

Dated 18 October 2019

The Companies Act 2006

Private Company Limited By Shares

ARTICLES OF ASSOCIATION

Adopted by Written Resolution on 18 October 2019

TUESDAY



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Company number: 11349694

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SONORA LITHIUM LIMITED (the "Company")

(Adopted by written resolution passed on 18 October 2019)

INTRODUCTION

1. INTERPRETATION

1.1 The following definitions and rules of interpretation shall apply in these Articles:

"**Act**"; the Companies Act 2006.

"**Articles**"; the Company's articles of association for the time being in force.

"**Business Day**"; a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

"**Conflict**"; a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

"**Controlling Shareholder**"; a registered holder for the time being of not less than 75% in nominal value of the equity share capital of the Company from time to time.

"**Deemed Transfer Notice**"; a Transfer Notice that is deemed to have been served under any provisions of these Articles.

"**Eligible Director**"; a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

"**Fair Value**"; in relation to shares, as determined in accordance with article 14.

"**Group**"; the Company, any subsidiary or any holding company of the Company from time to time, and any subsidiary from time to time of a holding company and **member of the Group** shall mean any of them.

"**holding company**"; has the meaning given in article 1.6.

"**Model Articles**"; the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the date of adoption of these Articles and reference to a numbered **Model Article** is a reference to that article of the Model Articles.

"**Original Shareholder**"; a shareholder who holds shares in the Company on the date of adoption of these Articles.

"**Permitted Group**"; in relation to a company, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Permitted Group is a **member of the**

Permitted Group. Unless the context otherwise requires, the application of the definition of Permitted Group to a company at any time will apply to the company as it is at that time

"Permitted Transfer"; a transfer of shares made in accordance with article 12.

"Permitted Transferee"; in relation to a shareholder, any member of the same Permitted Group as that shareholder.

"subsidiary"; has the meaning given in article 1.6.

"Transfer Notice"; an irrevocable notice in writing given by any shareholder to the other shareholder where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares.

"Valuers"; the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within ten Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).

- 1.2 Unless expressly provided otherwise in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles. The final paragraph of Model Article 1 shall not apply to the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to a numbered **Article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise in these Articles, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.5.1 any subordinate legislation made under it, whether before or after the date of adoption of these Articles; and
 - 1.5.2 any amendment or re-enactment, whether before or after the date of adoption of these Articles and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

This Article 1.5 shall not apply to the definition of **Model Articles** in article 1.1.

- 1.6 A reference to a **holding company** or **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated 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.
- 1.7 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established
- 1.8 Any words following the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.10 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.11 Model Articles 8(3), 11(2) and (3), 14(1), (2), (3) and (4), 38, 52 and 53 shall not apply to the Company.
- 1.12 Model Article 7 shall be amended by:
- 1.12.1 the insertion of the words "for the time being" at the end of Model Article 7(2)(a); and
- 1.12.2 the insertion in Model Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.13 In Model Article 8(2), the words "copies of which have been signed by each eligible director" shall be deleted and replaced with the words "of which each Eligible Director has signed one or more copies".
- 1.14 Model Article 20 shall be amended by the insertion of the words "and the company secretary (if any)" before the words "properly incur".
- 1.15 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.16 In Model Article 30(4), the words "the terms on which shares are issued" shall be deleted and replaced with "the rights attached to any shares".
- 1.17 In Model Article 32(a), the words "the terms on which the share was issued" shall be deleted and replaced with "the rights attached to the share".
- 1.18 Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Model Article.

DIRECTORS

2. DIRECTORS' GENERAL AUTHORITY

Any or all powers of the directors (or any of them) shall be restricted in such respects, to such extent and for such duration as a Controlling Shareholder may from time to time by notice in writing to the Company prescribe.

3. QUORUM FOR DIRECTORS' MEETINGS

- 3.1 Subject to article 3.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors or, where there is only one director in office for the time being, that director.
- 3.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 5 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s) (as defined in article 5.1), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

4. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 4.1 Subject to section 177(5) and (6) and section 182(5) and (6) of the Act, 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:
- 4.1.1 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;
 - 4.1.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 4.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 4.1.4 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;
 - 4.1.5 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
 - 4.1.6 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.
- 4.2 The provisions of article 4.1.1 to article 4.1.6 (inclusive) are subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 5.3.

5. DIRECTORS' CONFLICTS OF INTEREST

- 5.1 The directors may, in accordance with the requirements set out in this article 5, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 5.2 Any authorisation under this article 5 will be effective only if.
- 5.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 5.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 5.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

- 5.3 Any authorisation of a Conflict under this article 5 may (whether at the time of giving the authorisation or subsequently) impose on the Interested Director such conditions or limitations, or be granted subject to such terms, as the directors may think fit for the purposes of dealing with the Conflict and the Interested Director will be obliged to conduct himself in accordance with any such terms and conditions.
- 5.4 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, before such revocation or variation, in accordance with the terms of such authorisation.
- 5.5 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any member of the Group and no further authorisation under article 5.1 shall be necessary in respect of any such interest.
- 5.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit that he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles, by the Company or by these Articles (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.

6. RECORDS OF DECISIONS TO BE KEPT

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

7. NUMBER OF DIRECTORS

The number of directors shall not be subject to any maximum but shall not be less than one. A sole director shall have all the powers, duties and discretions conferred on or vested in the directors by these Articles

8. APPOINTMENT AND REMOVAL OF DIRECTORS

- 8.1 A Controlling Shareholder may at any time and from time to time by notice in writing to the Company appoint one or more persons to be a director or directors of the Company and to remove any director or directors from office (whether or not appointed pursuant to this article 8).
- 8.2 Model Article 18 shall be amended by the inclusion of the words "notification of the director's removal is received by the Company from a Controlling Shareholder pursuant to Article 8.1" as a new paragraph (g) at the end of that Model Article.
- 8.3 Any removal of a director pursuant to article 8 1 shall be without prejudice to any claim for breach of contract under any employment agreement between the Company and the director so removed.

9. SECRETARY

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

SHARES AND SHAREHOLDERS

10. ISSUE OF NEW SHARES

The directors shall not exercise any power of the Company to allot shares or other securities in, or to grant rights to subscribe for, or convert into, shares or other securities of, the Company without the prior written consent of a Controlling Shareholder (if any). Without limitation, the powers of the directors under section 550 of the Act are limited accordingly.

11. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 11.1 Except where the provisions of article 12 or article 12.4 apply, a shareholder (**Seller**) wishing to transfer all (but not some only) of its shares (**Sale Shares**) must give a Transfer Notice to the other shareholder (**Continuing Shareholder**) giving details of the proposed transfer including:

11.1.1 the identity of the proposed buyer; and

11.1.2 the price (in cash) at which it proposes to sell the Sale Shares ("**Sale Price**").

- 11.2 Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice, the Continuing Shareholder shall be entitled (but not obliged) to give notice in writing to the Seller that it wishes to purchase the Sale Shares at the Sale Price (**Purchase Notice**).

- 11.3 The Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the Sale Price when it gives a Purchase Notice to the Seller under article 11.2.

- 11.4 If, at the expiry of the period specified in article 11.2, the Continuing Shareholder has not given a Purchase Notice, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (subject to the provisions of article 15 and article 16 where applicable) at a price not less than the Sale Price provided that it does so within six months of the expiry of the period specified in article 11.2.

12. PERMITTED TRANSFERS

- 12.1 An Original Shareholder may at any time transfer all (but not some only) of its shares in the Company to a Permitted Transferee without being required to follow the steps set out in article 11.

- 12.2 A shareholder holding shares in the Company as a result of a Permitted Transfer made after the date of adoption of these Articles by an Original Shareholder under the provisions of this article 12 may at any time transfer all (but not some only) of its shares back to the Original Shareholder from whom it received those shares or to another Permitted Transferee of such Original Shareholder, without being required to follow the steps set out in article 11.

- 12.3 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall within five Business Days of ceasing to be a member of the Permitted Group transfer all of the shares in the Company held by it to:

12.3.1 the Original Shareholder from whom it received those shares; or

12.3.2 another Permitted Transferee of that Original Shareholder,

(which in either case is not in liquidation). If the Permitted Transferee fails to make a transfer in accordance with this article 12.3, the Company may execute a transfer of the shares on behalf of the Permitted Transferee and register the Original Shareholder as the holder of such shares.

12.4 Notwithstanding anything contained in these Articles, the directors shall not decline to register any transfer of shares, nor may they suspend or delay registration thereof where such transfer:

12.4.1 is to any bank or institution to which such shares have been charged by way of security, or to any nominee, successor, permitted assignee or transferee of such a bank or institution (a "**Secured Institution**"); or

12.4.2 is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or

12.4.3 is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security,

and furthermore, notwithstanding anything to the contrary contained in these Articles, no transferor or proposed transferor (including a Secured Institution), of any shares in the capital of the Company to a Secured Institution shall be required to provide any prior written notice of the transfer to the Company or to offer the shares which are, or are to be the subject of any such transfer, to the existing shareholders of the Company at the time of the proposed transfer, and no such shareholder shall have any right under the Articles or otherwise to require such shares to be transferred to them whether for consideration or not.

12.5 The Company shall have no lien on any Shares which have been charged by way of security to a Secured Institution.

13. COMPULSORY TRANSFERS

13.1 A shareholder is deemed to have served a Transfer Notice under article 11.1 immediately before any of the following events:

13.1.1 the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Group in which a new company assumes (and is capable of assuming) all the obligations of the shareholder, provided that such reconstruction or amalgamation does not result in a transfer of the shareholder's shares in the Company to any person other than a Permitted Transferee; or

13.1.2 the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven days of such presentation; or

13.1.3 a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of a shareholder which is not a Controlling Shareholder, although in the case of a Permitted Transferee that ceases to be a member of the Permitted Group, it shall transfer the shares back to the Original Shareholder from whom it received those shares or to another Permitted Transferee of such Original Shareholder in accordance with article 12.3 rather than being deemed to have served a Transfer Notice under this article; or

13.1.4 the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or

13.1.5 any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or

- 13.1.6 any chargor taking any step to enforcing any charge created over any shares held by a shareholder which is not a Controlling Shareholder (other than by the appointment of a receiver, administrative receiver or manager); or
 - 13.1.7 a process having been instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors; or
 - 13.1.8 the shareholder ceasing to carry on its business or substantially all of its business; or
 - 13.1.9 in the case of the events set out in paragraphs 13.1.1, 13.1.2, 13.1.4 or 13.1.5 above, any competent person taking any analogous step in any jurisdiction in which the shareholder carries on business.
- 13.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 13.2.1 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 14, save that if the Seller is deemed to have given a Transfer Notice as a result of article 13.1.12, the price for the Sale Shares shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares;
 - 13.2.2 if the Continuing Shareholder does not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller does not have the right to sell the Sale Shares to a third party and the Company shall be wound up immediately upon the Continuing Shareholder giving notice in writing to the Company to that effect within such 20 Business Day period.
- 13.3 A Deemed Transfer Notice under article 13.1.12 shall immediately and automatically revoke.
- 13.3.1 a Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 13.1.12, and
 - 13.3.2 a Deemed Transfer Notice deemed to be served by the relevant shareholder under any of the events set out in article 13.1.1 to article 13.1.9 (inclusive) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 13.1.12.
- 13.4 If the Seller fails to complete a transfer of Sale Shares as required under this article 13, the Continuing Shareholder is irrevocably authorised to appoint any person it nominates for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholder may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest), giving a receipt that shall discharge the Continuing Shareholder.

14. VALUATION

- 14.1 As soon as practicable after deemed service of a Transfer Notice under article 13, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.
- 14.2 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the shareholders in writing of their determination

- 14.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- 14.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
 - 14.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 14.3.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 14.3.4 the Sale Shares are sold free of all encumbrances;
 - 14.3.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value, and
 - 14.3.6 to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 14.4 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 14.5 To the extent not provided for by this article 14, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 14.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 14.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders equally or in such other proportions as the Valuers shall direct.
- 15. TAG ALONG**
- 15.1 After first giving a Transfer Notice to the Continuing Shareholder and going through the procedure set out in article 11, the provisions of article 15.2 to article 15.6 shall apply if the selling shareholder (**Seller**) proposes to transfer its Shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**) becoming a Controlling Shareholder in the Company.
- 15.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer (**Offer**) to any other shareholder for the time being to purchase all of their Shares for a consideration in cash per Share that is at least equal to the price per Share offered by the Buyer in the Proposed Transfer (**Specified Price**).
- 15.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out.
- 15.3.1 the identity of the Buyer;

- 15.3.2 the Specified Price and other terms and conditions of payment;
 - 15.3.3 the Transfer Date; and
 - 15.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 15.4 If the Buyer fails to make the Offer in accordance with article 15.2 and article 15.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 15.5 If the Offer is accepted by the other shareholder in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder.
- 15.6 The Proposed Transfer is subject to the rights of pre-emption set out in article 11, but the purchase of the Offer Shares shall not be subject to those provisions.

16. DRAG ALONG

- 16.1 After first giving a Transfer Notice to the Continuing Shareholder and going through the procedure set out in article 11, if the Seller wishes to transfer all (but not some only) of its Shares representing 75% or more of the Shares in issue for the time being to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Seller may require any other shareholder (**Called Shareholder**) to sell and transfer all of its shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 16.2 The Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholder (**Drag Along Notice**) at any time before the transfer of its Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 16.2.1 that the Called Shareholder is required to transfer all of its Called Shares pursuant to this article 16;
 - 16.2.2 the person to whom the Called Shares are to be transferred;
 - 16.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the Seller's Shares; and
 - 16.2.4 the proposed date of the transfer.
- 16.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Seller has not sold its Shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 16.4 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 16.
- 16.5 Completion of the sale of the Called Shares shall take place on the Completion Date
Completion Date means the date proposed for completion of the sale of the Seller's Shares unless:
- 16.5.1 the Seller and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or

- 16.5.2 that date is less than 15 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 20 Business Day after service of the Drag Along Notice.
- 16.6 The proposed sale of Shares by the Seller to the Proposed Buyer is subject to the rights of pre-emption set out in article 11, but the sale of the Called Shares by the Called Shareholder shall not be subject to those provisions.
- 16.7 On or before the Completion Date, the Called Shareholder shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholder, on behalf of the Proposed Buyer, the amounts due pursuant to article 16.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholder in trust for the Called Shareholder without any obligation to pay interest.
- 16.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholder shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholder shall have no further rights or obligations under this article 16 in respect of its Shares.
- 16.9 If the Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 16.7) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Seller to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 16.9.
- 17. QUORUM FOR GENERAL MEETINGS**
- 17.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 17.2 Where the Company has only one shareholder for the time being, one qualifying person (as defined in section 318 of the Act) present at the meeting shall be a quorum. In any other case, the quorum shall be:
- 17.2.1 a Controlling Shareholder present in person, by proxy or by authorised representative; or
- 17.2.2 if the Company does not have a Controlling Shareholder for the time being, any two shareholders present in person, by proxy or by authorised representative.
- 18. PROXIES**
- 18.1 Model Article 45(1)(d) shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

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

ADMINISTRATIVE ARRANGEMENTS

19. CHANGE OF COMPANY NAME

- 19.1 The name of the Company may be changed by:

- 19.1.1 a decision of the directors; or
 - 19.1.2 a special resolution of the shareholders,
- or otherwise in accordance with the Act.

20. MEANS OF COMMUNICATION TO BE USED

- 20.1 Subject to article 20.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- 20.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- 20.1.2 if sent by fax, at the time of transmission; or
- 20.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- 20.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
- 20.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- 20.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; and
- 20.1.7 if deemed receipt under the previous paragraphs of this article 20.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

- 20.2 To prove service, it is sufficient to prove that:

- 20.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- 20.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- 20.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or

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

21. INDEMNITY AND INSURANCE

- 21.1 Subject to article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 21.1.1 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:

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

21.1.1.2 in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

- 21.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings, investigation, action or application referred to in article 21.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 21.2 This article 21 does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law and any such indemnity is limited accordingly.

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

- 21.4 In this article 21:

- 21.4.1 **associated company** means any member of the Group and **associated companies** shall be construed accordingly;

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

- 21.4.3 a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or 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).