, each of the following shall be a Permitted Transferee
  - (i) a Privileged Relation of that Shareholder but subject to paragraphs (g, h and i) below,
  - (ii) the Trustees of a Family Trust of that Shareholder and, on a change of trustees, the new trustees of the same Family Trust but subject to paragraph (f) below
- (e) Any Manager may with the prior written consent of the W Investors transfer up to a maximum of 20% of such Manager's Shares within the first six months following adoption of this Article 47 2 (e) to Permitted Transferees for the purpose of tax/estate planning. If any person or entity to whom a Manager has made a Permitted Transfer ceases to be a Permitted Transferee, a compulsory transfer notice shall have deemed to have been given by such Permitted Transferee in accordance with Article 47 4
- (f) No transfer of Shares shall be made to the Trustees of a Family Trust save where the following conditions have been fulfilled to the satisfaction of the Directors
  - (i) the prior consent of the Directors has been obtained having regard to
    - (A) the terms of the trust instrument relating to that Family Trust and in particular the powers of the trustees pursuant to that instrument, and
    - (B) the identity of the proposed trustees,
  - (ii) if and whenever the relevant Shares are to cease to be held by a Family Trust, the Trustees shall be bound to serve a Transfer Notice,
  - (iii) it shall be a term of any such transfer that the transferring Shareholder shall retain the right to vote for any Shares so transferred
- (g) If a transferee is a Permitted Transferee by virtue of being a Group Member of the Original Shareholder and subsequently ceases to be a Group Member, the Permitted Transferee must not later than 10 Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Group Member of the Original Shareholder (which in either case is not in liquidation), such transfer to be without restriction as to price, otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares
- (h) If a transferee is a Permitted Transferee by virtue of being a spouse or civil partner of the Original Shareholder and subsequently ceases to be a spouse or civil partner of the Original Shareholder (whether by reason of divorce or otherwise) such transferee must, within 10 Business Days of so ceasing either



- (i) execute and deliver to the Company a transfer of the relevant Shares to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or
- (ii) give a Transfer Notice to the Company in accordance with Article 47.3 in respect of such Shares,

failing which such transferee shall be deemed to have given a Transfer Notice in respect of such Shares

- (i) Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal personal representatives of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case such transfer being without restriction as to price or otherwise. Shares previously transferred as permitted by this paragraph (i) may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- (j) On the death (subject to paragraph (i) above), bankruptcy, liquidation, administrator or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver, must within 5 Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver (as the case may be) execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee, such transfer being without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within 5 Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, the personal representative or trustee in bankruptcy or liquidator will be deemed to have given a Transfer Notice in respect of such Shares.

#### 47.3 Transfers subject to right of first refusal

- (a) A Proposed Seller proposing to transfer Shares under this Article 47.3 shall before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying
  - (i) the number of Shares which the Proposed Seller wishes to transfer (the "**Sale Shares**"),  
  
if the Proposed Seller wishes to transfer the Sale Shares to a third party, the name of the proposed transferee, and
  - (ii) the price (in cash) at which the Proposed Seller wishes to transfer the Sale Shares, which will be deemed to be the Fair Value of the Sale Shares if no cash price is agreed between the Proposed Seller and the Board (including the Investor Directors) (the "**Transfer Price**")
- (b) Except with the written consent of the Investor, or as provided in Article 47.5(f), no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

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- (c) A Transfer Notice constitutes the Company the agent of the Proposed Seller for the sale of the Sale Shares at the Transfer Price
  - (d) As soon as practicable following the later of
    - (i) receipt of a Transfer Notice, and
    - (ii) in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price,the Board shall offer the Sale Shares for sale to the Shareholders (other than the Proposed Seller) in the manner set out in paragraphs (e) to (n) (inclusive) below. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

***Transfers First Offer***

- (a) The Board shall offer the Sale Shares to the appropriate Shareholders (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy.
- (b) If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which its existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders applying for Sale Shares, but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy.
- (c) If not all Sale Shares are allocated in accordance with paragraph (b) above but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in paragraph (l) above.
- (d) If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with paragraph (k) below.

***Transfers Second Offer***

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

- (c) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the "Second Surplus Shares") may be offered to any other person in accordance with paragraph (p) below

***Completion of transfer of Sale Shares***

- (a) If allocations have been made in respect of all the Sale Shares, the Board shall, when no further offers are required to be made under the preceding paragraphs of this Article 8 3, give written notice of allocation (an "Allocation Notice") to the Seller and each Shareholder to which Sale Shares have been allocated (an "Applicant") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares
- (b) Upon service of an Allocation Notice, the Proposed Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in such notice
- (c) If an Allocation Notice does not relate to all the Sale Shares then, subject to paragraph (q) below, the Seller may, within [12] weeks after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price
- (d) Article 8 1(d) shall not apply in respect of a transfer of Shares made pursuant to this Article 46(j), but the right of the Proposed Seller to transfer Shares under paragraph (p) above does not apply, and the Board shall refuse to register any purported transfer, if the Board is of the opinion on reasonable grounds that
  - (i) the transferee is a Competitor,
  - (ii) the transferee is conducting or has threatened to conduct any litigation or dispute resolution against or involving the Investor or an Investor Associate,
  - (iii) the sale of the Sale Shares is not bona fide, or
  - (iv) the Proposed Seller has failed or refused to provide promptly information available to it and reasonably requested by the [Board][Investor Directors] in connection with the proposed transfer of Shares

***Waiver of restrictions***

- (a) The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with the prior written consent of Shareholders who, but for the waiver, would or might have been entitled to have such Shares offered to them in accordance with this Article 47 3

**47 4 Compulsory transfers**

Notwithstanding Articles 50 and 51 the following shall apply in the case of bankruptcy, death or liquidation of a Shareholder

#### ***On bankruptcy***

- (a) A person entitled to any Shares in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of those Shares at a time determined by the Board

#### ***On death***

- (a) If any Shares remain registered in the name of a deceased Shareholder for longer than one year after the date of his death the Board may require the legal personal representatives of that deceased Shareholder either
  - (i) to effect a Permitted Transfer of those Shares under Article 47 2(i) (including for that purpose to make an election to be registered as the holder), or
  - (ii) to show to the satisfaction of the Board that such a Permitted Transfer will be effected before or promptly on the completion of the administration of the estate of the deceased Shareholder,

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

#### ***On liquidation of a Shareholder***

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

#### ***Leavers***

If any Manager (the "**Outgoing Shareholder**") becomes a Leaver on or before 3 years after the date of adoption of this Article he shall be deemed to have given a Transfer Notice in respect of all of his Shares (the "**Manager Shares**") In such circumstances the Transfer Price for such Shares shall be as follows

- (i) where the Outgoing Shareholder is a Good Leaver, the Fair Value, and
- (ii) where the Outgoing Shareholder is a Bad Leaver, the lower of Fair Value and the nominal value of the Shares

In determining the Fair Value in respect of the Manager Shares, the Investors may propose to the Outgoing Shareholder a price which if accepted by the Outgoing Shareholder shall be deemed to be the Fair Value In the absence of such agreement, the Fair Value shall be determined in accordance with Article 47 5

For the purposes of any Transfer Notice in respect of such Manager Shares pursuant to this Article, the priority rights shall be such that the Manager Shares are offered in the following order of priority

- (i) to the Investors,
- (ii) to a person or persons nominated by the Investors to take the Outgoing Shareholder's place conditionally upon them commencing employment with the Company Group,

- (iii) to any of the existing employees (other than the Outgoing Shareholder),
- (iv) to the Company (subject always to the provisions of the Act)

All voting rights attached to Manager Shares held by an Outgoing Shareholder, if any, shall at the time he becomes a Leaver be suspended unless the Investors notify him otherwise

Any Manager Shares whose voting rights are suspended as aforesaid ("**Restricted Shares**") shall confer on the holders the right to receive a notice of and attend all general meetings of the Company but shall confer no right to vote either in person or by proxy. Voting rights suspended pursuant to paragraph (i) above shall be automatically restored immediately prior to an IPO of the Company. If an Outgoing Shareholder transfers any Restricted Shares in the Company in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of shareholders) automatically be restored

If a Transfer Notice is deemed to have been given, the Company shall immediately notify the Investors in writing of the giving of the Transfer Notice and the Investors may within 10 Business Days after such receipt

- (i) determine that the provisions of Article 47 4 (d) above shall not apply in relation to some or all of the Manager Shares, and/or
- (ii) determine that a Bad Leaver shall be treated as a Good Leaver in circumstances where that person would not, but for this paragraph, be a Good Leaver

#### 47 5 Valuation of Shares

- (a) If a Transfer Notice does not specify a Transfer Price, or if the Proposed Seller and the Board are unable to agree the appropriate price under Article 1 1 1(a)(ii), or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice (or, in the case of the deemed service of a Transfer Notice, on or as soon as practicable after the date on which the Board first has actual knowledge of the facts giving rise to such deemed service) the Board shall appoint expert valuers (the "**Expert Valuers**") in accordance with this Article to certify the Fair Value of the relevant Shares to be sold (the "**Sale Shares**"), save that if the Fair Value of any Share has been determined by Expert Valuers in accordance with this Article 47 5 not more than [12] weeks previously, the Board may elect instead that the Fair Value in respect of the Sale Shares shall be the Fair Value per Share as so previously determined multiplied by the number of Sale Shares
- (b) The Expert Valuers will be an internationally recognised firm of accountants that is not directly or indirectly associated with any party to the sale transaction and that has no interest (other than the receipt of customary fees and expenses) in any of the transactions contemplated thereby
- (c) The identity of the Expert Valuers shall be as agreed between the Board and the Proposed Seller, or failing such agreement not later than the date 10 Business Days after the date of service of the Transfer Notice shall be as nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party
- (d) The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuers on the following assumptions and bases
  - (i) valuing the Sale Shares as on a sale between a willing seller and a willing buyer contracting at arm's length,

- (ii) if the Investment Group is then carrying on business as a going concern, on the assumption that it will continue to do so [, save that if a valuation on a liquidation basis (having adjusted for tax liabilities that would be incurred on a Liquidation assuming the most tax efficient and practical plan of Liquidation) would yield a higher valuation, that basis shall be applied],
  - (iii) on the assumption that the Sale Shares are capable of being transferred without restriction,
  - (iv) valuing the Sale Shares as a rateable proportion of the total value of all the issued Equity Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent and without taking into account the fact that the Sale Shares may constitute either a minority or majority holding,
  - (v) taking into account any unconditional, financial and bona fide offers for the purchase of the Company,
  - (vi) taking into account the departure of the relevant Leaver, if applicable, and
  - (vii) reflecting any other factors which the Expert Valuers reasonably believe should be taken into account
- (e) If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit
- (f) The Expert Valuers shall be instructed to determine the Fair Value of the Sale Shares and to notify the Board of their written determination within 20 Business Days of their appointment. As soon as the Board receives the determination of the Fair Value, it shall deliver a copy of such determination to the Proposed Seller and the Investor. Unless the Sale Shares are to be sold under a Transfer Notice which is deemed to have been served, the Proposed Seller may by notice in writing to the Company within [5] Business Days of the service on it of the copy determination, cancel the Company's authority to sell the Sale Shares
- (g) The cost of obtaining the written determination of the Fair Value shall be paid by the Company, unless the Proposed Seller cancels the Company's authority to sell in which case the Proposed Seller shall bear the cost
- (h) The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- (i) The Board shall supply and make available to the Expert Valuers access to all accounting records or other relevant documents of the Company (including access to the working papers of the Auditors) subject to the Expert Valuers agreeing such confidentiality provisions as the Board may reasonably impose
- (j) The Investor and the Proposed Seller may make written representations to the Expert Valuers on such matters as they think appropriate at their absolute discretion in respect of the determination of the Fair Value
- (k) If the Expert Valuers become unwilling to act or incapable of acting, or do not deliver the written determination within the time required in paragraph (f) above then the Board shall be entitled to discharge the Expert Valuers and to appoint with the agreement of the Proposed Seller (or by way

of the nomination of the President of the Institute of Chartered Accountants in England and Wales) replacement Expert Valuers with the required qualifications, and this Article 0 shall apply in relation to the new Expert Valuers as if they were the first valuers appointed

**47 6      Completion of transfers of Shares**

- (a) The provisions of this Article 47 shall apply to any transfer of Shares ("Sale Shares") by a Shareholder pursuant to Articles 47 3, 47 4, 48 and 49
- (b) Where the transfer is made by one Shareholder to another (or by or to their respective Permitted Transferees), such transfer will be deemed to include a warranty that the transferor sells the Sale Shares with full title guarantee and free from encumbrances
- (c) Not later than 3 Business Days prior to Transfer Completion, the transferor shall
  - (i) deliver to the transferee for surrender to the Company the original share certificate(s) relating to the Sale Shares (or an indemnity, in a form satisfactory to the Board, in respect of any lost certificate), and
  - (ii) deliver to the transferee a duly executed transfer form relating to the Sale Shares
- (d) If the transferor fails to comply with the provisions of paragraph (c) above
  - (i) any Director, or any other person nominated by the Board, may on behalf of the transferor
    - (A) complete, execute and deliver in the transferor's name all documents necessary to give effect to the transfer of the Sale Shares,
    - (B) receive the purchase price to be paid to the transferor by the transferee for the Sale Shares and give a good discharge for it, and
    - (C) (subject to the transfer being duly stamped) procure the entering of the transferee in the Company's register of members as the holder of the Sale Shares, and
  - (ii) the Company shall pay the purchase price received from the transferee into a separate bank account in the Company's name on trust (but without interest) for the transferor until the transferor has complied with all of its obligations under paragraph (c) above
- (e) Once the transferee (or its nominee) has been registered as the holder of the Sale Shares, the validity of the proceedings shall not be questioned by any person. It shall be no impediment to a registration of the transferee as holder of the Sale Shares that no share certificate has been produced

**47 7      Investigations and enforcement**

- (a) To enable the Board to determine whether or not there has been a transfer of Shares in breach of these Articles, or a change of control of a Shareholder for the purposes of Article 47 4 the Board may (and shall if requested in writing by a Shareholder) require any Shareholder or the legal personal representatives of any deceased Shareholder or any person named as transferee in any transfer lodged for registration or any other person as the Board or the Investor may reasonably believe to have relevant information, to furnish to the Company such information and evidence as

the Board may think fit regarding any matter which they deem relevant, including the names, addresses and interests of all persons having an interest in the Shares registered in the holder's name

- (b) If any information or evidence referred to in paragraph (a) above is not furnished to enable the Board to determine to its reasonable satisfaction that no breach or change of control has occurred, or if as a result of the information and evidence the Board is reasonably satisfied that a breach or change of control has occurred, the Board shall without delay notify the holder of the relevant Shares in writing of that fact and
  - (i) all of the relevant Shares shall cease to confer on the holder any rights to vote or to receive dividends or other distributions (other than the Subscription Price of the relevant Shares on a return of capital), and
  - (ii) the holder of the relevant Shares may be required at any time following the notice to transfer some or all of its Shares to such person(s) at such price and on such terms as the Board may require by notice in writing to such holder
- (c) The rights referred to in paragraph (b)(i) above may be reinstated by the Board with the consent of the Investor or, if earlier, on the completion of any transfer referred to in paragraph (b)(i) above
- (d) If the Board shall in accordance with these Articles have required a Transfer Notice to be given and it is not given within a period of 1 month (or such longer period as the Board may allow for the purpose), the Transfer Notice shall be deemed to have been given on any date after the expiration of that period as the Board may notify to the holder of the relevant Shares and these Articles shall take effect accordingly

#### 48      **Drag Along**

- (a) If at any time following the [3<sup>rd</sup>] anniversary of the date of adoption of these Articles Dragging Shareholders intend (having complied with Article 47) to sell all of their Shares to a Proposed Purchaser, the Dragging Shareholders shall have the right (the "**Drag Along Right**") to require all holders of Equity Shares other than Dragging Shareholders (the "**Dragged Shareholders**") to sell and transfer, in accordance with the provisions of this Article 48, all of their Equity Shares (the "**Dragged Shares**") to the Proposed Purchaser or as the Proposed Purchaser may direct
- (b) For the purposes of this Article, "**Dragging Shareholders**" means Shareholders holding not less than 60% of the Equity Shares in the Company
- (c) The Drag Along Right shall be exercisable by the Dragging Shareholders' giving written notice (a "**Drag Along Notice**") to that effect to the Company at least 20 Business Days prior to the transfer of the Dragging Shareholders' Shares to the Proposed Purchaser. The Drag Along Notice shall specify
  - (i) that the Dragged Shareholders are required to transfer all their Dragged Shares pursuant to this Article,
  - (ii) the identity of the Proposed Purchaser,
  - (iii) the proposed price to be paid by the Proposed Purchaser for each of the Dragging Shareholders' Shares and the other terms and conditions of payment, and
  - (iv) the proposed place, date and time of completion of the transfer



- (d) The Board shall promptly send the Drag Along Notice to each of the Dragged Shareholders and require all of them to sell to the Proposed Purchaser at Transfer Completion all of their Dragged Shares on the terms set out in the Drag Along Notice, the price for each of the Dragged Shares being the highest price proposed to be paid for any Share of a Dragging Shareholder in the Drag Along Notice
- (e) Transfer Completion shall take place on the same date as the date proposed for completion of the sale of the Dragging Shareholders' Shares unless the holders of a majority of the Dragged Shares and the holders of a majority of the Dragging Shareholders' Shares agree otherwise
- (f) A Drag Along Notice served on the Company shall be irrevocable but shall lapse (and the obligations under such notice shall lapse) if the sale of the Dragging Shareholders' Shares to the Proposed Purchaser does not proceed either
  - (i) due to the expiry or non-fulfilment of any conditions to the sale (unless the conditions have been waived in accordance with the terms of the sale documentation),
  - (ii) if there are no conditions to the sale, within 60 Business Days after the date of service of the Drag Along Notice,and the Dragging Shareholders shall be entitled to serve further Drag Along Notices no earlier than 5 Business Days following the lapse of any previous Drag Along Notice
- (g) Not later than 3 Business Days prior to Transfer Completion, the Proposed Purchaser shall send to the Company in cleared funds the purchase moneys required to pay the price due to the Dragged Shareholders for the Dragged Shares as stated in the Drag Along Notice. The Company's receipt for such price shall be a good discharge to the Proposed Purchaser. The Company shall hold the purchase moneys due to the Dragged Shareholders in trust for the Dragged Shareholders but without any obligation to pay interest
- (h) To the extent that the Proposed Purchaser fails to comply with its obligation under paragraph (g) above, the Dragged Shareholders shall be entitled to the return of the stock transfer form(s) and share certificate(s) (or suitable indemnity) for the such Dragged Shares and the Dragged Shareholders shall have no further rights or obligations under this Article in respect of their Shares
- (i) If a person (an "**Incoming Shareholder**"), following the issue of a Drag Along Notice but prior to completion of the relevant transfer, becomes a Shareholder pursuant to the exercise of a pre-existing option to acquire Shares or pursuant to the conversion of any convertible security of the Company, a Drag Along Notice shall be deemed to have been served on the Incoming Shareholder on the same terms as the previous Drag Along Notice. The Incoming Shareholder shall be bound to sell and transfer all the Shares acquired by it to the Proposed Purchaser, or as the Proposed Purchaser may direct, and the provisions of this Article shall apply (with such changes as are appropriate) to the Incoming Shareholder except that Transfer Completion shall take place immediately on the Drag Along Notice being deemed to be served on the Incoming Shareholder
- (j) A transfer of Dragged Shares by Dragged Shareholders to a Proposed Purchaser (or as it may direct) pursuant to the terms of this Article shall not be subject to the right of first refusal provisions set out in Article 47.3

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- (a) No transfer (other than a Permitted Transfer) of any Shares held by any Shareholder which when aggregated with other Shares transferred by the same Proposed Seller or its Permitted Transferees in the preceding 12 months comprise more than 50 per cent of the Equity Shares in the Company may be made by any person or shall be validly registered by the Board unless the Proposed Seller has complied with the procedures set out in this Article 49
- (b) After the Proposed Seller has gone through the right of first refusal procedures set out in Article 47 3, the Proposed Seller shall send a notice (a "**Tag Along Notice**") to each Shareholder which has not taken up its rights of first refusal under Article 47 3 (a "**Tagging Shareholder**"), with a copy to the Company, not less than 20 Business Days nor more than 3 months in advance of the proposed transfer specifying
- (i) the identity of the person (the "**buyer**") to which the Proposed Seller is proposing to transfer Shares,
  - (ii) the price per Share which the buyer is proposing to pay, and the other terms and conditions of payment,
  - (iii) the number of Shares which the Proposed Seller proposes to transfer to the buyer,
  - (iv) the proposed date and time of completion of the transfer, and
  - (v) the address where a notice of acceptance pursuant to paragraph (d) below should be sent
- (c) The Proposed Seller shall procure that
- (i) the buyer makes a binding written offer (the "**Tag Offer**") to each Tagging Shareholder to purchase all of the Equity Shares of that Tagging Shareholder for a price per Share equal to the highest price per Share paid or payable by the buyer for any of the Proposed Seller's Shares, and on the same terms as the proposed transaction with the Proposed Seller as to the date of completion and terms of payment,
  - (ii) the Tag Offer is kept open for at least 10 Business Days from delivery of the Tag Along Notice to the relevant Tagging Shareholder,
  - (iii) the Tag Offer is made on terms that (if so required by Directors) payment of the purchase consideration by the buyer to the Tagging Shareholder on completion of the relevant transfer is guaranteed by a reputable bank,]
  - (iv) the Tag Offer is made on the basis that if the transfer by the Proposed Seller to the buyer does not take place (for any reason) on the date stated in the Tag Along Notice or within 10 Business Days thereafter that the Tagging Shareholder has the right to elect to revoke its acceptance of the Tag Offer, and
  - (v) the Tag Offer is otherwise on terms that are not worse in any respect than the terms applicable between the Proposed Seller and the buyer and the Tag Offer is not conditional on, nor does it require the Tagging Shareholder to give, any undertakings, covenants, warranties, or indemnities to the buyer other than in relation to that Tagging Shareholder's ownership of its Shares, that its Shares are free from encumbrances, and that it agrees to waive any pre-emption right it may have in relation to any Shares
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- (d) Each Tagging Shareholder shall be entitled to accept the Tag Offer by sending a notice of acceptance to the buyer, with a copy to the Proposed Seller, and which notice shall specify the number of Shares which the Tagging Shareholder wishes to sell to the buyer (but for the avoidance of doubt acceptance must be in respect of all and not some only of the Tagging Shareholder's Shares)
- (e) If a Tagging Shareholder does not send a notice of acceptance of the Tag Offer in accordance with paragraph (d) above, it shall be deemed to have specified that it does not wish to sell any Shares to the buyer
- (f) The Proposed Seller shall not be entitled to sell any Shares to the buyer
  - (i) prior to the proposed date for completion of the transfer specified in the Tag Along Notice,
  - (ii) which exceed the number of Shares specified in the Tag Along Notice, and
  - (iii) unless and until the buyer purchases, in compliance with the terms of the Tag Offer, the Shares of any Tagging Shareholder serving a notice of acceptance pursuant to paragraph (d) above
- (g) Transfers of Shares to a buyer made in accordance with this Article 49 by a Tagging Shareholder to a buyer shall not be subject to the right of first refusal provisions set out in Article 47 3

## 50 **Transmission of shares**

- 50 1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share
- 50 2 Nothing in these Articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member
- 50 3 A transmittee who produces such evidence of entitlement to shares as the directors may properly require
  - 50 3 1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - 50 3 2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- 50 4 But, subject to Article 20 2 (Methods of appointing directors), transmittees 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

## 51 **Exercise of transmittees' rights**

- 51 1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish
- 51 2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it

- 51 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 transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

52 **Transmittees bound by prior notices**

If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name or the name of any person nominated under Article 50 3 (Transmission of shares), has been entered in the register of members

53 **Procedure for disposing of fractions of shares**

- 53 1 This Article applies where

53 1 1 there has been a consolidation or division of shares, and

53 1 2 as a result, members are entitled to fractions of shares

- 53 2 The directors may

53 2 1 sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable,

53 2 2 authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and

53 2 3 distribute the net proceeds of sale in due proportion among the holders of the shares

- 53 3 The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions

- 53 4 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

54 **Procedure for declaring dividends**

- 54 1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

- 54 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

- 54 3 No dividend may be declared or paid unless it is in accordance with members' respective rights

- 54 4 Unless the members' 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 member's holding of shares on the date of the resolution or decision to declare or pay it

- 54 5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear

54 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

54 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

## 55 Calculation of dividends

55 1 Except as otherwise provided by the Articles or the rights attached to shares, all dividends must be

55 1 1 declared and paid according to the amounts paid up on the shares on which the dividend is paid, and

55 1 2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid

55 2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly

## 56 Payment of dividends and other distributions

56 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

56 1 1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,

56 1 2 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,

56 1 3 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

56 1 4 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

56 2 In these Articles, the **distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable

56 2 1 the holder of the share, or

56 2 2 if the share has two or more joint holders, whichever of them is named first in the register of members, or

56 2 3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

## 57 Deductions from distributions in respect of sums owed to the company

57 1 If

57 1 1 a share is subject to the Company's lien, and

57 1 2 the directors are entitled to issue a lien enforcement notice in respect of it,  
they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice

57 2 Money so deducted must be used to pay any of the sums payable in respect of that share

57 3 The Company must notify the distribution recipient in writing of

57 3 1 the fact and amount of any such deduction,

57 3 2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and

57 3 3 how the money deducted has been applied

## 58 No interest on distributions

58 1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by

58 1 1 the terms on which the share was issued, or

58 1 2 the provisions of another agreement between the holder of that share and the Company

## 59 Unclaimed distributions

59 1 All dividends or other sums which are

59 1 1 payable in respect of shares, and

59 1 2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed

59 2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it

59 3 If

59 3 1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

59 3 2 the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company

## 60 Non-cash distributions

60 1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company)

60 2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution

60 2 1 fixing the value of any assets,

60 2 2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and

60 2 3 vesting any assets in trustees

#### **61 Waiver of distributions**

61 1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if

61 1 1 the share has more than one holder, or

61 1 2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share

#### **61A Rights of Deferred Shares**

- 1 The holders of Deferred Shares shall not be entitled to receive any income or dividend in respect of such Deferred Shares
- 2 On a winding up each holder of Deferred Shares shall be entitled to payment of 0 1p in respect of all that holder's Deferred Shares
- 3 The holders of Deferred Shares shall not be entitled to any vote at any meetings of the Company

#### **61B Conversion of Ordinary Shares into Deferred Shares**

- 1 Upon the service of a Deferred Conversion Notice on the Company, the number of Ordinary Shares set out in the Deferred Conversion Notice then held by the relevant Shareholder shall automatically convert into Deferred Shares
- 2 The rate of conversion shall be one Deferred Share for each Ordinary Share held (the "**Conversion Rate**")
- 3 On the relevant Conversion Date, the relevant Ordinary Shares shall without further authority than is contained in these Articles stand converted into such number of Deferred Shares as is determined in accordance with the Conversion Rate and the Deferred Shares resulting from that conversion shall in all other respects rank *pari passu* with any other the existing issued Deferred Shares
- 4 Within 5 Business Days of the relevant Conversion Date each holder of the relevant Ordinary Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board for any lost share certificate) for the shares being converted together with such other evidence or document (if any) as the Board may reasonably require to effect the conversion
- 5 The Company shall on the relevant Conversion Date enter the holder of the converted Ordinary Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Ordinary Shares in

accordance with this Article [ ] the Company shall within 10 Business Days of the relevant Conversion Date forward to such holder of Deferred Shares by post to its address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Deferred Shares

- 6 Subject to applicable law, all (but not some only) of the Deferred Shares may be redeemed by the Company at any time at its option for the sum of £1 00 in respect of all of the Deferred Shares registered in the name of any holder of such Deferred Shares, without obtaining the sanction of the holder(s) of the Deferred Shares (or any of them)

## CAPITALISATION OF PROFITS

### 62 Authority to capitalise and appropriation of capitalised sums

- 62 1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution
- 62 1 1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
  - 62 1 2 appropriate any sum which they so decide to capitalise (**capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (**persons entitled**) and in the same proportions
- 62 2 Capitalised sums must be applied
- 62 2 1 on behalf of the persons entitled, and
  - 62 2 2 in the same proportions as a dividend would have been distributed to them
- 62 3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct
- 62 4 A capitalised sum which was appropriated from profits available for distribution may be applied
- 62 4 1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or
  - 62 4 2 in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct
- 62 5 Subject to the Articles the directors may
- 62 5 1 apply capitalised sums in accordance with paragraphs 62 3 and 62 4 partly in one way and partly in another,
  - 62 5 2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments), and
  - 62 5 3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article 62



## **PART 4**

### **DECISION-MAKING BY MEMBERS**

#### **ORGANISATION OF GENERAL MEETINGS**

##### **63 Convening general meetings**

The directors may call general meetings and, on the requisition of members pursuant to the provisions of CA 2006, shall forthwith proceed to convene a general meeting in accordance with CA 2006. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or the members requisitioning the meeting (or any of them representing more than one half of the total voting rights of them all) may call a general meeting. If the Company has only a single member, such member shall be entitled at any time to call a general meeting.

##### **64 Notice of general meetings**

64 1 General meetings (other than an adjourned meeting) shall be called by at least fourteen Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote, being a majority together holding not less than ninety per cent (90%) in nominal value of the shares at the meeting, giving that right.

64 2 The notice shall specify the time, date and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it.

64 3 Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member (if the company has been notified of their entitlement) and to the directors, alternate directors and the auditors for the time being of the Company.

64 4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

##### **65 Resolutions requiring special notice**

65 1 If CA 2006 requires special notice to be given of a resolution, then the resolution will not be effective unless notice of the intention to propose it has been given to the Company at least twenty-eight Clear Days before the general meeting at which it is to be proposed.

65 2 Where practicable, the Company must give the members notice of the resolution in the same manner and at the same time as it gives notice of the general meeting at which it is to be proposed. Where that is not practicable, the Company must give the members at least fourteen Clear Days' before the relevant general meeting by advertisement in a newspaper with an appropriate circulation.

65 3 If, after notice to propose such a resolution has been given to the Company, a meeting is called for a date twenty-eight days or less after the notice has been given, the notice shall be deemed to have been properly given, even though it was not given within the time required by Article 65 1.

##### **66 Attendance and speaking at general meetings**

66 1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

66 2 A person is able to exercise the right to vote at a general meeting when

- 66 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- 66 2 2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- 66 3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
- 66 4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other
- 66 5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them
- 67 **Quorum for general meetings**
- 67 1 No business shall be transacted at any meeting unless a quorum is present. Subject to section 318(2) of CA 2006, two qualifying persons (as defined in section 318(3) of CA 2006) entitled to vote upon the business to be transacted shall be a quorum, provided that if the Company has only a single member, the quorum shall be one such qualifying person
- 67 2 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum
- 68 **Chairing general meetings**
- 68 1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- 68 2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start
- 68 2 1 the directors present, or
- 68 2 2 (if no directors are present), the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting
- 68 3 The person chairing a meeting in accordance with this Article is referred to as the **chairman of the meeting**
- 69 **Attendance and speaking by directors and non-members**
- 69 1 Directors may attend and speak at general meetings, whether or not they are members
- 69 2 The chairman of the meeting may permit other persons who are not
- 69 2 1 members of the Company, or
- 69 2 2 otherwise entitled to exercise the rights of members in relation to general meetings,
- to attend and speak at a general meeting

## 70 **Adjournment**

- 70 1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it. If, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.
- 70 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if
- 70 2 1 the meeting consents to an adjournment, or
- 70 2 2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 70 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 70 4 When adjourning a general meeting, the chairman of the meeting must
- 70 4 1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
- 70 4 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 70 5 If the continuation of an adjourned meeting is to take place more than fourteen days after it was adjourned, the Company must give at least seven Clear Days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
- 70 5 1 to the same persons to whom notice of the Company's general meetings is required to be given, and
- 70 5 2 containing the same information which such notice is required to contain.
- 70 6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **VOTING AT GENERAL MEETINGS**

### 71 **Voting: general**

- 71 1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles. Subject to any rights or restrictions attached to any shares, on a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (unless the representative is himself a member, in which case he shall have more than one vote) shall have one vote. A proxy shall not be entitled to vote on a show of hands.
- 71 2 No member shall vote at any general meeting or at any separate meeting of the holder of any class of shares, either in person or by proxy, in respect of any share held by him unless all monies presently payable by him in respect of that share have been paid.
- 71 3 In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.

71 4 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution

71 5 The WEIF Shares will each have one vote per share provided that if at any time prior to exit the WEIF Shares constitute more than 19.5% of the total voting share capital of the Company, the votes attaching to the WEIF Shares shall be limited to in aggregate to 19.5% of the total number of votes, such votes to be split equally on a fractional basis amongst the WEIF Shares. WIM may at any time prior to or upon transfer of the Shares elect by serving notices in writing upon the Company to have normal voting rights reapply to such Shares

71 6 Notwithstanding any other provisions of the Articles, for so long as WPCT is the holder of any shares in the capital of the Company and any provision would result in WPCT being able to exercise more than 49% of the votes capable of being exercised at any particular meeting, the number of votes attaching to all shares held by WPCT shall so long as this situation pertains, be restricted so that the votes conferred on WPCT in respect of all shares held by it in the capital of the Company shall represent 49% of the votes capable of being exercised

## 72 Errors and disputes

72 1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid

72 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

## 73 Poll votes

73 1 On a poll every member who (being an individual is present in person or by proxy) or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every share of which he is the holder. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way

73 2 A poll on a resolution may be demanded

73 2 1 in advance of the general meeting where it is to be put to the vote, or

73 2 2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared

73 3 A poll may be demanded by

73 3 1 the chairman of the meeting,

73 3 2 the directors,

73 3 3 two or more persons having the right to vote on the resolution,

73 3 4 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution, or

73 3 5 a person or persons holding shares conferring a right to vote on the resolution on which not less than one tenth of the total sum paid up on all the shares conferring that right

73 4 A demand for a poll may be withdrawn if

73 4 1 the poll has not yet been taken, and

73 4 2 the chairman of the meeting consents to the withdrawal

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made

73 5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made

73 6 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven Clear Days' notice shall be given specifying the time and place at which the poll is to be taken

73 7 The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded

#### 74 Content of proxy notices

74 1 Subject to the provisions of these Articles, a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a general meeting. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member

74 2 Proxies may only validly be appointed by a notice in writing (proxy notice) which

74 2 1 states the name and address of the member appointing the proxy,

74 2 2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,

74 2 3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and

74 2 4 is delivered to the Company in accordance with the Articles and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate and received by the Company

74 2 4 1 subject to Articles 74 2 4 2 and 74 2 4 3 in the case of a general meeting or adjourned meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised,

74 2 4 2 in the case of a poll taken more than forty-eight hours after it is demanded, after the poll has been demanded and not less than twenty-four hours before the time appointed for the taking of the poll, or

74 2 4 3 where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, at the time at which the poll was demanded or twenty-four hours before the time appointed for the taking of the poll, whichever is the later,

and a proxy notice which is not delivered and received in such manner shall be invalid

- 74 3 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- 74 4 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions and the proxy is obliged to vote or abstain from voting in accordance with the specified instructions. However, the Company is not obliged to check whether a proxy votes or abstains from voting as he has been instructed and shall incur no liability for failing to do so. Failure by a proxy to vote or abstain from voting as instructed at a meeting shall not invalidate proceedings at that meeting
- 74 5 Unless a proxy notice indicates otherwise, it must be treated as
  - 74 5 1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - 74 5 2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

## 75 Delivery of proxy notices

- 75 1 Any notice of a general meeting must specify the address or addresses (**proxy notification address**) at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form
  - 75 2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person to a proxy notification address
  - 75 3 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
  - 75 4 A notice revoking a proxy appointment only takes effect if it is received by the Company
    - 75 4 1 in the case of a general or adjourned meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised,
    - 75 4 2 in the case of a poll taken more than forty-eight hours after it was demanded, not less than twenty-four hours before the time appointed for the taking of the poll, or
    - 75 4 3 in the case of a poll not taken forthwith but not more than forty-eight hours after it was demanded, at the time at which it was demanded or twenty-four hours before the time appointed for the taking of the poll, whichever is later,
- and a notice which is not delivered and received in such manner shall be invalid
- 75 5 In calculating the periods referred to in Article 74 (Content of proxy notices) and this Article 75, no account shall be taken of any part of a day that is not a working day
  - 75 6 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

**76 Representation of corporations at meetings**

Subject to CA 2006, a company which is a member may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative or representatives at a meeting of the company or at a separate meeting of the holders of a class of shares of the company (**corporate representative**) A director, secretary or other person authorised for the purpose by the directors may require a corporate representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers

**77 Amendments to resolutions**

**77 1** An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if

**77 1 1** notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

**77 1 2** the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution

**77 2** A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if

**77 2 1** the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

**77 2 2** the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

**77 3** If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

**WRITTEN RESOLUTIONS**

**78 Written Resolutions**

**78 1** A resolution of the members (or a class of members) may be passed as a written resolution in accordance with chapter 2 of part 13 of CA 2006

**PART 5**

**MISCELLANEOUS PROVISIONS**

**COMMUNICATIONS**

**79 Means of communication to be used**

**79 1** Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which of CA 2006 provides for documents or information which are authorised or required by any provision of CA 2006 to be sent or supplied by or to the Company

**79 2** Any notice, document or other information shall be deemed served on or delivered to the intended recipient

- 79 2 1 If properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted,
- 79 2 2 If properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 79 2 3 If properly addressed and sent or supplied by electronic means 48 hours after the document or information was sent or supplied, and
- 79 2 4 If sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this Article 79 2, no account shall be taken of any part of a day that is not a working day

- 79 3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by of CA 2006
- 79 4 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being
- 79 5 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours
- 79 6 In the case of joint holders of a share, all notices or documents shall be given to the joint holder whose name stands first in the register in respect of the joint holding. Notice so given shall be sufficient notice to all of the joint holders. Where there are joint holders of a share, anything which needs to be agreed or specified in relation to any notice, document or other information to be sent or supplied to them can be agreed or specified by any one of the joint holders. The agreement or specification of the joint holder whose name stands first in the register will be accepted to the exclusion of the agreement or specification of any other joint holder (s) whose name(s) stand later in the register
- 79 7 The Company may give notice to the transmittee of a member, by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member, addressed to that person by name, or by the title, of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description, at the address (if any) within the United Kingdom supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred

## **ADMINISTRATIVE ARRANGEMENTS**

### **80 Company seals**

- 80 1 Any common seal may only be used by the authority of the directors
- 80 2 The directors may decide by what means and in what form any common seal is to be used
- 80 3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by either at least two authorised persons or by at least one authorised person in the presence of a witness who attests the signature
- 80 4 For the purposes of this Article, an authorised person is



- 80 4 1 any director of the Company,
- 80 4 2 the Company secretary (if any), or
- 80 4 3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied

**81 No right to inspect accounts and other records**

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

**82 Provision for employees on cessation of business**

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

**DIRECTORS' INDEMNITY AND INSURANCE**

**83 Indemnity**

83 1 Subject to Article 83 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

83 1 1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

83 1 1 1 in the actual or purported execution and/or discharge of his duties, or in relation to them, and

83 1 1 2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of CA 2006),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's ) affairs, and

83 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 83 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

83 2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

83 3 In this Article 83

83 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

83 3 2 a **relevant officer** means any director or alternate director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of CA 2006) and may, if the members so decide, include any person engaged by the Company (or any associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

## 84 Insurance

84 1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

84 2 In this Article 84

84 2 1 a **relevant officer** means any director or alternate director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of CA 2006,

84 2 2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

84 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate