

Company number 11049962

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
MEMBERS' WRITTEN RESOLUTIONS
of
LHESCO LIMITED
(the "Company")

Date: 15 November 2017

TUESDAY



A16 *A6JNG0DJ* 21/11/2017 #261
COMPANIES HOUSE

In accordance with Chapter 2 of Part 13 of the Companies Act 2006 the directors of the Company propose the following resolutions which are proposed as an ordinary and a special resolution (together the "resolutions"):

ORDINARY RESOLUTION

- | | For | Against |
|--|-------------------------------------|--------------------------|
| 1 That the directors of the Company be granted authority, pursuant to section 551 Companies Act 2006, to allot new shares to LH Energy 1 LLP and Compass Limited Partnership | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

SPECIAL RESOLUTION

- | | For | Against |
|---|-------------------------------------|--------------------------|
| 2 That the Company adopt new articles of association in the form attached to this resolution to replace the existing articles of association of the Company | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Please read the notes below before signifying your agreement to any of the resolutions.

The undersigned, a person entitled to vote on the above resolutions on **15 November 2017**, hereby irrevocably agrees to those resolutions as indicated above.

Signed by IT DE LA RUE - DIRECTOR Signature.....

(print name of signatory)

for and on behalf of Compass General Partner
Limited acting in its capacity as General
Partner of Compass Limited Partnership

Company no: 11049962

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF LHESCO LIMITED**

(Adopted by written resolution passed on 15 November 2017)

Company no: 11049962

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF LHESCO LIMITED

(adopted by written special resolution passed on 15 November 2017)

PRELIMINARY

1. INTERPRETATION

1.1 In these articles, unless the context otherwise requires:

"Act" means the Companies Act 2006;

"Alternate Director" has the meaning given in article 16.1;

"Associate" has the meaning given in section 435 of the Insolvency Act 1986;

"Beneficial Owner" has the meaning in article 32.4;

"Business Day" means a day which is not a Saturday or Sunday or a bank or public holiday in England;

"Company" means LHESCO Limited, registered number 11049962;

"Controlled Company" means in relation to a person who is an individual, a company in which such person has an interest in shares giving to that person control of the company within the meaning of section 1124 of the Corporation Tax Act 2010;

"Encumbrances" means any claim, charge, mortgage, pledge, hypothecation, retention of title, lien, equity, option, power of sale, right of pre-emption, right of first refusal or any other third party right or security interest of any kind whatsoever or any agreement, arrangement, obligation or commitment to create any of the foregoing;

"Fair Value" has the meaning given in article 32.5;

"Family Member" means, in relation to a Shareholder, a spouse, civil partner or child (including a step or adopted child) of that Shareholder;

"Family Trust" means, in relation to a Shareholder, a trust (whether arising under a settlement, declaration of trust or other instrument or under a testamentary disposition or on an intestacy);

- (a) which does not permit any of the trust property or the income from it to be transferred, paid, applied or appointed to or for the benefit of any person other than:
 - i. that Shareholder or a Family Member of that Shareholder; or
 - ii. any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the trust property or the income from it when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities);
- (b) under which no power of control over the voting rights attaching to any shares which comprise or form part of the trust property is capable of being exercised by any person other than the trustees or that Shareholder or a Family Member of that Shareholder; and
- (c) under which the trustees have no discretion to extend the classes of beneficiaries beyond Family Members and or charities;

"Group Company" at any time means the Company, LHHL or any other company which at that time is a holding company or a subsidiary of the Company or LHHL as those terms are defined in section 1159 of the Act. A company shall be treated, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c) as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee) by way of security or in connection with the taking of security, or (b) its nominee. In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall for such purposes be interpreted as if (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights;

"LHHL" means Long Harbour Holdings Limited a company limited by shares with company number 08442173 whose registered office is One New Change, London, EC4M 9AF;

"Model Articles" means the model articles of association for private companies limited by shares set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 (2008 No. 3229) as amended prior to the date of adoption of these articles;

"Obligatory Transfer Event" has the meaning given in article 31;

"Ordinary Shares" means the ordinary shares of £1.00 each in the capital of the Company;

"Ordinary Shareholders" means the members of the Company who hold Ordinary Shares from time to time;

"Permitted Transfer" means any transfer of shares permitted in accordance with article 29;

"Preference Shares" means the redeemable preference shares of £1000.00 each in the capital of the Company;

"Preference Shareholders" means the members of the Company who hold Preference Shares from time to time

"Sale Notice" has the meaning given in article 31.1;

"Shares" means the Ordinary and Preference Shares in the capital of the Company;

"Shareholder" means a shareholder in the Company and **Shareholder** means any holder of Ordinary or Preference Shares;

"Seller" has the meaning given in article 31.1; and

"Shareholder Consent" means the written consent of all of the Shareholders.

- 1.2 Words or expressions contained in these articles which are not defined in article 1.1 but which are defined in the Model Articles shall, unless inconsistent with the subject or the context, have the same meaning in these articles.
- 1.3 Words or expressions contained in these articles which are not defined in article 1.1 or in the Model Articles but which are defined in the Companies Acts shall, unless inconsistent with the subject or the context, have the same meaning in these articles.
- 1.4 A reference in these articles to any statute or statutory provision includes any orders, rules, regulations or other subordinate legislation made under that statute or provision and, if not inconsistent with the subject or the context, includes every statutory modification or re-enactment of that statute or provision for the time being in force.
- 1.5 In these articles, unless the context otherwise requires:
- (a) references to an article by number are to the relevant numbered paragraph of these articles;
 - (b) words in the singular include the plural and vice versa and words importing one gender include the other genders;
 - (c) the use of the words **"including"** or **"includes"** does not limit the scope of the meaning of the words preceding it; and
 - (d) a reference to a "person" includes a body corporate and an unincorporated body of persons.
- 1.6 Headings in these articles are included for convenience only and do not affect the meaning of these articles.

2. APPLICATION OF 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.
- 2.2 Articles 7, 8, 11, 13, 14, 15, 25, 26, 27, 28, 29, 44(2), 52 and 53 of the Model Articles shall not apply to the Company.
- 2.3 These articles and the Model Articles (except in so far as they are modified or excluded by these articles) shall together constitute the articles of association of the Company.

DIRECTORS' POWERS AND RESPONSIBILITIES

3. DELEGATION

Any reference in the articles to the exercise of a power, authority or discretion by the directors shall be construed as if it included a reference to the exercise of such power, authority or discretion by any person or committee to whom it has been delegated.

DECISION-MAKING BY DIRECTORS

4. DECISIONS OF THE DIRECTORS

- 4.1 The general rule about decision-making by directors is that any decision of the directors must be either:
 - (a) a decision taken at a directors' meeting in accordance with the articles; or
 - (b) a directors' written resolution adopted in accordance with article 8.
- 4.2 If at any time the Company has only one director and no provision of the articles requires it to have more than one director, the general rule does not apply and the director may, for so long as he remains the sole director, take decisions without regard to any of the provisions of the articles relating to directors' decision-making and exercise all the powers, authorities and discretions conferred on the directors under the articles.

5. QUORUM FOR DIRECTORS' MEETINGS

- 5.1 No decision (other than a decision to call a further directors' meeting) may be taken at a directors' meeting unless a quorum is participating in the meeting.
- 5.2 Subject to article 5.3, the quorum for directors' meetings is two.
- 5.3 If, in relation to a directors' meeting (or part of such a meeting) held to consider a resolution to authorise a matter pursuant to article 10.1, there is only one director who, in accordance with that article, is entitled to be counted in the quorum in relation to, and to vote on, the resolution, the quorum for that meeting (or the relevant part of such meeting) shall be one.

- 5.4 If at any time the number of directors is less than the minimum number required under the articles or is less than the number required under the articles as the quorum, the directors or director in office may act for the purpose of appointing an additional director or directors to make up such minimum or calling a general meeting for the purpose of making such appointment or appointments but may not act for any other purpose or make any other decision.

6. CHAIRING MEETINGS OF THE DIRECTORS

For the purposes of these articles, Model Article 1 shall be amended by the deletion of the words ““chairman” has the meaning given in article 12” and the insertion of the words ““chairman” has the meaning given in the articles”.

7. VOTING AT DIRECTORS MEETINGS

Subject to article 8:

- (a) a decision is taken at a directors’ meeting by a majority of the votes of the directors who are participating in the meeting; and
- (b) each director participating in a directors’ meeting has one vote.

8. DIRECTORS’ WRITTEN RESOLUTIONS

- 8.1 Any director may propose a directors’ written resolution and the company secretary (if any) must propose a directors’ written resolution if a director so requests.
- 8.2 A directors’ written resolution is proposed by giving notice of the proposed resolution to the directors. Notice of a proposed directors’ written resolution must:
- (a) include the text of the proposed resolution;
 - (b) indicate the time by which it is proposed that the directors should adopt it; and
 - (c) be given in writing to each director.
- 8.3 A proposed directors’ written resolution is adopted in accordance with this article 8 when all the directors who would have been entitled to vote on the resolution had it been proposed at a directors’ meeting have signed, or agreed in writing to, the resolution provided that those directors would have formed a quorum at such a meeting. For this purpose, the resolution may consist of several documents in the same form each of which has been signed or agreed to in writing by one or more of the directors.
- 8.4 It is immaterial whether any director signs or otherwise indicates his agreement in writing to the resolution before or after the time by which the notice proposed that it should be adopted.
- 8.5 Once a directors’ written resolution has been adopted in accordance with this article 8, it must be treated as if it were a decision taken at a directors’ meeting in accordance with the articles.

9. RECORDS OF DIRECTORS' DECISIONS

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of:

- (a) every decision taken at a directors' meeting in accordance with the articles; and
- (b) every decision taken in the form of a directors' written resolution adopted in accordance with article 8.

DIRECTORS' INTERESTS

10. AUTHORISATION OF CONFLICTS OF INTEREST

10.1 *For the purposes of section 175 of the Act, the directors may authorise any matter proposed to them which would otherwise involve a director breaching his duty under that section to avoid conflicts of interest. However, in order for any such authorisation to be effective, at the directors meeting at which the proposal to give such authorisation is to be considered, the director in question and any other director having an interest in the matter proposed to be authorised must not be counted in the quorum in relation to, and must not vote on, any resolution giving such authorisation. In addition, the director in question and any other director having such an interest may, if the other directors participating in the meeting so decide, be excluded from the meeting while the matter is under consideration.*

10.2 A director seeking authorisation of a matter under article 10.1 must:

- (a) declare to the other directors the nature and extent of his interest in that matter as soon as is reasonably practicable; and
- (b) provide the other directors with such information as is necessary to enable them to decide how to address any actual or potential conflict of interest which may reasonably be expected to arise out of that matter.

10.3 Where the directors authorise a matter under article 10.1, the directors may:

- (a) *(whether at the time of giving the authorisation or subsequently) make the authorisation subject to any terms or conditions (including of a kind described in article 12.1); and*
- (b) withdraw the authorisation or vary any terms or conditions to which the authorisation is subject at any time.

11. PERMITTED INTERESTS

11.1 Subject to compliance with article 11.2, a director:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is directly or indirectly interested;
- (b) may hold any other office or place of profit under the Company (except that of auditor) in conjunction with his office of director and may act, directly or through a body corporate or firm with which he is associated, in a professional capacity for the Company (otherwise than as auditor), in any such case on such terms as to remuneration and otherwise as the directors may decide; and
- (c) may be a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary of the Company or any other body corporate in which the Company is directly or indirectly interested

and no authorisation under article 10.1 is necessary in respect of any such interest as is referred to in this article 11.1.

11.2 Subject to article 11.3:

- (a) in the case of an interest permitted by article 11.1 which is an interest in a proposed or existing transaction or arrangement with the Company, the interested director must declare the nature and extent of his interest to the other directors in a manner and at such time or times as complies with the Companies Acts; and
- (b) in the case of any other interest permitted by article 11.1, the interested director must declare the nature and extent of his interest to the other directors as soon as is reasonably practicable. Any such declaration must be made at a directors' meeting or by a notice in writing sent to the other directors or in such other manner as the directors may determine.

11.3 A director need not declare an interest under article 11.2:

- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (b) of which the director is not aware or where the director is not aware of the transaction or arrangement in question (and, for this purpose, a director is treated as aware of matters of which he ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns terms of his service agreement that have been or are to be considered by a meeting of the directors or by a committee of the directors appointed for this purpose under these articles.

12. CONFLICTS OF INTEREST – PROCEDURES AND EFFECT OF COMPLIANCE

- 12.1** Where a director has an actual or potential conflict of interest as a result of having an interest which has been authorised under article 10.1 or is permitted under article 11.1:

- (a) the relevant director must comply with such requirements and procedures as the directors may from time to time impose or adopt for dealing with conflicts of interest (either generally or in relation to the particular conflict of interest in question);
- (b) in particular but without limitation, the directors may require that the relevant director is excluded from receiving any information, from participating in any discussions by the Company and from participating for quorum and voting purposes in any decision of the directors concerning any matter which gives rise or otherwise relates to the conflict of interest; and
- (c) the directors may decide that, where a director obtains (otherwise than through his position as a director) information that is *confidential* to a third party, the director is under no obligation to disclose that information to the Company or to use or apply that information in relation to the Company's affairs, where to do so would amount to a breach of that confidence.

12.2 A director will not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Act as a result of doing (or omitting to do) any act or thing in accordance with any terms, conditions, requirements, procedures or decisions imposed, adopted or made by the directors pursuant to articles 10.3 or 12.1.

12.3 A director shall not, by reason of his office (or the fiduciary relationship thereby established), *be liable to account to the Company for any remuneration or other benefit realised by reason of his having an interest which has been authorised under article 10.1 or is permitted under article 11.1 (subject, where relevant, to any terms or conditions imposed pursuant to article 10.3 and any requirements or procedures imposed or adopted pursuant to article 12.1) and no transaction or arrangement shall be liable to be avoided on the grounds of a director having any such interest or realising any such benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.*

13. RESTRICTION ON VOTING

13.1 Subject to article 13.2, a director is not entitled to participate for quorum and voting purposes in the decision-making process at any directors' meeting on any resolution concerning any transaction or arrangement in which he has, directly or indirectly, an interest which may reasonably be regarded as likely to give rise to a conflict of interest.

13.2 A director is entitled to participate for quorum and voting purposes in the decision making process at any directors' meeting on any resolution concerning any transaction or arrangement in which he has, directly or indirectly, an interest if:

- (a) the interest has been authorised under article 10.1; or
- (b) the interest is permitted under article 11.1 provided that he has declared the nature and extent of his interest in accordance with the Companies Acts and these articles,

unless and to the extent that any terms or conditions imposed pursuant to article 10.3 or any requirements or procedures imposed or adopted pursuant to article 12.1 exclude him from so participating or restrict such participation.

- 13.3 If a question arises at a directors' meeting as to the entitlement of a director (including the chairman or other director chairing the meeting) to participate in the meeting (or part of the meeting) for quorum and voting purposes and the question is not resolved by the director concerned voluntarily agreeing not to participate, the question shall be decided by a decision of the directors participating in the meeting (and, for this purpose, the director concerned is not to be counted as participating in the meeting, or that part of the meeting, for quorum or voting purposes) and their decision shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed.

APPOINTMENT AND REMOVAL OF DIRECTORS

14. NUMBER OF DIRECTORS

Unless and until otherwise determined by ordinary resolution:

- (a) the maximum number of directors shall be four; and
- (b) the minimum number of directors shall be two.

15. APPOINTMENT OF DIRECTORS

Article 17(1) of the Model Articles shall be amended by the insertion of the following words at the end of that article:

"provided that the appointment does not cause the total number of directors to exceed the maximum number of directors prescribed by the articles."

ALTERNATE DIRECTORS

16. APPOINTMENT OF ALTERNATE DIRECTORS

- 16.1 Any director may appoint any person (including any other director) to be his alternate (an "**Alternate Director**") to exercise that director's powers and carry out that director's responsibilities in relation to the taking of decisions by the directors.
- 16.2 A director wishing to appoint an Alternate Director must give written notice of the proposed appointment to the Company, signed by the appointing director. The notice must contain, or be accompanied by, a statement signed by the proposed Alternate Director confirming that he is willing to act as the Alternate Director of the appointing director. The appointment of an Alternate Director takes effect upon such a notice being received by the Company, unless the proposed Alternate Director is not himself a director in which case the appointment takes effect when the appointment has been approved by a decision of the directors.

17. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 17.1 An Alternate Director is entitled to be sent notices of all directors' meetings and (unless the terms of the notice of his appointment provide otherwise) notices of all meetings of all committees of which the director who appointed him is a member and all proposed directors' written resolutions.
- 17.2 If the director who appointed him is unable to participate in a meeting of a type referred to in article 17.1, the Alternate Director is entitled to participate in, and vote as a director at, that meeting and to have and exercise all the rights, powers, duties and authorities of that director at that meeting. If he is himself a director or is participating in a meeting as an Alternate Director for more than one director, he has one vote for each director for whom he acts as an Alternate Director, in addition to his own vote as a director (if any), but he must not be counted more than once for quorum purposes.
- 17.3 Unless the terms of the notice of his appointment provide otherwise an Alternate Director's signature or written agreement to a proposed directors' written resolution is as effective as the signature or written agreement of the director who appointed him to that resolution.
- 17.4 Subject to the Companies Acts, an Alternate Director is entitled to contract and to be interested in and benefit from contracts or arrangements or transactions and to be paid expenses and to be indemnified by the Company to the same extent as if he were a director. However, he is not entitled to receive any remuneration from the Company for serving as an alternate except only such part (if any) of the remuneration otherwise payable to the director who appointed him as that director may direct by notice in writing to the Company.
- 17.5 An Alternate Director is an officer of the Company but, except to the extent set out in the articles, an Alternate Director does not have the power to act as a director and is not deemed to be a director for the purposes of the articles.
- 17.6 An Alternate Director is alone responsible to the Company for his own actions and defaults and is not deemed to be the agent of the director who appointed him.

18. TERMINATION OF APPOINTMENT OF ALTERNATE DIRECTORS

The appointment of an Alternate Director terminates:

- (a) when the Company receives notice in writing signed by the director who appointed the Alternate Director revoking the appointment and such notice takes effect in accordance with its terms; or
- (b) on the occurrence in relation to the Alternate Director of an event which, if it occurred in relation to the director who appointed the Alternate Director, would cause the appointing director to cease to be a director; or
- (c) on the death of the director who appointed the Alternate Director; or
- (d) when the director who appointed the Alternate Director ceases for any reason to be a director.

COMPANY SECRETARY

19. COMPANY SECRETARY

- 19.1 The directors may from time to time appoint any person to be the secretary of the Company. Any such appointment shall be for such period, at such remuneration and otherwise on such terms as the directors may think fit.
- 19.2 Any company secretary so appointed may at any time be removed from office by the directors but any such removal shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

SHARES

20. SHARE CAPITAL

- 20.1 In these articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the date of adoption of these articles and ranking *pari passu* in all respects with the shares of the relevant class then in issue.
- 20.2 Except as otherwise provided in these articles, the Ordinary Shares and the Preference Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 20.3 The Shares shall confer on each Shareholder the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 20.4 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.

21. INCOME

- 21.1 Subject to all relevant legal requirements and to the cash requirements of the Company and other circumstances prevailing at the relevant time, the Company will in each financial year distribute by way of dividend the net distributable profits of the Company after making all necessary, reasonable and prudent provisions (including but not limited to working capital and capital expenditure provisions), and reserves for taxation, the repayment of any borrowings, minority interests and extraordinary items, as shown by the accounts.
- 21.2 The profits to be distributed under this article 21 will be distributed to the Shareholders as follows:
- (a) the Preference Shares confer on the Preference Shareholders a right to receive, in priority to any rights of the holders of any other class of Shares, and payable without any resolution of the Directors or of the Company, a fixed preferential dividend of 9% of the subscription price per

Preference Share per annum until such time as the Preference Shares are redeemed by the Company (the "**Preference Dividend**") in accordance with article 22;

- (b) any remaining profits will be distributed to the holders of Ordinary Shares pro-rata to the aggregate amount of Ordinary Shares held by them respectively ("**Ordinary Share Dividend**") provided that while Preference Shares remain in issue no Ordinary Share Dividend shall be paid to Ordinary Shareholders until each Preference Shareholder has received the entirety of its Preference Dividend.

- 21.3 *If the Company has insufficient distributable profits in any year to pay to the Preference Dividend, the amount of any shortfall in distribution shall be deferred and payable at the time of the next distribution of profits to Shareholders.*

22. REDEMPTION OF PREFERENCE SHARES

- 22.1 Subject to the provisions of these Articles and as required by law, the Preference Shares may be redeemed by the Company (at its election and acting in its sole discretion) at any time after the date of these Articles by issuing a written notice to the Preference Shareholder (the "**Redemption Notice**").

- 22.2 On the date fixed for redemption of the Preference Shares, there shall be paid in cash on each Preference Share the original subscription price for such Preference Share together with any unpaid Preference Dividend due or accrued to that date.

- 22.3 The Redemption Notice shall specify the date fixed for redemption and the place at which the certificates for the Preference Shares are to be presented for redemption and on such date the holders of the Preference Shares shall be bound to deliver to the Company at such place the certificates for the Preference Shares (or an indemnity in lieu in a form satisfactory to the Company) in order that the same may be cancelled. Upon such delivery the Company shall pay to the Preference Shareholder the amount due to him in respect of such redemption.

ALLOTMENT OF SHARES

23. DIRECTORS' POWER TO ALLOT SHARES

The exercise by the directors, pursuant to section 550 of the Act, of any power of the Company to allot shares or to grant rights to subscribe for, or to convert any security into, shares is prohibited.

24. AUTHORITY TO ALLOT SHARES

Subject to article 26, the directors may exercise all the powers of the Company to allot shares or grant rights to subscribe for or convert securities into shares if they are authorised to do so by a resolution of the Company in accordance with section 551 of the Act.

25. EXCLUSION OF STATUTORY PRE-EMPTION RIGHTS

In accordance with section 567 of the Act, none of the requirements set out in section 561 or section 562 of the Act shall apply to an allotment of equity securities (within the meaning of section 560 of the Act) by the Company.

26. ALLOTMENT OF NEW SECURITIES – PRE-EMPTION

26.1 For the purposes of this article 25:

- (a) **"New Securities"** means shares in the Company or rights to subscribe for, or to convert any securities into, shares in the Company; and
- (b) references to the allotment of New Securities include the grant of a right to subscribe for, or to convert any securities into, shares in the Company.

26.2 If at any time the Company proposes to allot any New Securities, then the New Securities shall not be allotted to any person unless:

- (a) the Company has in the first instance offered the New Securities to members in accordance with article 26.3 (the **"Initial Offer"**); and
- (b) where applicable, the Company has, in accordance with article 26.4, invited those members who accepted their entitlement to New Securities under the Initial Offer in full to apply for any New Securities not accepted pursuant to the Initial Offer (the **"Further Offer"**).

26.3 Under the Initial Offer, the Company shall offer the New Securities to members in proportion (as nearly as may be without involving fractions) to the respective numbers of existing shares held by them (such proportion being, in relation to each member, his **"Initial Offer Entitlement"**) and each member shall be entitled to accept the Initial Offer in respect of any number of New Securities up to his Initial Offer Entitlement. The Initial Offer shall be in writing and shall give details of:

- (a) the total number of New Securities being offered pursuant to the Initial Offer;
- (b) in relation to each member, his Initial Offer Entitlement;
- (c) the price payable in respect of the New Securities (the **"Issue Price"**);
- (d) the time and date (being not less than 14 days from the date of the notice containing the Initial Offer) by which acceptances must be received under the Initial Offer and following which the Initial Offer will close; and
- (e) the procedure for acceptance of, and payment under, the Initial Offer.

Acceptances of the Initial Offer shall be irrevocable. New Securities in respect of which valid acceptances of the Initial Offer are received shall be allotted and definitive certificates in respect thereof shall be despatched to the members entitled thereto within seven days after the close of the Initial Offer or, if there is a Further Offer, within 7 days of the close of such Further Offer.

- 26.4 Under the Further Offer, the Company shall invite those members who have validly accepted the Initial Offer in respect of their full Initial Offer Entitlement to apply at the Issue Price for those New Securities in respect of which valid acceptances of the Initial Offer were not received by the Company ("**Surplus Securities**"). Each such member shall be entitled to apply for any number of Surplus Securities up to the total number thereof available under the Further Offer (any such application being an "**Excess Application**"). The Further Offer shall be in writing, shall be made as soon as reasonably practicable after the close of the Initial Offer (and in any event within seven days thereafter) and shall give details of:
- (a) the total number of Surplus Securities available under the Further Offer;
 - (b) the time and date (being not less than seven days from the date of the notice containing the Further Offer) by which applications must be received under the Further Offer and following which the Further Offer will close; and
 - (c) the procedure for application and payment under the Further Offer.
- 26.5 If the available number of Surplus Securities is equal to or exceeds the number in respect of which Excess Applications are received under the Further Offer, all Excess Applications shall be satisfied in full if, however, Excess Applications are received under the Further Offer for more than the available number of Surplus Securities, the Surplus Securities shall be allocated amongst the members who have made Excess Applications in proportion as between themselves (as nearly as may be without involving fractions) to the respective numbers of existing shares held by them immediately prior to the making of the Initial Offer provided that, if such allocation would have the effect of allocating to a member a number of Surplus Securities in excess of that applied for by him, that member's allocation of Surplus Securities shall be reduced to the number applied for by him and the balance thereof shall be reallocated amongst the other members who have made Excess Applications and whose allocations have not fallen to be reduced as aforesaid, such re-allocation to be in proportion as between themselves (as nearly as may be without involving fractions) to the respective numbers of existing shares held by such other members immediately prior to the making of the Initial Offer.
- 26.6 Applications under the Further Offer shall be irrevocable. The Surplus Securities taken up pursuant to the Further Offer shall be allotted and definitive certificates in respect thereof shall be despatched to the members entitled thereto within seven days after the close of the Further Offer.
- 26.7 The directors may allot any Surplus Securities not taken up pursuant to the Further Offer to any person approved by prior Shareholder Consent, on such terms and in such manner as the directors think fit provided that no Surplus Securities shall be allotted at a price which is less than the Issue Price or otherwise on terms which are more favourable to the subscribers therefor than the terms of the Initial Offer.
- 26.8 The provisions of this article 26 shall not apply to:
- (a) the allotment of New Securities under an employees' share scheme which has been approved by prior Shareholder Consent;

- (b) the allotment of New Securities by way of consideration for the acquisition by the Company of any non-cash asset or assets if such allotment has been approved by prior Shareholder Consent; or
- (c) the allotment of New Securities otherwise than in compliance with the procedure set out in article 26 if such allotment has been approved by prior Shareholder Consent.

SHARE CERTIFICATES

27. REPLACEMENT SHARE CERTIFICATES

- 27.1 If a member has two or more certificates for shares of the same class, the Company must at the request of the member, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for those shares.
- 27.2 If a certificate issued in respect of a member's shares is damaged or defaced or alleged to have been lost, stolen or destroyed, that member is entitled to be issued with a new certificate representing the same shares upon request. A member exercising the right to be issued with a replacement certificate under this article 27.2 must:
 - (a) return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - (b) comply with such terms as to evidence and indemnity and to payment of exceptional out-of-pocket expenses incurred by the Company in investigating the evidence and preparing the indemnity as the directors may decide.
- 27.3 In the case of shares held jointly by several persons, any request pursuant to this article 27 may be made by any one of the joint holders.

TRANSFER OF SHARES

28. GENERAL PROVISIONS ABOUT TRANSFERS OF SHARES

- 28.1 Subject to these articles, Shares may be transferred by means of an instrument of transfer which must be in hard copy form but may otherwise be in any usual form or any other form approved by the directors. The instrument of transfer must be signed by or on behalf of the transferor.
- 28.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- 28.3 The Company may retain any instrument of transfer which is registered.
- 28.4 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as the holder of it.

29. RESTRICTIONS ON TRANSFER OF SHARES

29.1 Except for a transfer of shares which is made in accordance with:

- (a) article 30 (*Permitted transfers of shares*); or
- (b) article 31 (*Transfers of shares subject to pre-emption*); or
- (c) article 33 (*Transfer of shares following obligatory transfer event*); or
- (d) article 35 (*Tag along*)

a member may not transfer any Share without prior Shareholder Consent.

29.2 For the purposes of articles 29.1 to 31, a transfer of shares includes:

- (a) the sale, assignment, transfer or other disposal of, or the grant of an option over, any shares or any interest in any shares;
- (b) the creation of an Encumbrance over any Shares or any interest in any shares; and
- (c) the entering into of an agreement in respect of the voting or any other rights attached to any Shares.

29.3 The directors must register the transfer of a Share made in accordance with these articles and must refuse to register the transfer of a Share not made in accordance with these articles. If the directors refuse to register a transfer of a Share, the instrument of transfer must be returned to the transferee with the notice of refusal unless the directors suspect that the proposed transfer may be fraudulent.

29.4 Notwithstanding any other provision of these articles, no transfer of any Share shall be registered if the transfer is to a minor, an undischarged bankrupt, a trustee in bankruptcy or a person of unsound mind or if it is in favour of more than four transferees.

29.5 The directors may, as a condition to the registration of the transfer of any Share, require the proposed transferee to execute and deliver to the Company a deed of adherence agreeing to be bound by the terms of any agreement entered into between the members or any of them for the purpose of regulating the affairs of the Company and their relationship as shareholders of the Company. The deed of adherence shall be in such form as the members who are party to such agreement may reasonably require. If any condition is imposed in accordance with this article 29.5, the transfer may not be registered unless the deed of adherence has been executed and delivered to the Company by the transferee.

30. PERMITTED TRANSFERS OF SHARES

30.1 Notwithstanding any provision to the contrary contained in the articles referred to in article 29.1, any member may transfer Shares to any person with prior Shareholder Consent.

- 30.2 A Shareholder which is a company may transfer all (but not some only) of the Shares held by it to an Associate of it and any such transferee may transfer all (but not some only) of the Shares held by it to its Shareholder or an Associate thereof.
- 30.3 A Shareholder who is an individual may transfer all (but not some only) of the shares held by him to:
- (a) a Controlled Company of the Shareholder; or
 - (b) a Family Member of the Shareholder; or
 - (c) the trustees of a Family Trust of the Shareholder to be held on the terms of such Family Trust.
- 30.4 A Family Member of a Shareholder may transfer all (but not some only) of the Shares held by him to:
- (a) the Shareholder; or
 - (b) another Family Member of the Shareholder; or
 - (c) the trustees of a Family Trust of the Shareholder to be held on the terms of such Family Trust.
- 30.5 The trustees of a Family Trust of a Shareholder may transfer all (but not some only) of the Shares held by them to:
- (a) the Shareholder or a Family Member of the Shareholder;
 - (b) the new or remaining trustees of that Family Trust following a change of trustees; or
 - (c) the trustees of another Family Trust of the Shareholder to be held on the terms of such other Family Trust.
- 30.6 If, in the case of a Family Trust of a Shareholder on which any Shares are held:
- (a) any of those Shares cease to be so held (otherwise than in consequence of a transfer of those Shares made in accordance with article 30.5); or
 - (b) there ceases to be any beneficiaries of that Family Trust other than one or more charities,
- the trustees of that Family Trust must immediately notify the Company in writing of such cessation and, within 14 days following such cessation, transfer all the Shares which are held under that Family Trust to the Shareholder.
- 30.7 If a spouse or civil partner of a Shareholder to whom any Shares are transferred pursuant to a transfer permitted under this article 30 ceases to be the spouse or civil partner of that Shareholder (whether by reason of the dissolution of the marriage or civil partnership or otherwise), that former spouse or civil partner must, within 14 days following such cessation, transfer all the Shares held by them to:

- (a) that Shareholder; or
- (b) a Family Member of that Shareholder; or
- (c) the trustees of a Family Trust of that Shareholder to be held on the terms of such Family Trust.

30.8 Where a member dies:

- (a) if the deceased member is a Shareholder, his personal representatives may transfer all (but not some only) of the Shares held by him to:
 - (i) a Family Member of that Shareholder; or
 - (ii) the trustees of a Family Trust of that Shareholder to be held on the terms of such Family Trust; and
- (b) if the deceased member is a Family Member of a Shareholder, his personal representatives may transfer all (but not some only) of the Shares held by him to:
 - (i) that Shareholder; or
 - (ii) another Family Member of that Shareholder; or
 - (iii) the trustees of a Family Trust of that Shareholder to be held on the terms of such Family Trust.

30.9 Where an order is made for a member's bankruptcy:

- (a) if the bankrupt member is a Shareholder, his trustee in bankruptcy may transfer all (but not some only) of the Shares held by him to a Family Member of that Shareholder; and
- (b) if the bankrupt member is a Family Member of a Shareholder, his trustee in bankruptcy may transfer all (but not some only) of the Shares held by him to:
 - (i) that Shareholder; or
 - (ii) another Family Member of that Shareholder.

30.10 Where a Shareholder makes an individual voluntary arrangement with his creditors on agreed terms pursuant to section 263A of the Insolvency Act 1986 or convenes a meeting of his creditors or takes any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally:

- (a) where such member is a Shareholder he may transfer all (but not some only) of the Shares held by him to a Family Member
- (b) where such member is a Family Member of a Shareholder, he may transfer all (but not some) of the Shares held by him to:
 - (i) the Shareholder; or

(ii) another Family Member of that Shareholder.

30.11 Any member who, with a prior Shareholder Consent, shall have become the registered holder of any share or Shares in his capacity merely as a bare nominee of any person may transfer all or any of those Shares to that person.

30.12 A transfer of Shares which is permitted by or made in accordance with this article 30 may be made without any restriction as to price or otherwise.

31. TRANSFER OF SHARES SUBJECT TO PRE-EMPTION

31.1 Save where the provisions of article 30 (Permitted transfers of shares) or 35 (Tag along) apply, a member who wishes to transfer any Shares (a "**Seller**") must, before transferring or agreeing to transfer any Shares, give written notice of that wish to the Company (a "**Sale Notice**"). The Sale Notice must specify:

- (a) the number of Shares which the Seller wishes to transfer (the "**Sale Shares**");
- (b) if the Seller wishes to sell the Sale Shares to a third party, the identity of that third party; and
- (c) the price per share (which must be in cash) at which the Seller wishes to transfer the Sale Shares (which will be deemed to be the Fair Value (as defined in article 33.5) of the Sale Shares if no cash price is agreed between the Seller and the directors) (the "**Sale Price**").

31.2 A Seller may include in the Sale Notice a condition to the effect that, unless buyers are found for all or not less than a specified number of the Sale Shares, the Seller shall not be bound to transfer any of the Sale Shares (a "**Minimum Sale Condition**").

31.3 A Sale Notice constitutes the Company (acting by the directors) as the agent of the Seller for the sale of the Sale Shares at the Sale Price and otherwise on the terms of, and in accordance with the procedures set out, in this article 31.

31.4 A Sale Notice once given (or deemed to have been given) may not be varied or withdrawn except with prior Shareholder Consent.

31.5 As soon as reasonably practicable following the receipt by the Company of a Sale Notice, the Company shall offer the Sale Shares for sale to the Shareholders (other than the Seller) (the "**Continuing Shareholders**") at the Sale Price in accordance with the provisions of this article 31.5 (the "**First Offer**"). The First Offer shall be made by giving notice in writing (a "**First Offer Notice**") to the Continuing Shareholders inviting each Continuing Shareholder to apply to purchase that proportion (as nearly as may be without involving fractions) of the Sale Shares as that Continuing Shareholder's existing holding of Shares bears to the total existing holdings of Shares of all the Continuing Shareholders (such proportion being, in relation to each Continuing Shareholder, his "**Proportionate Entitlement**"). The First Offer Notice must specify:

- (a) the total number of Sale Shares;
- (b) the Sale Price;

- (c) whether or not the Sale Notice includes a Minimum Sale Condition and, if it does, details of that Minimum Sale Condition;
- (d) in relation to each Continuing Shareholder, the number of Sale Shares comprised in his Proportionate Entitlement;
- (e) that each Continuing Shareholder is entitled to apply for any number of Sale Shares up to the number of Sale Shares comprised in his Proportionate Entitlement;
- (f) the date (which must not be less than six months after the date of service of the First Offer Notice) by which applications to purchase Sale Shares under the First Offer must be received and after which the First Offer will close; and
- (g) that applications under the First Offer will be irrevocable.

31.6 If the number of Sale Shares applied for under the First Offer is less than the total number of Sale Shares, the directors shall, as soon as reasonably practicable following the close of the First Offer, offer the Sale Shares not applied for under the First Offer (the "**Surplus Sale Shares**") for sale at the Sale Price to those Continuing Shareholders who applied for their respective Proportionate Entitlements under the First Offer in full (the "**Second Offer**"). The Second Offer shall be made by giving written notice to the Continuing Shareholders concerned inviting them to apply to purchase any number of Sale Shares up to the total number of Surplus Sale Shares (a "**Second Offer Notice**"). The Second Offer Notice must specify:

- (a) the total number of Sale Shares in respect of which applications to purchase Sale Shares were received under the First Offer;
- (b) the number of Sale Shares applied for by each Continuing Shareholder under the First Offer;
- (c) the total number of Surplus Sale Shares;
- (d) the date (which must not be less than 7 nor more than 14 days after the date of service of the Second Offer Notice) by which applications to purchase Sale Shares under the Second Offer must be received and after which the Second Offer will close; and
- (e) that applications under the Second Offer will be irrevocable.

31.7 Promptly following the close of the First Offer or, if there is a Second Offer, promptly following the close of the Second Offer, the Company shall allocate the Sale Shares to the Continuing Shareholders as follows:

- (a) if, under the First Offer, each Continuing Shareholder applies for the number of Sale Shares comprised in his Proportionate Entitlement in full, the Company shall allocate to each Continuing Shareholder the number of Sale Shares for which he applied;

- (b) subject to article 31.8, if there is a Second Offer and the number of Sale Shares applied for under the Second Offer is equal to or less than the total number of Surplus Sale Shares, the Company shall allocate:
 - (i) to each Continuing Shareholder the number of Sale Shares for which he applied under the First Offer; and
 - (ii) to each Continuing Shareholder applying to purchase Surplus Sale Shares under the Second Offer the number of Surplus Sale Shares for which he applied,
- (c) If there is a Second Offer and the number of Sale Shares applied for under the Second Offer is greater than the total number of Surplus Sale Shares, then the Company shall allocate:
 - (i) to each Continuing Shareholder the number of Sale Shares for which he applied under the First Offer; and
 - (ii) to each Continuing Shareholder who applies to purchase Surplus Sale Shares under the Second Offer, such proportion (as nearly as may be without involving fractions) of the Surplus Sale Shares as the number of Shares held by that Continuing Shareholder bears to the total number of Shares held by all the Continuing Shareholders who so apply provided that, if such allocation would have the effect of allocating to a Continuing Shareholder a number of Surplus Sale Shares in excess of that applied for by him, that Continuing Shareholder's allocation of Surplus Sale Shares shall be reduced to the number applied for by him and the balance thereof shall be re-allocated amongst the other Continuing Shareholders who have made applications under the Second Offer and whose allocations have not fallen to be reduced as aforesaid, such re-allocation to be in proportion to the respective existing holdings of Shares of such other Continuing Shareholders (as nearly as may be without involving fractions),

and, upon any allocation of Sale Shares pursuant to this article 31.7, the Continuing Shareholders to whom the Sale Shares are allocated (the "**Buyers**") shall be bound to acquire the Sale Shares allocated to them at the Sale Price and otherwise on the terms on which the Sale Shares were offered for sale.

31.8 If a Sale Notice includes a Minimum Sale Condition, then no allocation of any Sale Shares shall be made by the Company pursuant to article 31.7 unless applications are received under the First Offer and the Second Offer for not less than the number of Sale Shares specified in the Minimum Sale Condition.

31.9 Immediately upon any allocation of Sale Shares being made pursuant to article 31.7, the Company shall give written notice to the Seller and each Buyer of such allocation (an "**Allocation Notice**"). The Allocation Notice must specify:

- (a) the number of Sale Shares allocated to each Buyer;
- (b) the amount payable by each Buyer for the number of Sale Shares allocated to him; and

- (c) the place, time and date (which must not be less than 5 days nor more than 10 days after the date of service of the Allocation Notice) of completion of the transfer of the Sale Shares.

31.10 At completion of the transfer of the Sale Shares:

- (a) each Buyer shall pay to the Company (as agent for the Seller) the Sale Price for the Sale Shares allocated to it (and the receipt of the Company for such moneys shall be a good discharge to that Buyer who shall not be bound to see to the application of those moneys);
- (b) the Seller shall complete, execute and deliver to the Company (as agent for the Buyers) all such instruments and other documents as are necessary to effect the transfer of the Sale Shares to the respective Buyers; and
- (c) the Sale Shares shall be transferred by the Seller with full title guarantee free from all Encumbrances and together with the benefit of all rights attaching thereto on or after the date on which the relevant Sale Notice was given.

31.11 If the Seller defaults in transferring any Sale Shares in accordance with the requirements of article 31.10, the Company is unconditionally and irrevocably authorised:

- (a) to appoint any person as the agent of the Seller to execute in the name and on behalf of the Seller instrument(s) of transfer in respect of those Sale Shares in favour of the relevant Buyers;
- (b) to receive the Sale Price for those Sale Shares and give a good discharge for it; and
- (c) subject to the transfers being duly stamped, to cause the names of the relevant Buyers to be entered in the register of members as the holders of those Sale Shares.

The Company shall cause the Sale Price for any Sale Shares which it receives under paragraph (b) above to be paid into a separate bank account in the Company's name to be held on trust (but without interest) for the Seller until the Seller has delivered to the Company his certificate(s) for the relevant Sale Shares (or an indemnity in a form reasonably satisfactory to the directors in respect of any lost certificate). After the name of any relevant Buyer has been entered in the register of members as the holder of any Sale Shares in exercise of the power conferred by paragraph (c) above, the validity of the transfer of those Sale Shares shall not be questioned by any person.

31.12 If any Sale Shares remain unallocated following the application of article 28.7 (including in circumstances where there is no allocation of any Sale Shares as a result of the application of article 31.8):

- (a) the Company must promptly give written notice to the Seller and the Continuing Shareholders of that fact specifying the number of Sale Shares which remain unallocated following the application of article 31.7 (the "**Unallocated Sale Shares**"); and

- (b) the Seller may, subject to article 31.13, transfer all or any of the Unallocated Sale Shares to any person approved by the directors provided always that:
 - (i) the price at which any Unallocated Sale Shares are to be transferred must be at least equal to the Sale Price;
 - (ii) the transfer of any Unallocated Sale Shares must be completed within a period of 28 days after the giving of notice pursuant to paragraph (a) of this article 31.12; and
 - (iii) if the Sale Notice relating to the Unallocated Sale Shares included a Minimum Sale Condition, the number of Unallocated Sale Shares to be transferred must be at least equal to the number of Sale Shares specified in that Minimum Sale Condition.

31.13 The directors may require the Seller to satisfy them that any transfer of Unallocated Sale Shares pursuant to article 31.12 is being made in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the proposed transferee and, if the directors are not satisfied, they may refuse to register the transfer.

32. **OBLIGATORY TRANSFER EVENT**

32.1 If an Obligatory Transfer Event occurs in relation to a member, the provisions of article 33 shall apply.

32.2 An "**Obligatory Transfer Event**" occurs in relation to a member who is an individual when:

- (i) that Shareholder has a disqualification order made against him under the Company Disqualification Act 1986; or
- (ii) the court has made an order or appointed a deputy in relation to that Shareholder under section 16 of the Mental Capacity Act 2005.

32.3 An "**Obligatory Transfer Event**" occurs in relation to a member which is a company when:

- (a) a resolution is passed for the winding-up of that member (other than a solvent winding-up for the purposes of a bona fide reconstruction or amalgamation in which the new company assumes (and is capable of assuming) all of the obligations of that member); or
- (b) an order is made by a court of competent jurisdiction for the winding-up of that member; or
- (c) an order is made by a court of competent jurisdiction for the appointment of an administrator of that member or a notice of intention to appoint an administrator of that member or a notice of appointment of an administrator of that member is filed with the court by a competent person; or

- (d) there is a change of control ("control" as defined in section 1124 of the Corporation Tax Act 2010) of that member; or
- (e) a receiver, administrative receiver or similar officer is appointed in respect of the whole or a substantial part of the assets or undertaking of that member; or
- (f) any distress, execution or similar process is levied upon or enforced against all or a substantial part of the assets of that member and is not fully paid out or discharged within 60 days; or
- (g) that member enters into an arrangement or composition with its creditors; or
- (h) that member stops or threatens to stop payment of its debts or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- (i) any matter analogous to any of the matters specified in paragraphs (a) to (h) above occurs in relation to that member in any jurisdiction in which that member carries on a substantial part of its business; or
- (j) any of the matters specified in paragraphs (a) to (h) above occurs in relation to a holding company of that member.

32.4 All references in article 32.1 to 32.4 and in article 33 to a "member" shall be treated as including any person (a "**Beneficial Owner**") for whom that person holds Shares in the capacity of a nominee or bare trustee and for this purpose the question whether any person holds Shares in the capacity of a nominee or bare trustee for any person shall be finally determined by the directors.

32.5 For the purposes of this article 32 and article 33, where any event occurs to any person for whom a member holds Shares for a Beneficial Owner that event shall also be treated, as regards such Shares, as occurring to that member.

33. TRANSFER OF SHARES FOLLOWING OBLIGATORY TRANSFER EVENT

33.1 Where an Obligatory Transfer Event occurs in respect of any Shares held by a member or is treated by article 32.5 as occurring in respect of any Shares to a member, such member shall give or procure the giving of notice to the Company as soon as practicable in respect of such Shares and, if it does not, it is deemed to have given such notice of the Obligatory Transfer Event to the Company on the date on which the directors become aware of such Obligatory Transfer Event (a "**Notice of Obligatory Transfer Event**"). Where a member holds Shares in more than one capacity it shall be required to give a Notice of Obligatory Transfer Event only in relation to the Shares the subject of the Obligatory Transfer Event.

33.2 For those Shareholders who are individuals, following a Notice of Obligatory Transfer a Shareholder will be entitled to transfer their entire shareholding in accordance with, and as permitted by, the Permitted Transfer provisions in article 29.

- 33.3 Where an individual who is a Shareholder does not make a Permitted Transfer within 60 Business Days following a Notice of Obligatory Transfer Event being issued the provisions in article 32.4 will apply.
- 33.4 A Notice of Obligatory Transfer Event shall appoint the Company (acting by the directors) as the agent of that member (the "**Selling Shareholder**") for the sale of its Shares in the Company the subject of such Notice of Obligatory Transfer Event (the "**Sale Shares**"). Any Sale Notice (and all procedures in train thereunder) given by any Selling Shareholder in respect of any Sale Shares before the occurrence of any Obligatory Transfer Event relating to that Selling Shareholder shall automatically lapse on the occurrence of that event.
- 33.5 As soon as practicable after service, or deemed service, of the Notice of Obligatory Transfer Event in respect of any Shares, the Selling Shareholder and the Company shall appoint an expert valuer (the "**Expert**") in accordance with article 34 to determine the fair market value of the Sale Shares (the "**Fair Value**").
- 33.6 In making his determination of the Fair Value of the Sale Shares, the Expert shall be instructed to base his opinion on the following assumptions:
- (a) the value of the Shares in question is that proportion of the fair market value of the entire issued share capital of the Company without any premium or discount being attributable to the percentage of issued capital of the Company which they represent or the rights or restrictions applying to the Shares;
 - (b) the sale is between a willing buyer and a willing seller on the open market;
 - (c) the sale is taking place on the date that the Obligatory Transfer Event occurred;
 - (d) if the Company is then carrying on its business as a going concern, that it shall continue to do so;
 - (e) the Shares are being sold with full title guarantee and free of all Encumbrances and are capable of being transferred without restriction; and
 - (f) to take account of any other factors that the Expert reasonably believes should be taken into account.
- If any dispute arises in applying any of the assumptions set out in this article 33.6, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit.
- 33.7 Notwithstanding article 33.6 above and any other provisions hereof the Fair Value in respect of any Notice of Obligatory Transfer Event given or deemed to have been given pursuant to article 32.1 shall be the lower of the Sale Shares issue price and the Fair Price which may be determined in accordance with article 33.6 above or such higher price as the directors may in their absolutely discretion consider appropriate.

- 33.8 The Expert shall be requested to determine the Fair Value of the Sale Shares within 20 Business Days of his appointment and to notify the Company in writing of his determination.
- 33.9 As soon as practicable following notification of the Fair Value of the Sale Shares to the Company, the directors shall offer the Sale Shares:
- (a) for sale in writing to all members other than the Selling Shareholder (the **"Remaining Shareholders"**) giving details of the number of, and price per share for, the Sale Shares (which shall be their Fair Value); or
 - (b) in the case of Notice of Obligatory Transfer Event given or deemed to have been given pursuant to article 33.1 to any other person or persons approved by prior Shareholder Consent and by the directors (**"Approved Person(s)"**), and articles 33.10 to 33.16 shall not apply to such offer.
- 33.10 The offer shall contain an invitation to the Remaining Shareholders to apply in writing within six months of the date of the offer (the **"First Offer Period"**) for the maximum number of Sale Shares they wish to buy. Then:-
- (a) if, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Remaining Shareholder who has applied for the Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by those Remaining Shareholders who have applied for the Sale Shares;
 - (b) if only some of the Sale Shares are allocated in accordance with this article 33.10, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in article 33.11; and
 - (c) if, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Remaining Shareholders in accordance with their applications. The balance (the **"Surplus Shares"**) shall be dealt with in accordance with article 33.11.
- 33.11 At the end of the First Offer Period, the directors shall offer the Surplus Shares to all the Remaining Shareholders, inviting them to apply in writing within 30 days of the date of the offer (the **"Second Offer Period"**) for the maximum number of Surplus Shares they wish to buy.
- If, at the end of the Second Offer Period, the number of Surplus Shares applied for exceeds the number of Surplus Shares, the directors shall allocate the remaining Surplus Shares to each Remaining Shareholder who has applied for 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 Remaining Shareholders who have applied for Surplus Shares during the Second Offer Period.
- 33.12 Once the allocations have been made in respect of the Sale Shares, the directors shall, when no further offers are required to be made under articles 33.10 and

33.11, give written notice of allocation (an "**Allocation Notice**") to the Selling Shareholder and each Shareholder to whom Sale Shares have been allocated (the "**Applicant**"). An 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 (the "**Consideration**") and the place and time for completion of the transfer of the Sale Shares (which shall be 7 Business Days after the date of the Allocation Notice).

33.13 On the service of an Allocation Notice, the Selling Shareholder shall, against payment of the Consideration, transfer the Sale Shares in accordance with the requirements specified in the Allocation Notice.

If the Selling Shareholder fails to comply with the requirements of the Allocation Notice:

- (a) one of the directors may, on behalf of the Selling Shareholder:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Consideration and give a good discharge for it; and
 - (iii) (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
- (b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Selling Shareholder until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together with such other evidence as the directors may reasonably require to prove good title to those Shares) to the Company.

33.14 If at the end of the six month period specified in article 33.10 no offers have been made for any of the Sale Shares, the Notice of Obligatory Transfer Event will lapse and the Selling Shareholder will have the right to sell the Sale Shares to a third party with the prior written consent of each Remaining Shareholder.

33.15 If at the end of the 30 day period specified in article 33.11 any Sale Shares remain unallocated, the Notice of Obligatory Transfer Event will lapse and any the Selling Shareholder will have the right to sell the Sale Shares to a third party with the prior written consent of each Remaining Shareholder.

33.16 If any of the Remaining Shareholders do not consent to the transfer of the Sale Shares to a third party pursuant to articles 33.14 or 33.15, the Company will have the right to buy back the remaining Sale Shares at the Fair Value determined in accordance with article 33.6.

33.17 Notwithstanding articles 33.10 to 33.16 above and any other provisions hereof, on the acceptance by the Approved Person(s) of an offer made pursuant to article 33.9(b), the Selling Shareholder shall, against payment for the Sale Shares, transfer the Sale Shares to the Approved Person(s).

If the Selling Shareholder fails to transfer the Sale Shares to the Approved Person(s):

- (a) one of the directors may, on behalf of the Selling Shareholder:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Approved Person(s);
 - (ii) receive the amount payable by the Approved Person(s) for the Sale Shares and give a good discharge for it; and
 - (iii) (subject to the transfers being duly stamped) enter the Approved Person(s) in the register of members as the holders of the Sale Shares purchased by them; and
- (b) the Company shall pay the amount payable by the Approved Person(s) for the Sale Shares into a separate bank account in the Company's name on trust (but without interest) for the Selling Shareholder until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together with such other evidence as the directors may reasonably require to prove good title to those Shares) to the Company.

34. EXPERT

- 34.1 The Selling Shareholder and the Company shall endeavour to agree on the identity of an independent Expert and such independent Expert shall be jointly appointed by them.
- 34.2 If the Selling Shareholder and the Company are unable to agree on the identity of an Expert within 20 Business Days of either party serving details of a suggested expert on the other, either party shall then be entitled to request the then President of the Institute of Chartered Accountants in England and Wales to appoint an Expert who is an accountant of repute with experience in the valuation of private companies limited by shares.
- 34.3 Subject to article 34.6, the Expert is required to prepare a written decision and give written notice of the decision to the Selling Shareholder and the Company *within a maximum of 20 days of the matter being referred to the Expert.*
- 34.4 If the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by this article then:
 - (a) the Selling Shareholder or the Company may apply to the then President of the Institute of Chartered Accountants in England and Wales to appoint a replacement Expert with the required expertise; and
 - (b) this article 34 applies in relation to the new Expert as if he were the first Expert appointed.
- 34.5 All matters under this article 34 shall be conducted, and the Expert's decision shall be written, in the English language.

- 34.6 The Selling Shareholder and the Company are entitled to make submissions to the Expert and shall provide the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision, subject to the Expert agreeing to give such confidentiality undertakings as the parties may reasonably require.
- 34.7 To the extent not provided for by this article 34, the Expert may in his reasonable discretion determine such other procedures to assist with the conduct of the determination as he considers just or appropriate, including instructing professional advisers to assist him in reaching his determination.
- 34.8 The Selling Shareholder and the Company shall with reasonable promptness supply each other with all information and give each other access to all documentation and personnel as the other party reasonably requires to make a submission under this article 34.
- 34.9 *The Expert shall act as an expert and not as an arbitrator. The Expert's written decisions on the matters referred to him shall be final and binding on the parties in the absence of manifest error or fraud.*
- 34.10 The Selling Shareholder and the Company shall bear their own costs in relation to the reference to the Expert. The Expert's fees and any costs properly incurred by him in arriving at his determination (including any fees and costs of any advisers appointed by the Expert) shall be borne by the Selling Shareholder and the Company equally or in such other proportions as the Expert may determine.

35. TAG ALONG

- 35.1 Except in the case of transfers pursuant to article 30 (Permitted transfers of shares) and article 32 (Transfer following obligatory transfer event), the provisions of this article 35 shall apply if one or more members (each a "**Proposed Seller**") propose to make a transfer of any Shares (a "**Proposed Transfer**") which would, if carried out, result in any person (the "**Proposed Purchaser**"), acquiring a 50 per cent or more in nominal value of the Shares in the Company in issue at that time.
- 35.2 Before making a Proposed Transfer, a Proposed Seller shall procure that the Proposed Purchaser makes an offer (the "**Offer**") to all the other members (the "**Tag Shareholders**") to purchase all of the Shares held by them (the "**Tag Shares**") for a consideration in cash per share equal to the consideration per share paid or payable (whether in cash or otherwise) by the Proposed Purchaser in the Proposed Transfer (the "**Specified Price**").
- 35.3 The Offer shall be given by written notice (the "**Proposed Sale Notice**"), at least 20 Business Days (the "**Offer Period**") prior to the proposed sale date (the "**Proposed Sale Date**"). To the extent not described in any accompanying documents, the Proposed Sale Notice shall set out:
- (a) the identity of the Proposed Purchaser;
 - (b) the Specified Price and other terms and conditions of payment;
 - (c) the Proposed Sale Date; and

- (d) the number of Tag Shares proposed to be purchased by the Proposed Purchaser.

35.4 If the Proposed Purchaser fails to make the Offer to the Tag Shareholders, the Proposed 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.

35.5 The Offer may be accepted by any of the Tag Shareholders (each an “**Accepting Shareholder**”) within the Offer Period by giving written notice to the Proposed Seller, the Proposed Purchaser and the Company not less than 10 Business Days prior to the Proposed Sale Date and completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Tag Shares held by Accepting Shareholder.

35.6 A Proposed Transfer is subject to the pre-emption provisions of article 31 but the purchase of Tag Shares from Accepting Shareholders shall not be subject to those provisions.

36. COMPLIANCE WITH TRANSFER PROVISIONS

In order to enable the directors to investigate and determine whether:

- (a) a transfer of a share has been made otherwise than in accordance with the provisions of these articles; or
- (b) circumstances have arisen such that a Sale Notice is deemed to have been given under article 32,

the directors may require any member, the transmittee(s) of any member, any person named as transferee in any transfer lodged for registration or any other person who the directors reasonably believe to have information relevant to such purpose to furnish to the Company such information and evidence as the directors may request regarding any matter which they deem relevant to such purpose.

TRANSMISSION OF SHARES

37. TRANSMISSION OF SHARES

37.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.

37.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:

- (a) may, subject to these articles, choose either to become the holder of those shares or to have them transferred to another person; and
- (b) subject to these articles and pending any transfer of the shares to another person, has the same rights as the holder had.

- 37.3 Subject to Model Article 17.2, a transmittee does not have the right to attend or Vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which it is entitled, by reason of the holder's death or bankruptcy or otherwise, unless it becomes the holder of those shares

38. EXERCISE OF RIGHTS OF TRANSMITTEE

- 38.1 A transmittee who wishes to become the holder of a share to which it has become entitled must notify the Company in writing of that wish.
- 38.2 If a transmittee wishes to have a share transferred to another person, the transmittee must sign an instrument of transfer in respect of it.
- 38.3 All the provisions of these articles relating to the transfer of, and the registration of transfers of, shares shall apply to any notice or transfer given or executed pursuant to this article 0 as if the notice or transfer were a transfer executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission of the share had not occurred.

39. TRANSMITTEES BOUND BY PRIOR NOTICE

If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the name of the transmittee has been entered in the register of members as the holder of those shares.

DIVIDENDS AND OTHER DISTRIBUTIONS

40. METHOD OF PAYMENT

Paragraphs (a), (b) and (c) of article 31(1) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" and paragraph (d) of article 31.1 of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DECISION-MAKING BY SHAREHOLDERS

41. POLL VOTES

- 41.1 A poll on a resolution put or to be put to the vote of a general meeting may be demanded by:
- (a) the chairman of the meeting; or
 - (b) any person having the right to vote on the resolution.

- 41.2 Article 44(3) of the Model Articles shall be amended by the insertion of the following new paragraph at the end of that article:

"A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made".

ADMINISTRATIVE ARRANGEMENTS

42. DEEMED DELIVERY OF NOTICES, DOCUMENTS AND INFORMATION

- 42.1 Any notice, document or information sent or supplied by or to the Company is deemed to have been received by the intended recipient:

- (a) if sent by first class post, 24 hours after it was put in the post or if second class post is used, 48 hours after it was put in the post and, in proving such receipt, it will be sufficient to show that the notice, document or information was properly addressed to the intended recipient and put into the postal system with postage paid;
- (b) if not sent by post but delivered to or left at an address for service in the United Kingdom, be deemed to have been received by the intended recipient at the time at which it was so delivered or left, on the date of delivery; and
- (c) if sent by electronic means, be deemed to have been received by the intended recipient one hour after it was sent and, in proving such receipt, it shall be sufficient to show that the notice, documents or information was properly addressed.

- 42.2 In calculating a period of hours for the purposes of article 42.1, no account shall be taken of any part of a day that is not a working day (as defined in section 1173 of the Act).

- 42.3 A notice, document or information is properly addressed to the intended recipient for the purposes of article 42.1 if it is addressed to the intended recipient at an address permitted by the Act.

- 42.4 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or proceeding.

43. JOINT HOLDERS

Except as otherwise provided in the articles:

- (a) any notice, document or information which is authorised or required to be sent or supplied to joint holders of a share may be sent or supplied to the joint holder whose name stands first in the register of members of the Company in respect of the share, to the exclusion of the other joint holder(s); and

- (b) anything which needs to be agreed or specified by the joint holders of a share shall for all purposes be taken to be agreed or specified by all the joint holders where it has been agreed or specified by the joint holder whose name stands first in the register of members of the Company in respect of the share.

DIRECTORS' LIABILITIES

44. INDEMNITY

- 44.1 Subject to the provisions of, and so far as may be permitted by, the Companies Acts but without prejudice to any indemnity to which he may otherwise be entitled, *every person who is or was at any time a director of the Company or an Associated Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or offices in relation to the Company or an Associated Company including any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an Associated Company.*
- 44.2 Subject to the provisions of, and so far as may be permitted by, the Companies Acts, the Company may also provide any person who is or was at any time a director of the Company or an associated company with funds to meet expenditure of the nature described in section 205(1) or section 206(a) of the Act or do anything to enable that person to avoid incurring such expenditure.
- 44.3 This article 44 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or any other provision of law.

45. INSURANCE

Without prejudice to article 44, the directors may decide to purchase and maintain, at the expense of the Company, insurance for or for the benefit of any person who is or was at any time a director, officer or employee of the Company or an Associated Company, including insurance against any liability attaching to, and any costs, charges, expenses or losses incurred by, any such person in respect of an act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or offices in relation to the Company or an associated company.

46. MEANING OF "ASSOCIATED COMPANY"

For the purposes of articles 44 and 45, companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.