

Company Number 10802357
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
of
FRUITFUL MODULES LIMITED
(the "Company")

CIRCULATION DATE 5 July 2017

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21/07/2017

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COMPANIES HOUSE

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "Act"), the directors of the Company propose that resolutions 1 and 5 below are passed as special resolutions and resolutions 2, 3 and 4 below are passed as ordinary resolutions (together "Resolutions")

SPECIAL RESOLUTION

1. **THAT**, the draft articles of association attached hereto be adopted as the articles of association of the Company in substitution for and to the exclusion of all previous articles of association.

ORDINARY RESOLUTIONS

2. **THAT** subject to the passing of resolution 1, each of the 100,000 issued ordinary shares of £0.001 each in the capital of the Company be and is hereby are re-designated as A ordinary shares of £0.001 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 1.
3. **THAT** subject to the passing of resolution 1, the capital of the Company may be increased by the creation of 40,815 B ordinary shares and 12,241 A ordinary shares, all of £0.001 each in the capital of the Company, having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 1. Such allotments shall occur as such a time as directed by the directors.
4. **THAT**, in accordance with section 551 of the Act the Directors of the Company be generally and unconditionally authorised to allot shares in the Company up to an aggregate nominal amount of £60 provided that this authority shall, unless renewed, varied or revoked by the Company, expire five years from the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Act but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTION

5. **THAT**, subject to the passing of resolution 4 and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 4, as if section 561(1) of the Act and the pre-emption rights in the Company's articles of association did not apply to any such allotment, provided that this power shall:

(i) be limited to the allotment of equity securities up to an aggregate nominal amount of £60, and

(ii) expire five years from the date on which this resolution is passed (unless renewed, varied or revoked by the Company prior to or on that date), save that the

Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

AGREEMENT

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

I/we, undersigned, a person entitled to vote on the Resolutions hereby irrevocably agree to the Resolutions as indicated above

Signed by Luke Barnes



Signed by Dan Owens



Signed by Graham Owens



NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods.
By hand: delivering the signed copy to the Company's registered office
Post: returning the signed copy by post to the Company's registered office.
2. You may not return the Resolutions to the Company by any other method.
3. If you do not agree to the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply.
4. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
5. Unless within 28 days of the circulation date sufficient agreement has been received for the Resolutions to pass they will lapse. If you agree to the Resolutions please ensure that your agreement reaches us before or during this date.

THE COMPANIES ACT 2006

ARTICLES OF ASSOCIATION

- of -

FRUITFUL MODULES LIMITED

Company Number: 10802357

(Incorporated: 5 June 2017)

A PRIVATE COMPANY LIMITED BY SHARES



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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
FRUITFUL MODULES LIMITED

(Adopted by special resolution passed on 5 July 2017)

AGREED TERMS:

1. Interpretation

1.1. In these Articles, the following words have the following meanings:

A Director	any director appointed to the Company by the holder(s) of a majority of the A Shares;
A Share	an ordinary share of £0 001 in the capital of the Company designated as an A Share;
A Shareholder	a holder of A Shares in the Company;
Act	the Companies Act 2006;
Affiliate	<p>(a) in relation to a company or a body corporate, any member of the same Group as that company or body corporate; or</p> <p>(b) in relation to an individual;</p> <p>(i) his Relation;</p> <p>(ii) the trustees of a Family Trust;</p> <p>(iii) the beneficiaries of a Family Trust established by such individual, or</p> <p>(iv) any non-natural person that directly or indirectly, through one or more intermediaries, is Controlled by such individual and/or his Relations,</p> <p>provided always that the Company shall not be regarded as being an Affiliate of any shareholder for the purposes of these Articles;</p>
Articles	the Company's articles of association for the time being in force;

B Director		any director appointed to the Company by the holder(s) of a majority of the B Shares;
B Share		an ordinary share of £0.001 in the capital of the Company designated as a B Share;
B Shareholder		a holder of B Shares in the Company;
Bad Leaver		an Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is not a Good Leaver;
Business Day		a day other than a Saturday, Sunday or public holiday in England when banks in the City of London are open for business;
Company		Fruitful Modules Limited incorporated and registered in England and Wales with company number 10802357 whose registered office is at C/O Hoxton Mix, 86-90 Paul Street, London, United Kingdom, EC2A 4NE;
Conflict		a matter or situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
Controlling Interest		an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010 and Control and Controlled shall be construed accordingly;
Deemed Notice	Transfer	a Transfer Notice that is deemed to have been served under article 18 ,
Departing Shareholder	Employee	an Employee Shareholder who ceases to be an A Director or employee of the Company;
Eligible Director		a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);
Eligible A Director		an A Director who would be entitled to vote on the matter at a meeting of directors (but excluding any A Director whose vote is not to be counted in respect of the particular matter);
Eligible B Director		a B Director who would be entitled to vote on the matter at a meeting of directors (but excluding any B Director whose vote is not to be counted in respect of the particular matter);
Eligible Director		any Eligible A Director or Eligible B Director (as the case may be),

Employee Shareholder	an A Shareholder who is, or has been, an A Director and/or an employee of the Company;
Family Trust	in relation to a shareholder, a trust set up wholly for the benefit of that shareholder and/or that shareholder's Relations;
Good Leaver	<p>an Employee Shareholder who becomes a Departing Employee Shareholder by reason of:</p> <ul style="list-style-type: none"> (a) death; (b) permanent disability or permanent incapacity through ill-health; (c) retirement at normal retirement age; (d) redundancy (as defined in the Employment Rights Act 1996), or (e) dismissal by the Company which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be unfair or wrongful in accordance with the Employment Rights Act 1996; or f) any other reason as decided by a majority of the B Shareholders from time to time;
Group	in relation to a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company; and each company in a Group is a member of the Group;
Interested Director	has the meaning given in article 8.1 ;
Market Value	in relation to shares, as determined in accordance with article 19 ;
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles;
Permitted Transfer	a transfer of shares made in accordance with article 17 ;
Permitted Transferee	in relation to a shareholder, any Affiliate of that shareholder;
Relation	means spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including

step or adopted children and their issue);

Relevant Shares	in relation to an Employee Shareholder means all shares held by the Employee Shareholder in question,
Sale Price	subject to article 18.3 and article 18.6 , the Proposed Sale Price or, following service of a Price Notice, the price per Sale Share as determined in accordance with article 19 ;
shareholder	a holder of shares in the Company from time to time together with their respective successors and assigns;
shares	the A Shares and B Shares in issue from time to time;
Transfer Notice	a notice in writing given by any shareholder to the other shareholders where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares;
Valuers	the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within ten (10) Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator); and
Writing or written	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, save that, for the purposes of article 16 , article 18 , article 20 and article 21 , "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form.

- 1.2. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4. A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5. Prior to a grant of representation, a reference to a personal representative, in

relation to any deceased shareholder, means a person who can apply for a grant of representation as the person named as an executor in the will of the deceased shareholder, or the person who can apply for letters of administration in priority to other persons under the Non-Contentious Probate Rules 1987 (SI 1987/2024).

- 1.6. A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors or permitted assigns. A reference to a shareholder shall include that shareholder's personal representatives, successors and permitted assigns.
- 1.7. A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.
- 1.8. Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as amended, extended or re-enacted from time to time.
- 1.9. Any words following the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.10. Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. Adoption of the Model Articles

- 2.1. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2. Model Articles 6(2), 8, 9(1), 11 to 14 (inclusive), 16, 17, 26(5), 27(3), 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3. Article 7 of the Model Articles shall be amended by:
 - 2.3.1. the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 2.3.2. the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 2.4. Model Article 20 shall be amended by the insertion of the words "(including alternate B Directors and the secretary)" before the words "properly incur"
- 2.5. In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.6. Model Articles 27(2)(a) and (b) shall be amended by the insertion, in each case, of the words "and to any other agreement to which the holder was party at the time of his death" after the words "subject to the articles".
- 2.7. Model Article 28(2) shall be amended by the deletion of the word "If" and the

insertion of the words "Subject to the articles and to any other agreement to which the holder was party at the time of his death, if" in its place.

- 2.8. Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 2.9. Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

3. Directors' meetings

- 3.1. Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with **article 4**.
- 3.2. Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3. Meetings of the directors shall take place at least four (4) times each year. All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.
- 3.4. If at any time before or at any meeting of the directors or of any committee of the directors *all directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated)* then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.5. The provisions of **article 6** shall apply equally to meetings of any committee of the directors as to meetings of the directors.

4. Directors' written resolutions

- 4.1. Any Eligible Director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors (including alternate B Directors).
- 4.2. Notice of a proposed directors' written resolution must indicate:
 - 4.2.1. the proposed resolution; and
 - 4.2.2. the time by which it is proposed that the directors should adopt it
- 4.3. A proposed directors' written resolution is adopted when a majority of the Eligible Directors (or their alternates) have signed one or more copies of it, provided that a decision may not be taken in accordance with this article if those Eligible Directors (or the alternate of the B Director) would not have formed a quorum at a directors'

meeting to vote on the matter in accordance with **article 6**.

- 4.4. 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 these Articles.

5. Calling a directors' meeting

- 5.1. The number of directors shall be not less than one (1) and shall be not be subject to any maximum, such number shall always include one B Director.
- 5.2. Any director may call a meeting of directors by giving not less than ten (10) Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 5.3. Notice of any directors' meeting must be accompanied by:
- 5.3.1. an agenda specifying in reasonable detail the matters to be raised at the meeting, and
 - 5.3.2. copies of any papers to be discussed at the meeting.
- 5.4. Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors present at the meeting agree in writing

6. Quorum for directors' meetings

- 6.1. Subject to **article 6.2** and **article 6.3**, the quorum at any meeting of the directors (including adjourned meetings) shall be two (2) directors, of whom one (1) at least shall be an Eligible B Director or his alternate.
- 6.2. If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for ten (10) Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then the meeting shall be dissolved.
- 6.3. No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on
- 6.4. For the purposes of any meeting (or part of a meeting):
- 6.4.1. held pursuant to **article 8** to authorise a Conflict of the B Director; or
 - 6.4.2. at which the B Director is not permitted to vote on any resolution in accordance with **article 8.3** as a result of a Conflict,

the quorum for such meeting (or part of a meeting) shall be two Eligible A Directors.

7. Chairing of directors' meetings and casting vote

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 shall not have a casting vote.

8. Directors' interests

- 8.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 8.2 Any authorisation under this article will be effective only if:
- 8.2.1. to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 8.2.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
 - 8.2.3. the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 8.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 8.3.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 8.3.2. provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether *at meetings of the directors or otherwise*) related to the Conflict;
 - 8.3.3. provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 8.3.4. impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit
 - 8.3.5. provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
 - 8.3.6. permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 8.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 8.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation

in accordance with the terms of such authorisation.

- 8.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 8.7. The members shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any matter or situation proposed to them by a director/s which would, if not so authorised, involve a breach of duty by a director/s under section 175 of the Companies Act 2006 to avoid a Conflict on such terms as they see fit and the provisions of **articles 8.3 to 8.5** shall apply to authorisation by the members in the same way as they apply to authorisation by the directors.
- 8.8. The Interested Director must provide the members with such details as are necessary for the members to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the members.
- 8.9. Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 8.10. Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under **article 8.9**.
- 8.11. Subject, where applicable, to any terms, limits or conditions imposed by the directors in accordance with **article 8.3**, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company.
- 8.11.1. may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
- 8 11.2. shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 8.11.3. shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 8.11 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor or accountant) and he or his firm shall be

entitled to remuneration for professional services as if he were not a director;

- 8.11.5. may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 8.11.6. shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

9. Records of decisions to be kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

10. Appointment and removal of directors

- 10.1. The holder(s) of a majority of the A Shares for the time being shall be entitled to appoint such persons to be A Directors of the Company and the holder(s) of a majority of the B Shares for the time being shall be entitled to appoint one (1) person to be a B Director of the Company.
- 10.2. Any A Director may at any time be removed from office by the holder(s) of a majority of the A Shares or by the holder(s) of a majority of the B Shares. Any B Director may at any time be removed from office by the holder(s) of a majority of the B Shares only.
- 10.3. Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the holder(s) of a majority of the A Shares or B Shares (as the case may be) and served on each of the other shareholders and the Company at its registered office, and on the director, in the case of his removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 10.4. The right to appoint and to remove A or B Directors under this article shall be a class right attaching to the A Shares and the B Shares respectively.
- 10.5. If no A Shares or B Shares remain in issue following a redesignation under these Articles, any director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation
- 10.6. Any A Director who is an Employee Shareholder of the Company and who ceases to be an Employee Shareholder shall be removed from office from the date his employment ceases
- 10.7. If any A Director or any B Director shall die or be removed from or vacate office for any cause, the holder(s) of a majority of the A Shares (in the case of an A Director)

or the holder(s) of a majority of the B Shares (in the case of a B Director) shall appoint in his place another person to be an A Director or a B Director (as the case may be).

- 10.8. No A Director or B Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law

11. Alternate directors

- 11.1. Any B Director (other than an alternate director) (the "**Appointor**") may appoint as an alternate any other director, B Shareholder, or any other person approved by resolution of the directors, to:

11.1.1. exercise that director's powers; and

11.1.2. carry out that director's responsibilities,

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

- 11.2. In these Articles, where the context so permits, the term "B Director" shall include an alternate director appointed by a B Director.

- 11.3. Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.

- 11.4. The notice must:

11.4.1. identify the proposed alternate; and

11.4.2. in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

- 11.5. An alternate director has the same rights in relation to any decision of the directors as the alternate's Appointor

- 11.6. Except as the Articles specify otherwise, alternate directors:

11.6.1. are deemed for all purposes to be directors;

11.6.2. are liable for their own acts and omissions;

11.6.3. are subject to the same restrictions as their Appointors; and

11.6.4. 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.

- 11.7. A person who is an alternate B Director but not a director may, subject to him being an Eligible Director:

11.7.1. be counted as participating for the purposes of determining whether a

quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and

- 11.7.2. participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 11.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 11.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
 - 11.9.1. when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
 - 11.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
 - 11.9.3. on the death of the alternate's Appointor (if applicable); or
 - 11.9.4. when the alternate director's Appointor ceases to be a director for whatever reason.

Shares

12. Share capital and rights

- 12.1 Except as otherwise provided in these Articles, the A Shares and the B Shares shall rank pari passu in all respects but shall constitute separate classes of shares save that:
 - 12.1.1. On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) so that 90% of the available return shall be applied to pay to the B Shareholders the capital paid up on the shares they hold respectively at the time of the liquidation. 10% of the available return shall be applied to pay to the A Shareholders the capital paid up on the shares they hold respectively at the time of the liquidation, thereafter, such return shall be distributed pari passu as if the A Shares and the B Shares constituted the same class of shares.
- 12.2. No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 12.3. On the transfer of any share as permitted by these Articles:
 - 12.3.1. a share transferred to a non-shareholder shall remain of the same class as before the transfer, and

- 12.3 2. a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.

- 12.4. No variation of the rights attaching to any class of shares shall be effective without the sanction of a special resolution of the holders of the relevant class of shares and also the prior written approval of the holder(s) of the majority of the B Shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 12.5. Any alteration in the Articles shall be deemed to constitute a variation of the rights attached to each class of shares

Share sale priority

- 12.6 On a sale of the entire issued share capital of the Company (a "**Share Sale**") and/or of the business and/or assets of the Company (an "**Asset Sale**"), the sale proceeds shall (to the extent possible) be applied in the following order of priority:

- 12.6.1. on the occasion of a Share Sale.

- 12.6 1 1 first, in paying to the B Shareholders the capital paid up on the shares they hold respectively at the time of such sale,
- 12.6.1.2. second, in paying to the A Shareholders the capital paid up on the shares they hold respectively at the time of such sale; and
- 12.6.1.3. lastly, in distributing the balance among the shareholders pro rata to the number of shares they each hold in the Company at the time of such sale, and

- 12.6.2. on the occasion of an Asset Sale:

- 12.6.2.1. first, in paying to the B Shareholders 90% of the available sale proceeds on a proportionate basis on the shares they hold respectively at the time of such sale,
- 12 6.2.2. second, in paying to the A Shareholders the remaining 10% of the available sale proceeds on a proportionate basis on the shares they hold respectively at the time of such sale; and
- 12.6.2.3. lastly, in distributing the balance (if any) among the shareholders pro rata to the number of shares they each hold in the Company at the time of such sale.

13. Issue of further shares

- 13.1. No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted unless within one month before that allotment or grant (as the case may be) the holder(s) of a majority of the B Shares has consented in writing to that allotment or grant
- 13.2. If the Company wishes to issue further shares, each of the shareholders shall procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) that the Company offers, by giving written notice to each respective shareholder, that proportion of the shares proposed to be issued which the number of ordinary shares held by that shareholder bears to the total number of ordinary shares in issue at the time the Company gives its notice. Such offer shall state the number of shares to be issued and the price of the shares.
- 13.3. Each shareholder may accept the offer by giving notice to the Company, at any time within twenty (20) Business Days following the Company's notice, accompanied by a banker's draft made payable to the Company in respect of full payment for the shares to be subscribed for.
- 13.4. The offer may also stipulate that any shareholder who wishes to subscribe for a number of shares in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess shares (the "**Excess Shares**") for which he wishes to subscribe. Any shares not accepted by shareholders, pursuant to the offer made to them, in accordance with **Article 13.3** shall be used for satisfying any requests for Excess Shares made pursuant to this article. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants as nearly as practicable in the proportion that the number of Excess Shares each shareholder indicated he would accept bears to the total number of Excess Shares applied for (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any member beyond that applied for by him).
- 13.5. Any shares referred to in the Company's offer, for which the shareholders do not subscribe, may be issued by the Company as it thinks fit, provided that any such issue is completed within forty (40) Business Days after the Company's notice of the offer.
- 13.6. Save as otherwise approved by a majority of the B Shareholders, no share of any class nor any right to subscribe for or convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 13.7. In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) where such allotment conforms with the requirements of these Articles.

14. Further issues of shares: Authority

- 14.1. Subject to these Articles, including **articles 12 and 13** and the remaining provisions of this **article 14**, and the terms of any shareholders' agreement (or similar document) in force between the shareholders from time to time, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act to exercise any power of the Company to:

14.1.1. offer or allot;

14.1.2. grant rights to subscribe for or to convert any security into; or

14.1.3. otherwise 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.

14.2. The authority referred to in **article 14.1**:

14.2.1. shall be limited to a maximum nominal amount of £15 of A Shares and £45 of B Shares, or such other amount as may from time to time be authorised by the Company by ordinary resolution;

14.2.2. shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and

14.2.3. may only be exercised for a period of five years from the date of adoption of these Articles, 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).

15. Share transfers: general

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

15.2. No share shall be transferred unless the transfer is made in accordance with these Articles or with the prior written consent of a majority of the B Shareholders for the time being

15.3. Subject to **article 15.4**, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

15.4. The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to provide the Company with the required particulars under section 790K of the Act if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the Act and to] execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this **article 15.4**, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the Act if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the Act.

15.5. To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors of any class may

from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within [14 days] of their request, such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to [those shares][all shares held by that shareholder] be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. Such directors may reinstate these rights at any time

15.6. Any transfer of shares by way of a sale that is made under **article 16**, **article 18**, **article 20** or **article 21** shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

15.7. Any Transfer Notice served in respect of the transfer of any shares which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of the Deemed Transfer Notice.

16. Transfer of shares

16.1. Except where the provisions of **article 20** and **article 21** apply, a shareholder (the "**Seller**") wishing to transfer shares in the capital of the Company (the "**Sale Shares**") must give a Transfer Notice to the Company giving details of the proposed transfer including:

16.1.1. the number of Sale Shares;

16.1.2. if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and

16.1.3. the price (in cash) at which he wishes to sell the Sale Shares (the "**Proposed Sale Price**").

16.2. Subject only to **article 16.7**, once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.

16.3. A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

16.4. As soon as practicable following the receipt of a Transfer Notice, the board of directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article. Each offer shall be in writing and provide the information set out in **article 16.1**.

16.5. The board of directors shall offer the Sale Shares (the "**First Offer**") to all B Shareholders other than the Seller and excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice (the "**Continuing Shareholders**"), inviting them to apply in writing within the period from the date of the offer to the date twenty (20) Business Days after the offer (both dates inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy.

- 16.6. The Continuing Shareholders (or any of them) may, by giving notice in writing (the **"Price Notice"**) to the Company at any time within ten (10) Business Days of receipt of the First Offer, notify the Seller that the Proposed Sale Price is too high. Following service of a Price Notice, the Seller and the Continuing Shareholders shall endeavour to agree a price for each of the Sale Shares. If they have not agreed such a price within ten (10) Business Days of the Company's receipt of a Price Notice, they (or any of them) shall immediately instruct the Valuers to determine the Market Value of each Sale Share in accordance with **article 19**.
- 16.7. If, following delivery to him of the Valuers' written notice in accordance with **article 19**, the Seller does not agree with the Valuers' assessment of the Market Value of the Sale Shares, he shall be entitled to revoke the Transfer Notice by giving notice in writing to the Company within five (5) Business Days of delivery to him of the Valuers' written notice. If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these Articles.
- 16.8. If, at the end of the First Offer Period or, if later, within twenty (20) Business Days of receipt of the Valuers' determination of the Market Value (and provided the Seller has not withdrawn the Transfer Notice in accordance with **article 16.7**):
- 16.8.1. the total number of Sale Shares applied for at the Sale Price is equal to or exceeds the number of Sale Shares, the board of directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the board of directors). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- 16.8.2. not all Sale Shares are allocated following allocations in accordance with **article 16.8.1**, but there are applications for Sale Shares that have not been satisfied, the board of directors shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in **article 16.8.1**. The procedure set out in this **article 16.8.2** shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and/or
- 16.8.3. the total number of Sale Shares applied for at the Sale Price is less than the number of Sale Shares, the board of directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **"Initial Surplus Shares"**) shall be dealt with in accordance with **article 16.9**.
- 16.9. At the end of the First Offer Period, the board of directors shall offer the Initial Surplus Shares (if any) to all A Shareholders other than the Seller and excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice (the **"Continuing A Shareholders"**) at the Sale Price, inviting them to apply in writing within the period from the date of the offer to the date twenty (20) Business Days after the offer (both dates inclusive) (the **"Second Offer Period"**) for the maximum number of Initial Surplus Shares they wish to buy.

- 16.10. If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the board of directors shall allocate the Initial Surplus Shares to each Continuing A Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing A Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing A Shareholders shall be determined by the board of directors). No allocation shall be made to a Continuing A Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.
- 16.11. 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 of directors shall allocate the Initial Surplus Shares to the Continuing A Shareholders in accordance with their applications. The balance (the "**Second Surplus Shares**") shall be dealt with in accordance with **article 16.15**.
- 16.12. If allocations under **article 16.8** to **article 16.11** have been made in respect of some or all of the Sale Shares, the board of directors shall give written notice of allocation (an "**Allocation Notice**") to the Seller and each Continuing Shareholder, or Continuing A Shareholder (as the case may be) to whom Sale Shares have been allocated (each an "**Applicant**"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him ("**Consideration**") and the place and time for completion of the transfer of the Sale Shares (which shall be at least five (5) Business Days, but not more than twenty (20) Business Days, after the date of the Allocation Notice).
- 16.13. On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration:
- 16.13.1 execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice; and
- 16.13.2 if, following a sale of shares in accordance with these Articles, the Seller holds no further shares in the Company, the Seller shall deliver, or procure that there are delivered to the Company, his resignation as a director of the Company and resignations from any directors appointed by him, such resignations to take effect at completion of the sale of the Sale Shares.
- 16.14. If the Seller fails to comply with **article 16.13**:
- 16.14.1 the chairman of the board of directors (or, failing him, one of the other directors) may, as agent on behalf of the Seller:
- 16.14.1 1. complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants and the resignation of director(s) (if applicable),

- 16.14.1.2. receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
 - 16.14.1.3. (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
 - 16.14.2. the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the board of directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board of directors may reasonably require to prove good title to those Sale Shares, to the Company.
- 16.15 If an Allocation Notice does not relate to all of the Sale Shares or if no allocations are made under **article 16.8**, then the Company shall be entitled (to the extent that it is legally able to do so) to serve notice on the Seller of its intention to purchase any remaining Sale Shares or all of the Sale Shares (as the case may be) within ten (10) Business Days of:
- 16.15.1. the date of the Allocation Notice; or
 - 16.15.2. where no allocations are made under **article 16.8**, the end of the Offer Period or, if later, the end of the period twenty (20) Business Days after receipt of the Valuers' determination of the Market Value (and provided the Seller has not withdrawn the Transfer Notice in accordance with **article 16.7**).
- 16.16. If the Company serves such notice under **article 16.15**, such purchase shall take place within thirty (30) Business Days following service of such notice (or if longer, the first Business Day upon which the Company is legally able to purchase such remaining Sale Shares, subject to a maximum period of one hundred and twenty (120) Business Days) at a price per Sale Share being the lower of the Proposed Sale Price and the Market Value of each Sale Share, which if not already done so, shall be determined in accordance with **article 19**
- 16.17 If any Sale Shares remain unsold after all preceding provisions of this article have been duly followed then, subject to the prior written consent of the Company and all B Shareholders for the time being and subject to **article 16.18** and within the period of twelve (12) weeks immediately following the end of the applicable period referred to in **article 16.16**, the Seller may transfer any remaining Sale Shares to the third party buyer identified in the Transfer Notice at a price per Sale Share not less than the Sale Price provided that the Seller shall procure that any buyer of Sale Shares that is not, immediately prior to completion of the transfer in question, a party to any shareholders' agreement (or similar document) in force between the shareholders shall, at completion, execute and deliver to the Company a deed under which the buyer agrees to be bound by the terms of any such shareholders' agreement (or similar document), in such form as the Continuing Shareholders may reasonably require (but not so as to oblige the buyer to have any obligations or liabilities greater than those of the Seller).
- 16.18 The Seller's right to transfer Sale Shares under **article 16.17** does not apply if the board of directors reasonably consider that:

- 16.18.1. the transferee is a person (or a nominee for a person) who is a competitor with (or an associate of a competitor with) the business of the Company; or
 - 16.18.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - 16.18.3. the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the board of directors to enable it to form the opinion mentioned above.
- 16 19. The restrictions imposed by this article may be waived in relation to any proposed transfer of Sale Shares with the consent of all shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this article.

17. Permitted transfers

- 17.1. Subject to **article 17.4**, a B Shareholder may at any time transfer all (but not some only) of its shares in the Company to a Permitted Transferee without being required to follow the steps set out in **article 16** save that the directors shall have the right to refuse to register a transfer of Shares under this **article 17** if the directors reasonably consider that any of the provisions of **article 16.17** apply.
- 17.2. A Permitted Transferee may at any time transfer all (but not some only) of its shares back to the B Shareholder from whom it received those shares or to another Permitted Transferee of such B Shareholder, without being required to follow the steps set out in **article 16**.
- 17.3 If a Permitted Transfer has been made to a Permitted Transferee (not being a joint-holder), such Permitted Transferee shall be deemed to have served a Transfer Notice in favour of:

- 17.3 1. the B Shareholder from whom it received those shares; or
- 17.3.2. if so directed by the B Shareholder, to another Permitted Transferee of that B Shareholder,

in respect of such shares immediately before ceasing to be an Affiliate (for avoidance of doubt in the case of an individual, whether by reason of divorce, dissolution of a civil partnership, bankruptcy, any matter set out in **article 18**, or otherwise) and the B Shareholder shall procure that, without being required to follow the steps set out in **article 16**, the Permitted Transferee shall execute and deliver to the Company a transfer of the shares held by them to the B Shareholder or, if so directed by the B Shareholder, to a Permitted Transferee of the B Shareholder.

- 17.4 A B Shareholder may only transfer shares to the trustees of a Family Trust if a majority of the other B Shareholders are satisfied:
- 17.4.1 with the terms of the Family Trust and, in particular, with the powers of the trustees;
 - 17.4.2. with the identity of the trustees; and
 - 17 4 3 that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the

Company.

- 17.5. If a Permitted Transfer has been made to the trustees of a Family Trust, such trustees of that Family Trust shall be deemed to have served a Transfer Notice in favour of:

17.5.1 the B Shareholder from whom it received those shares; or

17.5.2. if so directed by the B Shareholder, to another Permitted Transferee of that B Shareholder,

in respect of such shares immediately before that Family Trust ceases to be for the benefit of the settlor and/or the settlor's Relations and the B Shareholder shall procure that, without being required to follow the steps set out in **article 16**, the Permitted Transferee shall execute and deliver to the Company a transfer of the shares held by them or the Family Trust to the B Shareholder or, if so directed by the B Shareholder, to a Permitted Transferee of the B Shareholder.

18. Compulsory transfers

- 18.1. If a shareholder is an individual, he is deemed to have served a Transfer Notice under **article 16.1** immediately before any of the following events:

18.1.1. an order being made, for the shareholder's bankruptcy; or

18.1.2. an application by the relevant shareholder to the court being made under section 253 of the Insolvency Act 1986 where the shareholder intends to make a proposal to his creditors for a voluntary arrangement; or

18.1.3. *the shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986;* or

18.1.4. the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or

18.1.5. the shareholder being deemed unable to pay his debts within the meaning of section 268 of the Insolvency Act 1986; or

18.1.6. any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or

18.1.7. the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or

18.1.8. his death; or

18.1.9. the shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986; or

18.1.10 the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding, or

- 18.1.11. the shareholder being found guilty of any criminal offence (other than an offence under road traffic legislation for which the shareholder is not sentenced to imprisonment, whether immediate or suspended); or
 - 18.1.12. the shareholder committing a material or persistent breach of these Articles or any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within twenty (20) Business Days of the other shareholders requiring such remedy; or
 - 18.1.13. the making of any court order for the transfer of any shares to a third party, or
 - 18.1.14. if an A Shareholder ceases to be a A Director or employee of the Company.
- 18.2. If a shareholder is a company or body corporate, it is deemed to have served a Transfer Notice under **article 16.1** immediately before any of the following events:
- 18.2.1 the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Group in which a new company assumes (and is capable of assuming) all the obligations of the shareholder, or
 - 18.2.2. the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven (7) days of such presentation; or
 - 18.2.3. the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or
 - 18.2.4. any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
 - 18.2.5. the shareholder being deemed unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
 - 18.2.6. the shareholder entering into a composition or arrangement with its creditors; or
 - 18.2.7. any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager), or
 - 18.2.8. any competent person taking any step analogous to any of the above in any jurisdiction in which the shareholder carries on business or has assets; or
 - 18.2.9. a change of Control of the shareholder, or
 - 18.2.10. the shareholder ceasing to carry on its business or substantially all of its business; or

- 18.2.11. the shareholder committing a material or persistent breach of these Articles or any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within twenty (20) Business Days of the other shareholders requiring such remedy.
- 18.3. The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 18.3.1. the Deemed Transfer Notice takes effect on the basis that it relates to all shares held by that shareholder, does not identify a proposed buyer or state a price for the Sale Shares and subject to **article 18.6**, the price for the Sale Shares shall be the aggregate Market Value of those shares, determined by the Valuers in accordance with **article 19**, save that the Seller shall not be entitled to revoke the Transfer Notice in accordance with **article 16.7** and if the Seller is deemed to have given a Transfer Notice as a result of **article 18.1.12** or **article 18.2.11**, the price for the Sale Shares shall be restricted to the aggregate Market Value of such Sale Shares reduced by 25% (such reduction is deemed by the shareholders to be fair and reasonable); and
- 18.3.2. the Seller does not have the right to sell the Sale Shares to any third party *in accordance with article 16.17 without the prior written consent of the Company and all shareholders for the time being.*
- 18.4. If the Seller fails to complete a transfer of Sale Shares as required under this **article 18**, the Company:
- 18.4.1. is irrevocably authorised to appoint any person nominated for the purpose by the Continuing Shareholders or the Company (as the case may be) as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholders or the Company (as the case may be) may reasonably require to complete the sale; and
- 18.4.2. may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Continuing Shareholders.
- 18.5. If an Employee Shareholder becomes a Departing Employee Shareholder a Deemed Transfer Notice shall, unless the directors otherwise direct in writing, be served under **article 16.1** immediately on the date on which the employment or directorship is terminated in respect of all Relevant Shares (a "**Compulsory Employee Transfer**") and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse.
- 18.6. Notwithstanding any other provisions of these Articles, the price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Shareholder is:
- 18.6.1. a Good Leaver, be the aggregate Market Value of such Sale Shares; and
- 18.6.2. a Bad Leaver, be restricted to the aggregate Market Value of such Sale Shares reduced by 25% (such reduction is deemed by the shareholders to be fair and reasonable).
- 18.7. Forthwith upon a Transfer Notice being deemed to be served under this **article 18**

the shares subject to the relevant Deemed Transfer Notice shall cease to confer on the holder of them any rights:

- 18.7.1. to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - 18.7.2. to receive dividends or other distributions otherwise attaching to those shares; or
 - 18.7.3. to participate in any future issue of shares.
- 18.8. The directors may reinstate the rights referred to in **article 18.7** at any time and, in any event, such rights shall be reinstated in respect of any shares transferred pursuant to this **article 18** on completion of such transfer.

19. Valuation

- 19.1. In accordance with the relevant provisions of **article 16** and as soon as practicable after deemed service of a Transfer Notice under **article 18**, the shareholders shall appoint the Valuers to determine the Market Value of the Sale Shares
- 19.2. The Valuers shall be requested to determine the Market Value within twenty (20) Business Days of their appointment and to notify the shareholders and the Company in writing of their determination.
- 19.3. The Market Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- 19.3.1. valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
 - 19.3.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 19.3.3. the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 19.3.4. the Sale Shares are sold free of all encumbrances;
 - 19.3.5. the sale is taking place on the date of the Transfer Notice or Deemed Transfer Notice (as the case may be); and
 - 19.3.6. to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 19.4. The shareholders are entitled to make submissions to the Valuers and shall provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 19.5. To the extent not provided for by this **article 19**, the Valuers may, in their

reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.

19.6. The Valuers shall act as expert and not arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.

19.7. The Valuers' fees and costs properly incurred by them in arriving at their valuation shall be borne by the proposed purchaser of the Shares or in such other proportions as the Valuers shall direct.

20. Tag along

20.1. The provisions of **article 20.2** to **article 20.6** shall apply if a shareholder or shareholders (the "**Seller**") propose to transfer shares to a bona fide purchaser (the "**Proposed Buyer**") on arm's length terms (the "**Proposed Transfer**") and such transfer would, if carried out, result in such person acquiring shares in the Company that together confer a Controlling Interest in the Company.

20.2. Before making a Proposed Transfer, the Seller shall procure that the Proposed Buyer makes an offer (the "**Offer**") to all other shareholders to purchase all shares held by them for a consideration in cash per share that is at least equal to the price per share offered by the Proposed Buyer in the Proposed Transfer (the "**Specified Price**").

20.3. The Offer shall be made by written notice (the "**Offer Notice**"), at least twenty (20) Business Days before the proposed transfer date (the "**Transfer Date**") To the extent not described in any accompanying documents, the Offer Notice shall set out:

20.3.1 the identity of the Proposed Buyer;

20.3.2 the purchase price and other terms and conditions of payment,

20.3.3 the Transfer Date; and

20.3.4 the number of shares proposed to be purchased by the Proposed Buyer (the "**Offer Shares**")

20.4. If the Proposed Buyer fails to make the Offer in accordance with **article 20.2** and **article 20.3**, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.

20.5. If the Offer is accepted by the other shareholders in writing within ten (10) Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholders.

20.6. The Proposed Transfer and the purchase of the Offer Shares shall not be subject to the rights of pre-emption set out in **article 16**.

21. Drag along

21.1. If a Proposed Buyer makes an offer to acquire all the issued share capital of the Company and such offer is acceptable to shareholders who for the time being hold shares in the Company that together confer not less than 75% of the total voting

rights exercisable in general meetings of the Company, then such shareholders (the "**Selling Shareholders**") may require the other shareholders (the "**Called Shareholders**") to sell and transfer all of their shares (the "**Called Shares**") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this **article 21** (the "**Drag Along Option**").

- 21.2. The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (the "**Drag Along Notice**") at least twenty (20) Business Days before the transfer of the shares to the Proposed Buyer. The Drag Along Notice shall specify:
 - 21.2.1. that the Called Shareholders are required to transfer all of their Called Shares pursuant to this **article 21**;
 - 21.2.2. the person to whom the Called Shares are to be transferred;
 - 21.2.3. the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer; and
 - 21.2.4. the proposed date of the transfer.
- 21.3. Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold their shares to the Proposed Buyer within forty (40) Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.4. No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this **article 21**.
- 21.5. Completion of the sale of the Called Shares shall take place on the Completion Date. "**Completion Date**" means the date proposed for completion of the sale of the shares held by Selling Shareholders unless the Selling Shareholders and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them.
- 21.6. The proposed sale of the shares by the Selling Shareholders to the Proposed Buyer and the sale of the Called Shares by the Called Shareholders shall not be subject to the rights of pre-emption set out in **article 16**.
- 21.7. On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to **article 21.2** to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 21.8. To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form(s) and share certificate(s) (or suitable indemnity) for the relevant Called Shares and

the Called Shareholders shall have no further rights or obligations under this **article 21** in respect of their shares.

- 21.9. If the Called Shareholders do not, on or before the Completion Date, execute and deliver (in accordance with **article 21.7**) transfer(s) in respect of all of the Called Shares held by them, the Called Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this **article 21.9**.

22. Purchase of Own Shares

- 22.1. Subject to the Act but without prejudice to any other provision of these Articles, the company may enter into any contract for the purchase of all or any of its shares of any class (including any redeemable shares) and any contract under which it may, subject to conditions, become entitled or obliged to purchase all or any such shares and may make payments in respect of the redemption or purchase of such shares otherwise than out of distributable profits or the proceeds of a fresh issue of shares. Neither the Company nor the directors shall be required to select the shares in question ratably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Notwithstanding anything to the contrary contained in these articles, the rights attaching to any class of shares shall not be deemed to be varied by anything done by the company pursuant to this article.

- 22.2. In addition to **article 22.1** and subject to the Act but without prejudice to any other provision of these Articles, the company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of.

22.2.1. £15,000; and

22.2.2. the value of 5% of the Company's share capital.

Decision making by shareholders

23. Quorum for general meetings

- 23.1. *The quorum at any general meeting of the Company, or adjourned general meeting, shall be at least four (4) persons present in person or by proxy, of whom at least one (1) shall be a holder of A Shares and at least one (1) shall be a holder of B Shares.*
- 23.2. If a quorum is not present within 30 minutes of the time specified for a general meeting in the notice of the meeting then it shall be adjourned for ten (10) Business Days at the same time and place. If at the adjourned meeting a quorum is not present within 30 minutes of the time specified for the general meeting in the adjourned notice of the meeting, then the meeting shall be dissolved.
- 23.3. No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

24. Chairing general meetings

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

25. Voting

25.1. At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

25.2. Any resolution proposed as a written resolution shall be proposed in a form that provides shareholders with the ability to cast their votes against as well as in favour of such resolution.

26. Poll votes

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

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

27. Proxies

27.1. Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".

27.2. Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

Administrative arrangements

28. Means of communication to be used

28.1. Subject to **article 28.3**, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

28.1.1. if delivered by hand, at the time of delivery, or

28.1.2. if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, two (2) Business Days after posting; or

28.1.3. if sent or supplied by e-mail, one hour after the notice, document or

information was sent or supplied; or

- 28.1.4. if deemed receipt under the previous paragraphs of this **article 28.1** is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of receipt), when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

28.2. To prove service, it is sufficient to prove that:

- 28.2.1. if delivered by hand the notice was delivered to the correct address; or

- 28.2.2. if sent by post the envelope containing the notice was properly addressed, paid for and posted; or

- 28.2.3. if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

28.3. Any notice, document or other information served on, or delivered to, an intended recipient under **article 16**, **article 18**, **article 20** or **article 21** (as the case may be) may not be served or delivered in electronic form, or by means of a website.

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

29. Indemnity and insurance

29.1. Subject to **article 29.2**, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 29.1.1. each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including 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 affairs; and

- 29.1.2. 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 29.1.1** and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

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

29.3. 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.

29.4. In this article:

29.4.1. a **"relevant officer"** means any director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor, and

29.4.2. a **"relevant loss"** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund of the Company.

30. Liability of members

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