

**ARTICLES OF ASSOCIATION**

of

**VOS INDUSTRIAL LIMITED**  
(Company Number: 10855288)

(Amended by special resolution on 25 November 2019)

**Clarion**

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TUESDAY



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**Company number: 10855288**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**VOS INDUSTRIAL LIMITED**

**1. Definitions and Interpretation**

**1.1** In these Articles the following definitions will apply:

**Act:** the Companies Act 2006;

**acting in concert:** has the meaning set out in the City Code on Takeovers and Mergers in force for the time being;

**Adoption Date:** the date of the adoption of these Articles by the Company;

**Affiliate:** any holding company or subsidiary of a Shareholder and any subsidiary of any such holding company in each case for the time being (provided that the Company shall not be regarded as being an Affiliate of any Shareholder for the purposes of these Articles);

**Agreed Proportions:** the proportions that the nominal value of the issued Shares respectively (at the time of determination of the Agreed Proportions) bear to the aggregate nominal value of the issued Shares;

**Auditors:** the auditors of the Company for the time being or if, in relation to any reference made to such auditors in accordance with these Articles, the auditors of the Company are unable or unwilling to act in connection with that reference, a chartered accountant nominated by, and engaged on terms approved by, the Directors in their absolute discretion and acting as agent for the Company and each relevant Shareholder;

**Business Day:** any day (other than a Saturday, Sunday or public holiday) during which banks in London are open for normal business;

**Change of Control:** the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, that Third Party Purchaser (together with any person connected with or acting in concert with that Third Party Purchaser) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company;

**Compulsory Transfer Notice:** has the meaning given in article 5.1;

**Defaulting Shareholder:** has the meaning given in the definition of Event of Default;

**Director:** a duly appointed director of the Company for the time being;

**Eligible Director:** a Director who would be entitled to vote on the matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter) and references to eligible directors in article 8 of the Model Articles shall be construed accordingly;

**Encumbrance:** any mortgage, charge (fixed or floating), pledge, lien, option, hypothecation, restriction, right to acquire, right of pre-emption or interest (legal or equitable) including any assignment by way of security, reservation of title, guarantee, trust, right of set off or other third party right or any other security interest having a similar effect howsoever arising (but excluding any such rights or arrangements arising under these Articles or the JV Agreement);

**Event of Default:** the occurrence of any of the following events in relation to a Shareholder (a Defaulting Shareholder):

- (a) an Insolvency Event occurring in relation to the Defaulting Shareholder;
- (b) the Defaulting Shareholder or any Director appointed by that Defaulting Shareholder breaching any provision of these Articles or the JV Agreement which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of the Remaining Shareholders within [10] Business Days of a notice from the Remaining Shareholders to the Defaulting Shareholder requesting such remedy;

**Fair Value:** the price which the Auditors state in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that:

- (a) the fair value is the sum which a willing buyer would agree with a willing seller on an arm's length sale to be the purchase price for the Shares concerned on a sale of the entire share capital of the Company;
- (b) no account shall be taken of the size of the holding which the relevant Shares comprise or whether those Shares represent a majority or minority interest;
- (c) no account shall be taken of the fact that the transferability of the relevant Shares is restricted under these Articles;
- (d) if the Company is then carrying on business as a going concern, it will continue to do so; and
- (e) any difficulty in applying any of the bases set out above shall be resolved by the Auditors as they, in their absolute discretion, think fit;

**Insolvency Event:** in relation to any Shareholder each and any of the following events:

- (a) an order being made or a resolution being passed for the winding up of that Shareholder or an Affiliate of that Shareholder, or for the appointment of a provisional liquidator to that Shareholder or an Affiliate of that Shareholder (other than a voluntary liquidation for the purposes of a bona fide scheme of solvent amalgamation or reconstruction in which an Affiliate of that Shareholder assumes all the obligations of that Shareholder);
- (b) a petition being presented for the winding up of that Shareholder or an Affiliate of that Shareholder, which petition is not withdrawn or dismissed within [10] Business Days of being presented;
- (c) an administration order being made in respect of that Shareholder or an Affiliate of that Shareholder, or a notice of intention to appoint an administrator, or a notice of appointment of an administrator or an application for an administration order being issued at court in respect of that Shareholder or an Affiliate of that Shareholder;
- (d) any step being taken for the appointment of a receiver, manager or administrative receiver over all or any part of the undertaking or assets of that Shareholder or an Affiliate of that Shareholder, or any other steps being taken to enforce any Encumbrance over all or any material part of the assets and/or undertaking of that Shareholder or an Affiliate of that Shareholder or any Shares held by that Shareholder;
- (e) any proceedings or orders equivalent or analogous to any of those described in paragraphs (a) to (d) above occurring in respect of that Shareholder or an Affiliate of that Shareholder under the law of any jurisdiction outside England and Wales;
- (f) that Shareholder or an Affiliate of that Shareholder circulating a proposal in relation to, or entering into, any composition or arrangement with its creditors;
- (g) that Shareholder or an Affiliate of that Shareholder being unable to pay its debts as they fall due within the meaning of section 123 Insolvency Act 1986; and

- (h) that Shareholder ceasing carry on its business or a substantial proportion of its business;

**JV Agreement:** the joint venture agreement relating to the Company dated on the Adoption Date and made between the Company and the Shareholders on that date;

**Model Articles:** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date;

**Relevant Securities:** any Shares, or any right to subscribe for or convert any securities into any Shares;

**Remaining Shareholders:** following the occurrence of an Event of Default, the Shareholders other than the Defaulting Shareholder;

**Sale Shares:** has the meaning given in article 5.1.3(a);

**Share:** any share of any class in the capital of the Company for the time being;

**Shareholder:** a registered holder for the time being of an issued Share, as recorded in the register of members of the Company;

**Third Party Purchaser:** any person who is not a Shareholder for the time being or a person connected with such a Shareholder; and

**Transfer Notice:** a notice in accordance with article 5 that a Shareholder wishes to transfer his Shares.

- 1.2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company.

- 1.3 In these Articles, a reference to:

1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date;

1.3.2 a **subsidiary** shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a **holding company** shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);

1.3.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);

1.3.4 writing includes any mode of reproducing words in a legible and non-transitory form;

1.3.5 **these Articles** is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and

1.3.6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.

- 1.4 All consents or approvals to be given by a Shareholder in respect of any provision of these Articles must be given in writing.

- 1.5 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles.
- 1.6 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.7 The words **other, include, including** and **in particular** do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 1.8 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 Corporation Tax Act 2010 (except that in construing section 1122 **control** has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act.
- 1.9 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each party.

## **2. Issue of Shares**

- 2.1 Unless otherwise determined by special resolution of the Company, any Relevant Securities which the Directors propose to allot, grant or otherwise dispose of shall first be offered to the Shareholders holding Shares in accordance with these Articles. Such offer shall be made by means of a notice (a "**Subscription Notice**") served by the Directors on all Shareholders holding Shares which shall:
- 2.1.1 state the number and class of Relevant Securities offered;
  - 2.1.2 state the subscription price per Relevant Security, which shall be determined by the Directors;
  - 2.1.3 invite the relevant offerees to respond in writing to the Company stating the number of Relevant Securities for which they wish to subscribe; and
  - 2.1.4 expire, and the offer made in that Subscription Notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date specified in the Subscription Notice, being not less than [10] nor more than [20] Business Days after the date of the Subscription Notice.
- 2.2 A Subscription Notice shall not be sent to, and no Shares shall be treated as offered to, any Defaulting Shareholder upon whom a Compulsory Transfer Notice has been served in accordance with article 5.1.
- 2.3 After the expiry of the period referred to in the Subscription Notice or, if sooner, upon all Shareholders to whom a Subscription Notice was sent having responded to the Subscription Notice (in either case, the "**Subscription Allocation Date**"), the Directors shall allocate the Relevant Securities in accordance with the applications received provided that:
- 2.3.1 no Relevant Securities shall be allocated to:
    - (a) any Shareholder who, at the Subscription Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name; or
    - (b) any Defaulting Shareholder upon whom a Compulsory Transfer Notice has been served pursuant to article 5.1;
  - 2.3.2 if there are applications for more than the number of Relevant Securities available, the Relevant Securities shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Relevant Securities than it applied for) to the number of Shares held by each of them respectively; and

- 2.3.3 the allocation of any fractional entitlements to Relevant Securities amongst the Shareholders shall be dealt with by the Directors in such manner as they see fit.
- 2.4 Within [five] Business Days of the Subscription Allocation Date the Directors shall give notice in writing (a "**Subscription Allocation Notice**") to each Shareholder to whom Relevant Securities have been allocated pursuant to article 2.3 (each a "**Subscriber**"). A Subscription Allocation Notice shall state:
- 2.4.1 the number and class of Relevant Securities allocated to that Subscriber;
- 2.4.2 the aggregate subscription price payable by the Subscriber in respect of the Relevant Securities allocated to him; and
- 2.4.3 the place, date and time (being not less than [two] nor more than [five] Business Days after the date of the Subscription Allocation Notice) at which completion of the subscription for the Relevant Securities shall take place.
- 2.5 Completion of a subscription for Relevant Securities pursuant to a Subscription Allocation Notice shall take place at the place, date and time specified in the Subscription Allocation Notice when the Subscriber will pay the relevant subscription monies to the Company in cleared funds and the Company will allot or grant the Relevant Securities to that Subscriber and deliver to that Subscriber a duly executed share certificate or certificate of grant (as the case may be) in respect of the Relevant Securities. If a Subscriber shall fail for any reason to pay the relevant subscription monies in respect of any Relevant Securities to the Company in cleared funds by the date specified in the Subscription Allocation Notice he shall be deemed to have declined the offer made to him in respect of those Relevant Securities which shall immediately be deemed to be released from the provisions of articles 2.1 to 2.4.
- 2.6 Any Relevant Securities which are not accepted pursuant to articles 2.1 to 2.4, and any Relevant Securities released from the provisions of those articles either by virtue of a Subscriber's default in accordance with article 2.5 or by virtue of a special resolution of the Company, may be offered by the Directors to any person and such Relevant Securities shall, subject to the provisions of the Act, be at the disposal of the Directors who may allot, grant or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that:
- 2.6.1 no Share shall be issued at a discount;
- 2.6.2 no Relevant Securities shall be allotted, granted or otherwise disposed of on terms which are more favourable than those on which they were offered to the Shareholders pursuant to article 2.1; and
- 2.6.3 no Relevant Securities shall be allotted, granted or otherwise disposed of more than [three] months after the date of the relevant Subscription Notice in respect of the Relevant Securities (or, in the case of Relevant Securities released from the provisions of articles 2.1 to 2.4 by virtue of a special resolution, the date of that special resolution) unless the procedure in articles 2.1 to 2.4 is repeated in relation to that Relevant Security.
- 2.7 In accordance with section 567(l) of the Act, sections 561 and 562 of the Act shall not apply to the Company.
- 2.8 Notwithstanding any other provision of these Articles, no Share shall be allotted to a person who is not already a party to the JV Agreement unless that person has entered into a deed of adherence to, and in the form required by, the JV Agreement.
- 3. Transfer of Shares - General**
- 3.1 Subject to articles 3.2 and 3.3, the Directors shall forthwith register any duly stamped transfer made in accordance with, or permitted by, these Articles and the Directors shall not register any transfer of Shares which is not so made or permitted. Article 26(5) of the Model Articles shall not apply to the Company.

3.2 No transfer, other than one made under article 7 or 8, shall be registered unless the relevant transferee, if not already a party to the JV Agreement, has entered into a deed of adherence to, and in the form required by, the JV Agreement.

3.3 For the purposes of ensuring that:

3.3.1 a transfer of any Share is in accordance with these Articles,

3.3.2 no circumstances have arisen whereby a Shareholder is required to give or may be deemed to have given a Transfer Notice in respect of any Share; or

3.3.3 no circumstances have arisen whereby the provisions of article 8 are required to be or ought to have been triggered,

the Directors may from time to time require any Shareholder to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors reasonably believe to have information relevant to such purpose provides, such information and evidence as the Directors may reasonably require for such purpose. Pending such information or evidence being provided, the Directors are entitled to refuse to register any relevant transfer of Shares.

3.4 If any information or evidence provided pursuant to article 3.3 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Shareholder may be required to give or be deemed to have given a Transfer Notice, the Directors may, by notice in writing to the relevant Shareholder, require that a Transfer Notice be given in respect of the Shares concerned.

3.5 In any case where a Shareholder is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of [five] Business Days of written notice from the Directors to the relevant Shareholder requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of [five] Business Days. Notwithstanding any other provision of these Articles, unless the Directors resolve otherwise, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 3.5 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice by way of rights or on a capitalisation in respect of the Shares which are the subject of that Transfer Notice) shall with effect from the date of the relevant deemed Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder of those Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Shares.

3.6 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from all Encumbrances.

3.7 Notwithstanding any other provision of these Articles, no transfer of any share which is the subject of a Transfer Notice or a Compulsory Transfer Notice shall be permitted pursuant to article 4.

#### **4. Permitted Transfers**

##### **4.1 Transfer with consent**

Any Shares may be transferred at any time with the prior written consent of all the Shareholders or in accordance with the terms of the JV Agreement.

##### **4.2 Transfer within corporate group**

Any Shareholder which is a body corporate may at any time transfer all (but not some only) of the Shares held by it to a company which is for the time being a subsidiary or holding company of that Shareholder or another subsidiary of such holding company (each a member of the same group). Where, following a transfer or series of transfers of Shares pursuant to



this article 4.2, the transferee of any Shares ceases at any time for any reason to be a member of the same group as the original transferor of those Shares, such transferee shall forthwith transfer all the Shares held by it to the original transferor (or another member of the same group as the original transferor) for such consideration as they may agree between them. If the relevant transferee and transferor do not agree such consideration or if the transfer is not effected for any other reason within [20] Business Days of the date on which the transferee ceased to be a member of the same group as the original transferor, the Directors may authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares.

## **5. Pre-emption on Transfer of Shares**

### **5.1 Transfer Notice**

- 5.1.1 Except as permitted under article 4 (Permitted Transfers) or as provided for in articles 7 (Drag Along) and 8 (Tag Along), and subject to article 5.2, any Shareholder (a "**Seller**") who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a Transfer Notice) to the Company of its wish.
- 5.1.2 A Defaulting Shareholder in respect of whom a Compulsory Transfer Notice has been served pursuant to article 5.1 may not serve a Transfer Notice under this article 5.
- 5.1.3 Subject to article 5.1.4, a Transfer Notice shall:
- (a) state the number and class of Shares (or interest in Shares) (the Sale Shares) which the Seller wishes to transfer;
  - (b) state the name of the person to whom the Seller wishes to transfer the Sale Shares;
  - (c) state the price per Sale Share (the Proposed Price) at which the Seller wishes to transfer the Sale Shares;
  - (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 5 (a "**Total Transfer Condition**");
  - (e) relate to only one class of Share;
  - (f) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 5: and
  - (g) not be capable of variation or cancellation without the consent of all the Shareholders other than the Seller.
- 5.1.4 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles:
- (a) it shall relate to all the Shares registered in the name of the Seller;
  - (b) it shall not contain a Total Transfer Condition;
  - (c) the Transfer Price shall be determined in accordance with articles 5.2.1(b) and 5.2.1(c);
  - (d) it shall be irrevocable; and
  - (e) subject to article 3.5, the Seller may retain any Sale Shares for which Buyers (as defined in article 5.4.2) are not found.

## 5.2 Transfer Price

- 5.2.1 The Sale Shares will be offered for sale in accordance with this article 5 at the following price (the Transfer Price):
- (a) subject to the consent of the Directors, the Proposed Price; or
  - (b) such other price as may be agreed between the Seller and the Directors within [10] Business Days of the date of service (or deemed service) of the Transfer Notice; or
  - (c) if no price is agreed pursuant to article 5.2.1(b) within the period specified in that article, or if the Directors direct at any time during that period, whichever is the lower of:
    - (i) the Proposed Price; and
    - (ii) the Fair Value determined in accordance with article 5.2.2.
- 5.2.2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 5.2.1(b) or if the Directors direct in accordance with article 5.2.1(c), the Directors shall forthwith instruct the Auditors to determine and certify the Fair Value of each Sale Share.
- 5.2.3 The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the Shareholders, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Fair Value shall, subject to article 5.2.4, be borne as directed by the Auditors (taking into account the conduct of the parties) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company.
- 5.2.4 Where in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles, the Fair Value is less than the price proposed by the Directors to the Seller not less than [five] Business Days prior to receipt of the Auditors' report by the Company, then the Auditors' fees shall be borne wholly by the Seller.

## 5.3 Offer Notice

- 5.3.1 Subject to article 5.3.2, the Directors shall serve a notice (an "**Offer Notice**") on all Shareholders within [10] Business Days of the Transfer Price being agreed or determined in accordance with these Articles.
- 5.3.2 An Offer Notice shall not be sent to, and no Sale Shares shall be treated as offered to:
- (a) the Seller;
  - (b) any Shareholder who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given a Transfer Notice in respect of any Shares registered in his name; and
  - (c) any Defaulting Shareholder upon whom a Compulsory Transfer Notice has been served pursuant to article 5.1.
- 5.3.3 An Offer Notice shall:
- (a) state the Transfer Price;
  - (b) contain the other relevant information set out in the Transfer Notice;
  - (c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase; and

- (d) expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on a date which is not less than [20] nor more than [40] Business Days after the date of service of the Offer Notice.

## 5.4 Allocation of Sale Shares

5.4.1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Shareholders to whom an Offer Notice was sent having responded to that Offer Notice (in either case the "**Allocation Date**"), the Directors shall allocate the Sale Shares in accordance with the applications received provided that:

- (a) if there are applications for more than the number of Sale Shares available, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Shares than he applied for) to the number of Shares held by each of them respectively;
- (b) the allocation of any fractional entitlements to Sale Shares amongst the Shareholders shall be dealt with by the Directors in such manner as they see fit; and
- (c) no Sale Shares shall be allocated to:
  - (i) any Shareholder Member who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name; or
  - (ii) any Defaulting Shareholder upon whom a Compulsory Transfer Notice has been served pursuant to article 5.1.

5.4.2 Within [five] Business Days of the Allocation Date the Directors shall give notice in writing (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated pursuant to article 5.4.1 (each a "**Buyer**"). An Allocation Notice shall state:

- (a) the number and class of Sale Shares allocated to that Buyer;
- (b) the name and address of the Buyer;
- (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;
- (d) the information (if any) required pursuant to article 5.4.4; and
- (e) subject to article 5.4.4, the place, date and time (being not less than [two] nor more than [five] Business Days after the date of service of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.

5.4.3 Subject to article 5.4.4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of those Shares, to that Buyer.

5.4.4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 5.4.1 is less than the total number of Sale Shares then:

- (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the "**Further Offer**") to the Buyers inviting them to apply for further Sale Shares at the Transfer Price;

- (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than [20] Business Days) specified in the Allocation Notice;
  - (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 5.4.1(a) and 5.4.1(b); and
  - (d) following the allocation of any Sale Shares amongst the Buyers in accordance with article 5.4.4(c), and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 5.4.2 but omitting article 5.4.2(d).
- 5.4.5 Subject to article 5.4.6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 5.4.4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that notice on the terms offered to that Buyer.
- 5.4.6 If after following the procedure set out in this article 5 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then:
- (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 5 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 5; and
  - (b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.

## **5.5 Default by the Seller**

- 5.5.1 If a Seller shall fail for any reason to transfer any Sale Shares to a Buyer when required by this article 5, the Directors may authorise and instruct any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer.
- 5.5.2 The Company may receive the purchase money from a Buyer on behalf of the Seller and thereafter shall, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 5.5 the validity of the proceedings shall not be questioned by any person.
- 5.5.3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered the share certificate(s) in respect of the relevant Shares (or a suitable indemnity or other documentation if an interest in Shares is being transferred, in each case in a form reasonably satisfactory to the Directors) to the Company.

## **5.6 Transfers following exhaustion of pre-emption rights**

If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this article 5 the Seller may, at any time within [three] calendar months of the date of service of the notice referred to in article 5.4.6(b), sell any of those unallocated Sale Shares to the person named in the Transfer Notice at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that:

- 5.6.1 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of the Directors; and

- 5.6.2 the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 8 until such time as that offer has been made and, if accepted, completed.

## **6. Compulsory Transfers**

- 6.1 If an Event of Default occurs in relation to a Shareholder, the Remaining Shareholders may, without prejudice to any other rights or remedies which they may have, at any time within [20] Business Days of becoming aware of the relevant Event of Default serve written notice (a Compulsory Transfer Notice) on the Defaulting Shareholder and the Company requiring that the Defaulting Shareholder sell, or procure the sale of, all (but not some) of the Shares held or beneficially owned by the Defaulting Shareholder (the "**Default Shares**").
- 6.2 Upon the service of a Compulsory Transfer Notice:
- 6.2.1 no further Shares shall be issued or required to be offered under any provision of these Articles to the Defaulting Shareholder;
- 6.2.2 the Defaulting Shareholder (or its nominee, as the case may be) shall cease to be required in order to form a quorum at meetings of Shareholders or to be entitled to exercise any voting rights in respect of the Default Shares;
- 6.2.3 any Director appointed by the Defaulting Shareholder (either solely or jointly with any other Shareholder(s)) shall cease to be required in order to form a quorum at any meeting of the Directors or to be entitled to exercise any vote at any such meeting; and
- 6.2.4 save as set out in this article 6, a Defaulting Shareholder may not sell or dispose of any of the Default Shares or any interest in any of those Default Shares.
- 6.3 If no Compulsory Transfer Notice is served within the period of [20] Business Days referred to in article 6.1, the relevant Event of Default is deemed to have lapsed.
- 6.4 If a Shareholder becomes aware of any event which gives rise to, or which may with the passing of time give rise to, an Event of Default in respect of a Shareholder, that Shareholder shall forthwith give notice of such event to the Directors and the other Shareholders.
- 6.5 Following service of a Compulsory Transfer Notice the Company shall immediately instruct the Auditors to determine and certify the Fair Value of the Default Shares as at the date of the Compulsory Transfer Notice, provided that in calculating such Fair Value the Auditors shall apply an appropriate discount for a minority holding or premium for a majority holding. The Company and the Shareholders shall provide all such assistance, documentation and other information to the Auditors as the Auditors may consider necessary and shall use their respective best endeavours to procure that the Auditors issue a certificate as to the Fair Value (a "**Valuation Certificate**") as soon as reasonably practicable. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the Shareholders, save in the event of fraud or manifest error, and their costs in connection with the Valuation Certificate shall be borne by the Company provided that if the Compulsory Transfer Notice is withdrawn in accordance with article 6.6 those costs shall be borne wholly by the Remaining Shareholders and, as between them, in proportion to their holdings of Shares.
- 6.6 On receipt of the Valuation Certificate, the Company shall send a copy of that certificate to the Remaining Shareholders. The Remaining Shareholders shall be entitled to withdraw the Compulsory Transfer Notice by written notice, signed by any Remaining Shareholder, to the Company and the Defaulting Shareholder within [five] Business Days of the date of service of the Valuation Certificate.
- 6.7 Save where the Remaining Shareholders withdraw the Compulsory Transfer Notice pursuant to article 6.6, the Defaulting Shareholder and the Remaining Shareholders shall be bound to complete the sale and purchase of the Default Shares within [20] Business Days of the date of service of the Valuation Certificate at the price shown in the Valuation Certificate. Unless the Remaining Shareholders agree otherwise in writing (in which case, they shall notify the Defaulting Shareholder accordingly before the expiry of the period referred to in this article 6.7), each Remaining Shareholder shall acquire such proportion (as nearly as

practicable without involving fractions) of the Default Shares as the number of Shares held by that Remaining Shareholder bears to the total number of Shares held by all the Remaining Shareholders

- 6.8 If the Defaulting Shareholder shall fail for any reason to transfer any Default Shares to a Remaining Shareholder when required by this article 6, the Directors may authorise and instruct any Director to execute any necessary transfer on behalf of the Defaulting Shareholder and to deliver that transfer to the relevant Remaining Shareholder. The Company may receive the purchase money from a Remaining Shareholder on behalf of the Defaulting Shareholder and the receipt of the Company for such money shall constitute a good discharge to the Remaining Shareholder. The Company shall hold the relevant purchase money on trust for the Defaulting Shareholder (but without interest) and the Company shall not pay such money to the Defaulting Shareholder until he has delivered the share certificate(s) in respect of the relevant Default Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors) to the Company.

## **7. Drag Along**

- 7.1 Subject to article 7.2, if the holders of not less than 75% of the Shares (together, the **"Selling Shareholders"**) wish to transfer all their Shares to a Third Party Purchaser, they shall have the option (a **"Drag Along Option"**) to require all of the other Shareholders (the **"Continuing Shareholders"**) to transfer all their Shares with full title guarantee to the Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with this article
- 7.2 A Defaulting Shareholder in respect of whom a Compulsory Transfer Notice has been served in accordance with article 5.1 may not exercise (or join in exercising) the Drag Along Option under this article 7.
- 7.3 The Selling Shareholders shall exercise the Drag Along Option by giving notice to that effect (a **"Drag Along Notice"**) to each of the Continuing Shareholders at any time before the registration of the transfer of the Selling Shareholders' Shares. A Drag Along Notice shall specify:
- 7.3.1 that the Continuing Shareholders are required to transfer all their Shares (the **"Continuing Shares"**) pursuant to this article 7;
  - 7.3.2 the identity of the Third Party Purchaser;
  - 7.3.3 the consideration for which, or the price at which, the Continuing Shares are to be transferred, determined in accordance with article 7.5 (the **"Drag Along Consideration"**); and
  - 7.3.4 the proposed date of transfer (if known).
- 7.4 A Drag Along Notice may be revoked by the Selling Shareholders at any time prior to the completion of the sale and purchase of the Continuing Shares.
- 7.5 The Drag Along Consideration shall be the same consideration per Continuing Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Share held by the Selling Shareholders.
- 7.6 If the Drag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 75% of the Continuing Shares within [10] Business Days of the date of service of the Drag Along Notice, such matter shall be referred for determination to the Auditors and, pending their determination, the sale or transfer of the Selling Shareholders' Shares shall have no effect and shall not be registered.
- 7.7 Upon the service of a Drag Along Notice each Continuing Shareholder is required, as a legally binding commitment, not to divulge or communicate to any third party either the fact that the Selling Shareholders wish to transfer their Shares to a Third Party Purchaser or any other information concerning the sale and purchase of any of the Selling Shareholders' Shares or the Continuing Shares pursuant to this article 7.

- 7.8 Completion of the sale and purchase of the Continuing Shares shall take place on the same date as completion of the sale and purchase of the Selling Shareholders' Shares (unless the Directors and all of the Continuing Shareholders shall agree otherwise).
- 7.9 Upon the service of a Drag Along Notice each Continuing Shareholder shall be deemed to have irrevocably appointed each of the Selling Shareholders (severally) as the agent of the Continuing Shareholder to execute, in the name of and on behalf of that Continuing Shareholder, any stock transfer form and covenant for full title guarantee in respect of the Continuing Shares registered in the name of that Continuing Shareholder and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Continuing Shares pursuant to this article 7.
- 7.10 The provisions of this article 7 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption on transfer of Shares contained in article 5 shall not apply to the transfer of any Shares to a Third Party Purchaser named in a Drag Along Notice (or as that Third Party Purchaser may direct). Any Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 5 shall automatically be revoked by the service of a Drag Along Notice.
- 7.11 Upon any person (a "**New Shareholder**") becoming, at any time after the service of a Drag Along Notice, a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Shareholder. Upon the deemed service of a Drag Along Notice pursuant to this article 7.11 the New Shareholder shall become bound to sell and transfer to the Third Party Purchaser (or as the Third Party Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 7 shall apply *mutatis mutandis* to the sale of any such Shares by such New Shareholder provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:
- 7.11.1 the date on which a Drag Along Notice is deemed to have been served on the New Shareholder pursuant to this article 7.11; and
- 7.11.2 the date of completion of the sale and purchase of the Continuing Shares pursuant to the original Drag Along Notice.

## 8. Tag Along

- 8.1 Save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 4, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the "**Committed Shares**") which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration the relevant Third Party Purchaser has made a bona fide offer (a "**Tag Along Offer**") by notice in writing (a "**Tag Along Notice**") to acquire, in accordance with this article 8, from all the Shareholders other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the "**Uncommitted Shares**") for the consideration, or at the price, (the "**Tag Along Consideration**") calculated in accordance with articles 8.3 and 8.4.
- 8.2 A Tag Along Notice shall:
- 8.2.1 state the Tag Along Consideration (subject to article 8.4);
- 8.2.2 state the identity of the Third Party Purchaser;
- 8.2.3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and
- 8.2.4 subject to article 8.4.1, expire, and the offer made in the Tag Along Notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than [five] nor more than [20] Business Days after the date of service of the Tag Along Notice) specified in the Tag Along Notice.

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- 8.3 For the purposes of this article 8 the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.
- 8.4 If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 75% of the Uncommitted Shares within [10] Business Days of the date of service of the Tag Along Notice, such matter shall be referred for determination to the Auditors and, pending their determination:
- 8.4.1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Auditors' determination of the Tag Along Consideration is served on the Third Party Purchaser and the Shareholders holding Uncommitted Shares; and
- 8.4.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered.

## **9. General Meetings**

- 9.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Subject to article 9.2 two or more Shareholders together holding not less than 75% of the Shares, present either in person, by proxy or by a duly appointed corporate representative shall be a quorum.
- 9.2 Any Defaulting Shareholder in respect of whom a Compulsory Transfer Notice has been served pursuant to article 5.1 shall not be required in order to form a quorum at any general meeting.
- 9.3 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph a1Q) in that article: *"If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved"*.
- 9.4 The chairman of the board of Directors for the time being shall chair general meetings. If the chairman is unable to attend any general meeting, the Shareholder that appointed him shall be entitled to nominate another Director appointed by it or, in the absence of such another Director, any other person present at the meeting, to act as chairman of the meeting and the appointment of the chairman shall be the first business transacted at the meeting. Article 39 of the Model Articles shall not apply to the Company.
- 9.5 A poll may be demanded at any general meeting by:
- 9.5.1 the chairman; or
- 9.5.2 by any Shareholder present (in person, by proxy or by a duly appointed corporate representative) and entitled to vote on the relevant resolution.
- Article 44(2) of the Model Articles shall not apply to the Company.
- 9.6 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article: *"A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made."*
- 9.7 Article 45(1) of the Model Articles shall be amended as follows:
- 9.7.1 by the deletion of the words in Article 45(1)(d) and the insertion of the following in their place: *"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 exercised and in accordance with any*



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

- 9.7.2 by the insertion of the following as a new paragraph at the end of Article 45(1): *“and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion accept the proxy notice any time before the meeting.”.*

## **10. Appointment and Removal of Directors**

- 10.1 Unless and until determined otherwise by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall not be less than one. Article 17(1) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article: *“provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these Articles as the maximum number of directors.”.*
- 10.2 The office of a Director shall automatically be vacated, and the Director in question shall be deemed to have resigned, upon that Director failing to take part in any directors' decisions for a period of more than six consecutive months and the Directors resolving that his appointment as a Director should terminate (and the director in question shall not be an “Eligible Director” for the purposes of such resolution of the Directors), Article 18 of the Model Articles shall be extended accordingly.
- 10.3 In any case where, as a result of death or bankruptcy, the Company has no Shareholders and no Directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a Director. Article 27(3) of the Model Articles shall be modified accordingly.

## **11. Appointment of Chairman**

- 11.1 The chairman of the board of Directors shall be a Director nominated in writing by the holders for the time being of a majority of the Shares. Article 12 of the Model Articles shall not apply to the Company.
- 11.2 Any appointment or removal of the chairman of the Directors pursuant to article 11.1 shall be made by notice in writing to the Company signed by or on behalf of the relevant Shareholders. Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more Shareholders) must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.
- 11.3 If the chairman for the time being is unable to attend any meeting of the Directors then the Shareholders who appointed him shall be entitled to nominate another Director to act as chairman of that meeting.

## **12. Alternate Directors**

- 12.1 Any Director (in this article 12, an appointor) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:
- 12.1.1 exercise that Director's powers; and
- 12.1.2 carry out that Director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor. In these Articles, the term “Director” shall include an alternate appointed by a Director.
- 12.2 Any appointment or removal of an alternate must be affected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors.

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- 12.3 The notice must
- 12.3.1 identify the proposed alternate; and
  - 12.3.2 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.
- 12.4 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.
- 12.5 Save as provided otherwise in these Articles, alternate Directors:
- 12.5.1 are deemed for all purposes to be Directors;
  - 12.5.2 are liable for their own acts and omissions;
  - 12.5.3 are subject to the same restrictions as their appointors; and
  - 12.5.4 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.
- 12.6 A person who is an alternate Director but not a Director:
- 12.6.1 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);
  - 12.6.2 may 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); and
  - 12.6.3 shall not be counted as more than one Director for the purposes of articles 12.6.1 and 12.6.2.
- 12.7 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.
- 12.8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 12.9 The appointment of an alternate Director terminates:
- 12.9.1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate;
  - 12.9.2 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;
  - 12.9.3 on the death of the alternate's appointor,
  - 12.9.4 when the appointment of the alternate's appointor as a Director terminates; or
  - 12.9.5 when written notice from the alternate, resigning his office, is received by the Company.

## **13. Proceedings of Directors**

### **13.1 Quorum**

Save where the Company has a sole Director, [three] Eligible Directors, present either in person or by a duly appointed alternate, shall be a quorum. For the purpose of any meeting held to authorise a director's conflict of interest under article 15 or section 175 of the Act if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. Article 11(2) of the Model Articles shall not apply to the Company.

### **13.2 Voting**

If the number of votes for and against a proposal at a Directors' meeting are equal the chairman or other Director chairing the meeting shall have a casting vote, provided that the chairman or such other Director shall not have a casting vote if he is not an Eligible Director for the purposes of the relevant directors' decision. Article 13 of the Model Articles shall not apply to the Company.

### **13.3 Adjournment**

If within 30 minutes of the time appointed for a meeting of the Directors there is no quorum present, the Director(s) present shall adjourn the meeting to a place and time not less than [three] Business Days later and shall procure that notice of such adjourned meeting is given to each Director. If at such adjourned meeting a quorum is not present within 30 minutes of the time appointed for the adjourned meeting (or such longer period as the chairman may allow), the Directors present shall constitute a quorum and may conduct the business of the meeting.

## **14. Transactions or Other Arrangements with the Company**

14.1 Subject to sections 177 and 182 of the Act and (where applicable) to any terms and conditions imposed by the Directors under article 15.3, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company:

- 14.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 14.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;
- 14.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;
- 14.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- 14.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 14.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (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.

14.2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.

**15. Directors' Conflicts of Interest**

15.1 The Directors may, in accordance with the requirements set out in this article 15, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid situations which conflict or possibly may conflict with the interests of the Company (a "**Conflict**").

15.2 Any authorisation under this article will be effective only if:

15.2.1 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;

15.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and

15.2.3 the matter was agreed to without the Director in question or would have been agreed to if his vote had not been counted.

15.3 Any authorisation of a Conflict under this article 15 shall be in recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded) and may, whether at the time of giving the authorisation or subsequently:

15.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

15.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and

15.3.3 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.

15.4 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:

15.4.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or

15.4.2 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.

15.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:

15.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;

15.5.2 is not given any documents or other information relating to the Conflict; and

15.5.3 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.

15.6 Where the Directors authorise a Conflict

15.6.1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and

- 15.6.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of their authorisation.
- 15.7 A Director may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in, a Shareholder who appointed him as a Director (or any company which is for the time being a subsidiary or holding company of that Shareholder or another subsidiary of such holding company) and no authorisation under article 15.1 shall be necessary in respect of such interest.
- 15.8 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 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.

## **16. Secretary**

The Directors may appoint any person who is willing to act as the secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person.

## **17. Service of Documents**

- 17.1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient:
- 17.1.1 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;
  - 17.1.2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, five Business Days after posting provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;
  - 17.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 17.1.4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
  - 17.1.5 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 17.1, no account shall be taken of any part of a day that is not a working day.

- 17.2 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 the Act.

## **18. Indemnity**

- 18.1 Subject to article 18.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 18.1.1 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

in the actual or purported execution and/or discharge of his duties, or in relation to them, 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 affairs of the Company (or any associated company); and

- 18.1.2 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 18.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 18.2 This article 18 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.
- 18.3 In this article 18 and in article 19:
  - 18.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - 18.3.2 a relevant officer means any director or other officer or former director or other officer of the Company or any associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case 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).
- 18.4 Article 52 of the Model Articles shall not apply to the Company.

## **19. Insurance**

- 19.1 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 loss or liability which has been or may be incurred by that relevant officer in connection with his 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.
- 19.2 Article 53 of the Model Articles shall not apply to the Company.

## **20. Purchase of Own Shares out of Cash**

The Company may purchase its own Shares to the extent permitted by section 692(12A) of the Act.

## **21. Miscellaneous**

Articles 43, 50 and 51 of the Model Articles shall not apply to the Company.