

**SPECIAL RESOLUTION**

of

**ZILCH TECHNOLOGY LTD**

On: 26/04/2019

The following special resolutions were passed:

1. The nominal value of the company's shares be sub-divided for one share of £1 into 1,000 shares of £0.001.
2. That revised articles of association be adopted in the form annexed hereto.

Signed



P M Belamant  
Director

WEDNESDAY



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01/05/2019

#107

COMPANIES HOUSE

Dated 26 APRIL 2019

**Articles of association**  
**OF**  
**ZILCH TECHNOLOGY LIMITED (11488502)**  
**Adopted by special resolution on: 26 April 2019**

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**The Companies Act 2006**  
**Private Company Limited by Shares**

**ARTICLES OF ASSOCIATION**

**of**

**ZILCH TECHNOLOGY LIMITED (11488502)**

**PART 1, INTERPRETATION AND LIMITATION OF LIABILITY**

**1 Defined terms and interpretation**

1.1 In the articles, unless the context requires otherwise:

<b>address</b>	has the meaning given in section 1148 of the Companies Act 2006;
<b>articles</b>	means the company's articles of association;
<b>bad leaver</b>	<p>means a shareholder-employee who ceases to be an employee as a consequence of:</p> <ul style="list-style-type: none"><li>a. such person's resignation as an employee; or</li><li>b. that person's dismissal as an employee for cause, where "cause" shall mean:<ul style="list-style-type: none"><li>i. the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of employment or consultancy; and/or</li><li>ii. that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996;</li></ul></li></ul>
<b>bankruptcy</b>	means bankruptcy order anywhere in the world.
<b>call</b>	<i>has the meaning given in article 34;</i>
<b>call notice</b>	has the meaning given in article 34;
<b>chairman</b>	has the meaning given in article 13;
<b>chairman of the meeting</b>	has the meaning given in article 64;

<b>clear days</b>	in relation to a notice, excludes the day the notice is deemed under the articles to be given and the day on which the specified period expires;
<b>Companies Acts</b>	means the Companies Acts (as defined in section 2 of the <i>Companies Act 2006</i> ), in so far as they apply to the company;
<b>company's lien</b>	has the meaning given in article 32;
<b>director</b>	means a director of the company, and includes any person occupying the position of director, by whatever name called;
<b>distribution recipient</b>	has the meaning given in article 55;
<b>document</b>	includes, unless otherwise specified, any document sent or supplied in electronic form
<b>electronic form</b>	has the meaning given in section 1168 of the Companies Act 2006;
<b>electronic means</b>	has the meaning given in section 1168 of the Companies Act 2006;
<b>eligible director</b>	has the meaning given in article 9;
<b>employee</b>	means an individual who is employed by, who provides consultancy or advisory services to, or is otherwise engaged (formally or informally) by, the company or any company in the same group;
<b>encumbrance</b>	means any interest or equity of any person (including any right to acquire, option, right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement;
<b>fair value</b>	has the meaning given in article 50;
<b>founder(s)</b>	means a holder of founder shares
<b>founder majority</b>	means the holders of more than 75% of the founder shares;
<b>founder shares</b>	means the founder shares in the company with the rights set out in these articles;

<b>fully paid</b>	in relation to a share means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;
<b>good leaver</b>	means a shareholder-employee who ceases to be an employee who (i) is not a bad leaver; or (ii) a founder majority, acting in its sole discretion, determine is not a bad leaver;
<b>hard copy form</b>	has the meaning given in section 1168 of the Companies Act 2006
<b>holder</b>	in relation to shares means the person whose name is entered in the register of members as the holder of the shares;
<b>instrument</b>	means a document in hard copy form;
<b>leaver</b>	means a good leaver or a bad leaver;
<b>lien enforcement notice</b>	has the meaning given in article 33;
<b>ordinary resolution</b>	has the meaning given in section 282 of the Companies Act 2006;
<b>paid</b>	means paid or credited as paid;
<b>participate</b>	in relation to a directors' meeting, has the meaning given in article 11;
<b>Permitted Transferee</b>	means:  in relation to a member who is an individual, (i) his Trustees or (ii) a Qualifying Company;  in relation to a member who is a Trustee (or Trustees), (i) the person(s) on whose behalf such Trustees are holding the title of the shares (ii) a Qualifying Company;
<b>proxy notice</b>	has the meaning given in article 70;
<b>Qualifying Company</b>	means a company (or insurance company or policy) in which a member or Trustee(s) holds the entire issued share capital and over which that member or Trustee(s) exercises control;
<b>relevant officer</b>	means any person who is or was at any time a director, secretary or other officer (except an auditor) of the company

or of any undertaking in the same group as the company;

<b>shareholder-employee</b>	means a member (who is not a founder) who is also an employee;
<b>shares</b>	means shares in the company of any class;
<b>special resolution</b>	has the meaning given in section 283 of the Companies Act 2006;
<b>subsidiary</b>	has the meaning given in section 1159 of the Companies Act 2006;
<b>transmittee</b>	means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law;
<b>Trustees</b>	means the trustee or trustees of a family trust, insurance policy or pension fund;
<b>writing</b>	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 The relevant model articles (within the meaning of section 20 of the Companies Act 2006) are excluded.
- 1.3 Unless the context otherwise requires, other words or expressions contained in the articles bear the same meaning as in the Companies Act 2006 as in force on the date when the articles become binding on the company.
- 1.4 *Except where the contrary is stated or the context otherwise requires, any reference in the articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.*
- 1.5 Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

## **2 Liability of members**

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

## **PART 2, DIRECTORS**

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

### **3 Directors' general authority**

Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

### **4 Power to change the company's name**

The directors may (with the approval of a founder majority) from time to time change the name of the company to any name considered by the directors to be advantageous, expedient or otherwise desirable.

### **5 Members' reserve power**

- 5.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action, provided that a founder majority votes in favour of such special resolution.
- 5.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

### **6 Directors may delegate**

- 6.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

- 6.1.1 to such person or committee;
- 6.1.2 by such means (including by power of attorney);
- 6.1.3 to such an extent;
- 6.1.4 in relation to such matters or territories; and
- 6.1.5 on such terms and conditions

as they think fit. The power to delegate shall be effective in relation to the powers, authorities and discretions of the directors generally and shall not be limited by the fact that in certain of the articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the directors or by a committee authorised by the directors.

- 6.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 6.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

### **7 Committees**

- 7.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 7.2 A member of a committee need not be a director.

- 7.3 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## **DECISION-MAKING BY DIRECTORS**

### **8 Directors to take decisions collectively**

- 8.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 9.

8.2 If:

8.2.1 the company only has one director; and

8.2.2 no provision of the articles requires it to have more than one director,

*the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.*

### **9 Unanimous decisions**

- 9.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

- 9.2 Such a decision may take the form of a resolution in writing signed by each eligible director (*whether or not each signs the same document*) or to which each eligible director has otherwise indicated agreement in writing.

- 9.3 References in the articles to **eligible directors** are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but excluding any director whose vote is not to be counted in respect of that particular matter).

- 9.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **10 Calling a directors' meeting**

- 10.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

- 10.2 Notice of any directors' meeting must indicate:

10.2.1 its proposed date and time;

10.2.2 where it is to take place; and

10.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

- 10.3 *Notice of a directors' meeting need not be in writing and must be given to each director provided that, if a director is absent (whether habitually or temporarily) from the United Kingdom, the company has an address for sending or receiving documents or information by electronic means to or from that director outside the United Kingdom.*

- 10.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **11 Participation in directors' meetings**

- 11.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when
- 11.1.1 the meeting has been called and takes place in accordance with the articles; and
  - 11.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 11.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 11.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **12 Quorum for directors' meetings**

- 12.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is two provided that if and so long as there is only one director the quorum shall be one.
- 12.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision
- 12.3.1 to appoint further directors; or
  - 12.3.2 to call a general meeting so as to enable the members to appoint further directors.

## **13 Chairing of directors' meetings**

- 13.1 *The directors may appoint a director to chair their meetings.*
- 13.2 The director so appointed shall be approved by a founder majority. Where there is a deadlock and no founder majority approval can be obtained, the founders shall use all reasonable endeavours to resolve such deadlock within a reasonable period, failing which the matter shall be referred to the President of the Institute of Chartered Accountants in England and Wales, who shall make the appointment, and whose decision shall be final.
- 13.3 The person so appointed for the time being is known as the chairman.
- 13.4 The directors may terminate the chairman's appointment at any time.

- 13.5 If no director has been appointed chairman, or the chairman is unwilling to chair the meeting or is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.
- 14 Casting vote**
- 14.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- 14.2 But this does not apply if, in accordance with the articles, the chairman or other director chairing the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 15 Directors' interests**
- 15.1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 15.2 But if paragraph 15.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- 15.3 This paragraph applies when—
- 15.3.1 the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
- 15.3.2 the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 15.3.3 the director's conflict of interest arises from a permitted cause.
- 15.4 For the purposes of this article, the following are permitted causes—
- 15.4.1 a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- 15.4.2 subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
- 15.4.3 arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- 15.5 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 15.6 Subject to paragraph 15.7, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be

referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

- 15.7 *If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.*

**16 Records of decisions to be kept**

The directors must ensure that the company keeps a record, in hard copy form, for at least 6 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

**17 Directors' discretion to make further rules**

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

**APPOINTMENT OF DIRECTORS**

**18 Methods of appointing and removing directors**

- 18.1 Subject to article 18.6, each founder shall have the right to appoint and maintain in office one person as director of the company (each a **"founder director"**, together the **"founder directors"**), including himself, and to remove any director so appointed and, upon his removal, to appoint another person to act as a director in his place. An appointment or removal in accordance with this article shall be made by giving notice in writing to the company and, in the case of removal of a founder director, to the founder director being removed. The appointment or removal takes effect on the date on which the notice is received by the company or, if a later date is given in the notice, on that date.

- 18.2 In addition, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

18.2.1 by ordinary resolution (with the approval of a founder majority), or

18.2.2 by a decision of the directors (with the approval of a founder majority).

- 18.3 If the company has no directors and, by virtue of death or bankruptcy, no member is capable of acting, the transmittee of the last member to have died or to have had a bankruptcy order made against him has the right, by notice in writing, to appoint a person to be a director.

- 18.4 For the purposes of article 18.3, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

- 18.5 Any member or members holding a majority in nominal amount of the issued share capital that confers the right to attend and vote at general meetings may at any time remove from office any director and any alternate director. Any such removal shall be subject to the prior consent and approval of a founder majority, and effected by notice in writing to the company by the relevant member or members. Any such removal shall take effect when it is delivered to the registered office of the company or, if it is produced at a meeting of the directors, when it is so produced or, if sent by electronic means to an address generally used by the

company, when it is sent (and article 75.2 shall not apply to it). Any such removal shall be without prejudice to any claim that a director may have under any contract between him and the company. This article 18.5 shall not apply to the removal of a founder director.

- 18.6 For the avoidance of doubt, where a founder has transferred some or all of his shares to one or more *Permitted Transferees* with the result that more than one person holds the founder shares previously held by a founder, such founder and such Permitted Transferees shall not have the right to appoint in aggregate more than one founder director in accordance with article 18.1. The right to appoint a single founder director shall, in such circumstances, be exercised collectively by the founder and/or his Permitted Transferees.

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

- 19.1 A person ceases to be a director as soon as:

19.1.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

19.1.2 a bankruptcy order is made against that person;

19.1.3 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

19.1.4 the members follow and complete the procedure under article 18.5 to remove a director;

19.1.5 a founder follows and completes the procedure under article 18.1 to remove a founder director;

19.1.6 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or

19.1.7 he is otherwise duly removed from office.

## **20 Directors' remuneration**

- 20.1 Directors may undertake any services for the company that the directors decide.

- 20.2 Directors are entitled to such remuneration as the directors determine (with founder majority consent):

20.2.1 for their services to the company as directors; and

20.2.2 for any other service which they undertake for the company.

- 20.3 Subject to the articles, a director's remuneration may:

20.3.1 take any form; and

20.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

- 20.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

## **21 Directors' expenses**

The company may pay any reasonable expenses which the directors (and any alternate directors or company secretary) properly incur in connection with their attendance at:

- 21.1 meetings of directors or committees of directors;
  - 21.2 general meetings; or
  - 21.3 separate meetings of the holders of any class of shares or of debentures of the company,
- or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

### **ALTERNATE DIRECTORS**

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

- 22.1 Any director may appoint as an alternate any other director, or any other person, to:
  - 22.1.1 exercise that director's powers; and
  - 22.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 22.2 Any appointment or removal of an alternate must identify the proposed alternate and be effected by notice in writing to the company signed by his appointor, or in any other manner approved by the directors.

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

- 23.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.
- 23.2 Except as the articles specify otherwise, alternate directors:
  - 23.2.1 are deemed for all purposes to be directors;
  - 23.2.2 are liable for their own acts and omissions;
  - 23.2.3 are subject to the same restrictions as their appointors; and
  - 23.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.
- 23.3 A person who is an alternate director but not a director:
  - 23.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

23.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and

23.3.3 shall not be counted as more than one director for the purposes of articles 23.3.1 and 23.3.2.

23.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

23.5 An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

#### **24 Termination of alternate directorship**

An alternate director's appointment as an alternate terminates:

24.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

24.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

24.3 on the death of the alternate's appointor;

24.4 when the alternate's appointor's appointment as a director terminates; or

24.5 when the alternate is removed in accordance with the articles.

### **PART 3, SHARES AND DISTRIBUTIONS**

#### **SHARES**

#### **25 Share rights and amendment to articles**

25.1 The company's share capital shall consist of ordinary shares, B ordinary shares, founder shares and preference shares. The preference shares shall have a nominal value of £1 per share and the other shares shall have a nominal value of £0.001 per share. In each case the company by special resolution may resolve that they be consolidated or sub-divided.

25.2 The 1,000 shares in issue at the date of adoption of these articles shall be designated "founder shares"

25.3 The ordinary shares, the founder shares and the B ordinary shares shall rank equally in all respects save that the B ordinary shares shall not entitle the holder of such shares to vote, and the founder shares shall entitle the holders of such shares to the additional rights set out in these articles.

25.4 The preference shares shall be entitled to: receive dividends between them of 10 times the total of dividends paid on all other shares; to be paid the return of their capital on a winding up

in priority of any return of capital to any other shareholders and thereafter to share equally in any surpluses available for distribution to shareholders on a winding up. After 31 December 2020 the preference shares shall be entitled to 100 votes per share. The preference shares may be redeemed at their par value at any time if the directors so resolve.

- 25.5 The company may only amend these articles of association with a special resolution of the members and founder majority consent. If any amendment to these articles impacts adversely upon the preference shareholders, then any such amendment must also be approved by a majority of the preference shareholders.

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

- 26.1 Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution (with founder majority consent).
- 26.2 The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may (with founder majority consent) determine the terms, conditions and manner of redemption of any such shares.

## **27 Nominee shareholdings**

- 27.1 The company may, at its option (acting in the sole discretion of the board and a founder majority) require that any or all of the company's shares be registered and held in the name of a nominee ("**nominee**") for and on behalf of the respective beneficial owners of the shares ("**beneficial owner**"). The nominee shall be a subsidiary of the company or such other entity as the directors (with founder majority approval) shall determine.
- 27.2 The nominee shall (i) maintain a register showing the beneficial owners; (ii) deal with the shares as directed by the beneficial owner; and (iii) account to the beneficial owner for any benefits received from the shares.

## **28 Payment of commissions on subscription for shares**

- 28.1 The company may pay any person a commission in consideration for that person:
- 28.1.1 subscribing, or agreeing to subscribe, for shares; or
- 28.1.2 procuring, or agreeing to procure, subscription for shares.
- 28.2 Any such commission may be paid:
- 28.2.1 in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other; and
- 28.2.2 in respect of a conditional or an absolute subscription.

## **29 Company not bound by less than absolute interests**

Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

### **30 Allotment of shares and exclusion of statutory pre-emption provisions**

- 30.1 Subject to articles 30.2, new equity securities may only be allotted and issued, and options over equity securities may only be granted, by the company with founder majority consent.
- 30.2 Where the company has reasonably determined, following consultation with an independent professional adviser or expert, that without obtaining additional investment or financing the company would become (or would be at a high risk of becoming) insolvent for the purposes of the Insolvency Act 1986, the directors of the company may resolve to allot new equity securities for the purposes of such investment or financing without founder majority consent PROVIDED THAT the company follows the process set out in articles 30.3 to 30.10.
- 30.3 Any allotment of shares proposed to be made by the company pursuant to clause 30.2 shall first be offered for subscription to each founder (or a Permitted Transferee nominated by a founder) on the same terms (including, but not limited to, the consideration payable per share for such allotment).
- 30.4 Any offer of shares made in accordance with article 30.3 (the **Relevant Share Offer**), shall be made by notice in writing (**Allotment Notice**):
- 30.4.1 specifying the total number of shares being offered to the founders (**Allotment Shares** and each an **Allotment Share**);
- 30.4.2 the rights, privileges, terms and conditions of such Allotment Shares; and
- 30.4.3 the consideration payable for each such Allotment Share (the **Issue Price**).
- 30.5 Each founder shall have the option to subscribe (or nominate a Permitted Transferee to subscribe) irrevocably for its pro rata percentage share of the Allotment Shares, which shall be calculated by reference to the number of founder shares in the company held by such founder immediately prior to the delivery of the Allotment Notice expressed as a percentage of the number of founder shares in the Company held by all founders immediately prior to the delivery of the Allotment Notice (his **Pro Rata Portion**) by delivering a written notice to the Company (an **Election Notice**) within 10 business days after receipt of the Allotment Notice (the **Allotment Period**) specifying whether he wishes to subscribe for all or some of his Pro Rata Portion.
- 30.6 If the total number of Allotment Shares applied for is equal to the available number of Allotment Shares, each applying founder shall be allocated the number applied for in accordance with his application.
- 30.7 Where not all of the Allotment Shares are allocated in accordance with the above provisions, the Company shall give notice in writing to each founder who applied for shares under article 30.5 (**Applying Founders**) offering the option to them to subscribe for such unallocated Allotment Shares at the Issue Price. The provisions of articles 30.4 to 30.6 shall then apply mutatis mutandis (i.e. in reference to the Applying Founders rather than the founders) in respect of such notice.
- 30.8 Upon allocating the Allotment Shares in accordance with the provisions of these articles, the Company shall forthwith give notice in writing (**Allocation Notice**) to each person to whom Allotment Shares have been so allocated of the number of Allotment Shares so allocated and the aggregate consideration payable for such Allotment Shares. Completion of the allotment of those Allotment Shares in accordance with the Allocation Notice, shall take place on the

date specified in the Allocation Notice at which time the company shall, upon its receipt of payment of the consideration due in respect of such Allotment Shares, allot those Allotment Shares specified in the Allocation Notice to the persons to whom they have been allocated and deliver the relevant share certificates.

- 30.9 If all the Allotment Shares are not allotted by reference to the provisions of articles 30.3 to 30.8 the company may, within three months of the exhaustion of such provisions, allot to one or more persons, to be determined at the discretion of the board of directors, any unallotted Allotment Shares at any price not less than the Issue Price per Allotment Share and on terms no more favourable than those proposed to the Shareholders in the Allotment Notice.
- 30.10 No fraction of a share shall be issued and therefore in calculation of the aggregate entitlement of the shareholders under these articles, any entitlement to a fraction of a share shall be rounded up to the nearest whole share.
- 30.11 Sections 561 and 562 of the Companies Act 2006 shall not apply to an allotment of equity securities made by the company.
- 30.12 If any shares are allotted to a person who is a founder immediately before such allotment, the shares so allotted shall be founder shares.

### **31 Fractional entitlements**

- 31.1 Where there has been a consolidation or division of shares and, as a result, members are *entitled to fractions of shares, the directors may:*
- 31.1.1 sell the shares representing the fractions to any person including the company for the best price reasonably obtainable;
- 31.1.2 authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
- 31.1.3 distribute the net proceeds of sale in due proportion among the holders of the shares.
- 31.2 Where any holder's entitlement to a portion of the proceeds of sale under article 31.1 amounts to less than a minimum figure determined by the directors, that member's portion may be retained for the benefit of the company.
- 31.3 The person to whom the shares are transferred pursuant to article 31.1 is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions. The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## **LIEN AND FORFEITURE**

### **32 Company's lien over shares**

- 32.1 The company has a lien (the **company's lien**) over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future.
- 32.2 The company's lien over a share:

- 32.2.1 takes priority over any third party's interest in that share; and
- 32.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- 32.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.
- 33 Enforcement of the company's lien**
- 33.1 Subject to the provisions of this article, if:
  - 33.1.1 a lien enforcement notice has been given in respect of a share; and
  - 33.1.2 the person to whom the notice was given has failed to comply with it,
    - the company may sell that share in such manner as the directors decide.
- 33.2 A lien enforcement notice:
  - 33.2.1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - 33.2.2 must specify the share concerned;
  - 33.2.3 must require payment of the sum within 14 clear days of the notice;
  - 33.2.4 must be addressed either to the holder of the share or to a transmittee of that holder; and
  - 33.2.5 must state the company's intention to sell the share if the notice is not complied with.
- 33.3 Where shares are sold under this article:
  - 33.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser; and
  - 33.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 33.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
  - 33.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
  - 33.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the

shares before the sale for any money payable (whether immediately or at some time in the future) after the date of the lien enforcement notice.

- 33.5 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date:

33.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and

33.5.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

#### **34 Call notices**

- 34.1 Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a **call notice**) to a member requiring the member to pay the company a specified sum of money (a **call**) which is payable in respect of his shares at the date when the directors decide to send the call notice.

- 34.2 A call notice:

34.2.1 may not require a member to pay a call which exceeds the total sum unpaid on the shares (whether as to nominal value or any amount payable to the company by way of premium);

34.2.2 must state when and how any call to which it relates is to be paid; and

34.2.3 may permit or require the call to be made in instalments.

- 34.3 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 clear days have passed since the notice was sent.

- 34.4 Before the company has received any call due under a call notice the directors may:

34.4.1 revoke it wholly or in part; or

34.4.2 specify a later time for payment than is specified in the notice,

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

#### **35 Liability to pay calls**

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

- 35.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.

- 35.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:

35.3.1 to pay calls which are not the same; or

35.3.2 to pay calls at different times.

### **36 When call notice need not be issued**

36.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share:

36.1.1 on allotment;

36.1.2 on the occurrence of a particular event; or

36.1.3 on a date fixed by or in accordance with the terms of issue.

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

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

37.1 If a person is liable to pay a call and fails to do so by the call payment date:

37.1.1 the directors may issue a notice of intended forfeiture to that person; and

37.1.2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.

37.2 For the purposes of this article:

37.2.1 the **call payment date** is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case it is that later date; and

37.2.2 the **relevant rate** is

- (a) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
- (b) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
- (c) if no rate is fixed in either of these ways, 5 per cent per annum.

37.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

37.4 The directors may waive any obligation to pay interest on a call wholly or in part.

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

38.1 A notice of intended forfeiture:

38.1.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

- 38.1.2 must be sent to the holder of that share (or all the joint holders of that share) or to a transferee of that holder;
- 38.1.3 must require payment of the call and any accrued interest and all expenses that may have been incurred by the company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice;
- 38.1.4 must state how the payment is to be made; and
- 38.1.5 must state that, if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

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

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

### **40 Effect of forfeiture**

- 40.1 Subject to the articles, the forfeiture of a share extinguishes:
  - 40.1.1 all interests in that share, and all claims and demands against the company in respect of it; and
  - 40.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.
- 40.2 Any share which is forfeited in accordance with the articles:
  - 40.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;
  - 40.2.2 is deemed to be the property of the company; and
  - 40.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 40.3 If a person's shares have been forfeited:
  - 40.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of members;
  - 40.3.2 that person ceases to be a member in respect of those shares;
  - 40.3.3 that person must surrender the certificate for the shares forfeited to the company for cancellation;
  - 40.3.4 that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
  - 40.3.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

- 40.4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of it and on such other terms as they think fit.

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

- 41.1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

- 41.2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:

41.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and

41.2.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

- 41.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.

- 41.4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which:

41.4.1 was, or would have become, payable; and

41.4.2 had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

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

- 42.1 A member may surrender any share:

42.1.1 in respect of which the directors may issue a notice of intended forfeiture;

42.1.2 which the directors may forfeit; or

42.1.3 which has been forfeited.

- 42.2 The directors may accept the surrender of any such share.

- 42.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

- 42.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

#### **43 Share certificates**

- 43.1 The company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds.
- 43.2 Every certificate must specify:
  - 43.2.1 in respect of how many shares, of what class, it is issued;
  - 43.2.2 the nominal value of those shares;
  - 43.2.3 the amount paid up on them; and
  - 43.2.4 any distinguishing numbers assigned to them.
- 43.3 No certificate may be issued in respect of shares of more than one class.
- 43.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 43.5 Certificates must:
  - 43.5.1 have affixed to them the company's common seal; or
  - 43.5.2 be otherwise executed in accordance with the Companies Acts.
- 43.6 The directors may determine, either generally or in relation to any particular case, that any signature on any certificate need not be autographic but may be applied by some mechanical or other means, or printed on the certificate, or that certificates need not be signed.

#### **44 Replacement share certificates**

- 44.1 If a certificate issued in respect of a member's shares is:
  - 44.1.1 damaged or defaced; or
  - 44.1.2 said to be lost, stolen or destroyed,that member is entitled to be issued with a replacement certificate in respect of the same shares.
- 44.2 A member exercising the right to be issued with such a replacement certificate:
  - 44.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 44.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
  - 44.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

#### **45 Share transfers**

- 45.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and, if the shares are not fully paid, the transferee.
- 45.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 45.3 *The company may retain any instrument of transfer which is registered.*
- 45.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 45.5 *The directors, in their absolute discretion, may refuse to register the transfer of any share other than a founder share (except pursuant to 46.13), whether or not it is fully paid, and if they do so, they shall within two months after the date on which the transfer was lodged send the transferee the notice of refusal together with their reasons for refusal and, unless they suspect that the proposed transfer may be fraudulent, the instrument of transfer.*
- 45.6 *In the event that shares of any class other than founder shares are transferred to a person who is a founder immediately before the date of such transfer, any shares so transferred shall be automatically converted to founder shares.*
- 45.7 *In the event that founder shares are transferred to a person who is not a founder immediately before the date of such transfer, any shares so transferred shall (except where such person is a Permitted Transferee) be automatically converted to ordinary shares (or such other class of share as may be determined by a founder majority).*

#### **46 Pre-emption on transfer of shares**

- 46.1 No member may create any encumbrance over, transfer, or otherwise dispose of any share other than in accordance with these articles.
- 46.2 Any member who wants to transfer any shares (**Proposed Transferor**) must serve an irrevocable notice in writing (**Transfer Notice**) on the company specifying:
  - 46.2.1 the class and number of shares that the member proposes to transfer (**Sale Shares**);
  - 46.2.2 the price per Sale Share (**Sale Price**);
  - 46.2.3 the identity of the proposed transferee (**Proposed Transferee**) to whom it proposes to transfer the Sale Shares;
  - 46.2.4 any other material terms of the proposed transfer; and
  - 46.2.5 the company as the Proposed Transferor's agent for the sale of the Sale Shares at the Sale Price.
- 46.3 The company shall, within 10 business days of receipt of the Transfer Notice, give notice in writing to each of the members (other than the Proposed Transferor) offering for sale the Sale Shares at the Sale Price.

- 46.4 The notice given under article 46.3 shall specify that the other members shall have a period of 20 business days from the date of such notice within which to offer to purchase up to such proportion of the Sale Shares as is equal to the proportion of the company's shares (other than the Proposed Transferor's shares) held by that holder and also state in their acceptance how many further Sale Shares (without limit) they are willing to take should other members not take up their rights to purchase (**Offer Period**).
- 46.5 If the total number of Sale Shares applied for is:
- 46.5.1 less or equal to the available number of Sale Shares, each applying member shall be allocated the number applied for in accordance with its application; or
- 46.5.2 greater than the available number of Sale Shares, each applying member shall be allocated its proportion of the Sale Shares as is equal to the proportion of the company's shares (other than the Proposed Transferor's shares) held by that member (or such lesser number of Sale Shares for which he has applied) and any additional Sale Shares applied for shall be allocated to applicants in proportion (as nearly as may be possible without involving fractions or increasing the number of Sale Shares for which an applying member has applied) to their respective existing holding of shares, until all Sale Shares have been allocated,
- and all such allocations shall constitute acceptance by the persons to whom the Sale Shares were offered for purchase.
- 46.6 Upon allocating any Sale Shares, the company shall forthwith give notice in writing (**Sale Notice**) to the Proposed Transferor and to each person to whom Sale Shares have been so allocated of the number of Sale Shares so allocated and the aggregate price payable for such Sale Shares. Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice shall take place on the date specified in the Sale Notice at which time the Proposed Transferor shall, upon payment of the price due in respect of the relevant Sale Shares, transfer those Sale Shares specified in the Sale Notice to the persons to whom they have been allocated and deliver the relevant share certificates.
- 46.7 If the Proposed Transferor does not, when required to do so, execute and deliver transfers in respect of the Sale Shares and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then the company may:
- 46.7.1 nominate any director to execute the necessary transfers and indemnities on the Proposed Transferor's behalf;
- 46.7.2 against receipt by the company (on trust for the Proposed Transferor) of the consideration payable for the relevant Sale Shares, deliver the relevant transfers and certificates or indemnities to the relevant transferees (or their nominees); and
- 46.7.3 register the relevant transferees (or their nominees) as the holders of such Sale Share,
- and after such registration the validity of such proceedings shall not be questioned by any person.
- 46.8 In the case of an acquisition of Sale Shares by the Company, if the Proposed Transferor defaults in transferring any Sale Shares, the Company may nominate any director to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Proposed

Transferor and thereafter the company shall cause such share capital to be cancelled or held in treasury in accordance with the Companies Act 2006 and shall hold the purchase money on trust (without interest) for the Proposed Transferor.

- 46.9 If, after exhaustion of the provisions of this article, not all the Sale Shares have been sold, the company shall forthwith notify the Proposed Transferor in writing as to the amount of unsold Sale Shares, and the Proposed Transferor may at any time within two months of receiving such notice transfer to the Proposed Transferee any such unsold Sale Shares, on the same terms (except as to the number of shares) as set out in article 47.2.
- 46.10 The right of the Proposed Transferor to transfer Sale Shares under article 47.9 does not apply if the directors (and a founder majority) are of the opinion that:
- 46.10.1 the Proposed Transferee is a person (or a nominee for a person) who the directors determine in their absolute discretion is a competitor with (or an associate of a competitor with) the business of the company;
- 46.10.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the Proposed Transferee;
- 46.10.3 the Proposed Transferor has failed or refused to provide promptly information available to it or her and reasonably requested by the directors for the purpose of enabling them to form the opinion mentioned above; or
- 46.10.4 the sale of the Sale Shares would not be in the best interests of the company.
- 46.11 Notwithstanding the foregoing provisions, a member may transfer any or all of its shares to any party with the consent of a founder majority.
- 46.12 A founder majority may (at its sole discretion) direct that the notice given under article 47.3 be given to the company such that (subject to compliance with the relevant provisions of the Companies Act 2006), the company may elect to buy back the Sale Shares for cancellation or to hold in treasury.
- 46.13 No transfer (other than a transfer permitted under article 46.11 or 46.18) of any of the shares held by a founder may be made or validly registered unless the relevant founder (a "**Selling Founder**") shall have observed the following procedures of this Article.
- 46.14 After the Selling Founder has gone through the pre-emption process set out above in this Article 47, the Selling Founder shall give to the other founder(s) ("**Other Founder**") not less than 15 business days' notice in advance of the proposed sale (a "**Co-Sale Notice**"). The Co-Sale Notice shall specify (i) the same details as are required for a Transfer Notice under Article 47.2; and (ii) an address to which each Other Founder can send the Selling Founder a counternotice.
- 46.15 Each Other Founder shall be entitled within five business days after receipt of the Co-Sale Notice, to notify the Selling Founder that he wishes to sell a certain number of shares held by him at the proposed Sale Price, by sending a counter-notice which shall specify the number of shares which such Other Founder wishes to sell. The maximum number of shares which each Other Founder can sell under this procedure shall be:

$(X/Y) \times Z$

where:

- X** is the number of shares held by the Other Founder;
- Y** is the total number of shares held by the Founders in aggregate;
- Z** is the number of shares the Selling Founder proposes to sell.

Any Other Founder who does not send a counter-notice within such five business day period shall be deemed to have specified that he wishes to sell no shares.

- 46.16 Following the expiry of five business days from the date the Other Founders receive the Co-Sale Notice, the Selling Founder shall be entitled to sell to the Proposed Transferee on the terms notified to the Other Founders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Other Founders have indicated they wish to sell, provided that at the same time the Proposed Transferee (or another person) purchases from each of the Other Founders the number of shares he has respectively indicated he wishes to sell on terms no less favourable than those obtained by the Selling Founder from the Proposed Transferee.
- 46.17 *No sale by the Selling Founder shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.*
- 46.18 Notwithstanding the foregoing provisions of this article 46, any founder may at any time transfer all or any number of its shares to a Permitted Transferee without being required to serve a Transfer Notice or comply with the pre-emption or co-sale procedures set out in this article. If the Permitted Transferee ceases to be a Permitted Transferee at any time, the Permitted Transferee must forthwith transfer all such shares back to the transferring founder (or, as the case may be, to another Permitted Transferee). *If the Permitted Transferee fails to effect such transfer upon ceasing to be a Permitted Transferee, the company may execute a transfer of the relevant shares on its behalf and register the founder (or, as the case may be, another Permitted Transferee) as the holder of such shares.*

#### **47 Compulsory Transfers**

- 47.1 Save where otherwise determined by a founder majority, a member (other than the founders) is deemed to have served a Transfer Notice in respect of all of its shares immediately before any of the following occur in relation to that member:

47.1.1 being a company, it:

- (a) goes into liquidation whether compulsory or voluntary (except for the purposes of a bona fide reconstruction or amalgamation with the prior written consent of a founder majority), has an administrator appointed or if a receiver, administrative receiver or manager is appointed over all or a material part of its assets or undertaking;
- (b) ceases to carry on business or is or becomes insolvent or is or is deemed to be unable to pay its debts as they fall due within the meaning of section 123 of the Insolvency Act 1986;
- (c) enters into any composition or arrangement with its creditors generally or a moratorium is declared in respect of its indebtedness or any creditor action;
- (d) is affected in any way in any jurisdiction other than England and Wales by anything equivalent to any of the things referred to in (a) to (c) above
- (e) issues any claim or initiates any proceedings against the company; or

- (f) undergoes a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010);

47.1.2 being an individual, he:

- (a) is adjudged bankrupt or dies or becomes a patient for the purposes of any statute relating to mental health;
- (b) becomes a leaver;
- (c) issues any claim or initiates any proceedings against the company; or
- (d) enters into any voluntary composition or arrangement with his creditors.

47.2 The deemed Transfer Notice has the same effect as a Transfer Notice, except that:

47.2.1 the deemed Transfer Notice shall not identify a Proposed Transferee;

47.2.2 subject to article 48.2.3 and 48.2.4, the Sale Price shall be the fair value of the shares;

47.2.3 where article 48.1.2(b) applies:

- (a) if the member is a bad leaver the Sale Price shall be the nominal value of the Sale Shares; and
- (b) if the member is a good leaver, the Sale Price shall be the fair value of the Shares;

47.2.4 where article 48.1.1(e) or article 48.1.2(c) applies, the Sale Price shall be the nominal value of the Sale Shares;

47.2.5 if the offer in the deemed Transfer Notice is not accepted by the members (or, where article 47.12 applies, by the company), the company may (acting on behalf of a founder majority) nominate a party to whom the shares shall be transferred.

47.3 Any shares which are not transferred in accordance with this article shall, where applicable, be dealt with under the relevant transmission provisions of these articles.

47.4 Where article 48.1.1(e) or article 48.1.2(c) applies, the company may (at the direction of a founder majority) also prohibit the relevant member from transferring any or all of its shares for the period during which there is a subsisting claim against the company.

## 48 Drag Along

48.1 If any one or more members receives an offer in writing from a bona fide third party (**Third Party**) to purchase the entire equity share capital in the Company not already owned by the Third Party (**Third Party Offer**) and the holders of at least 51% of the issued shares (with founder majority consent) accept the Third Party Offer (**Accepting Shareholders**), the Accepting Shareholders are entitled, notwithstanding the provisions of article 47, to issue to the remaining members (**Other Shareholders**) written notice (**Drag Along Notice**) requiring the Other Shareholders to sell to the Third Party all of the Other Shareholders' shares upon the terms and conditions specified in the Drag Along Notice.

48.2 The terms on which the Accepting Shareholders require the Other Shareholders to sell their shares must be no less favourable than the terms on which the Accepting Shareholders are selling their shares to the Third Party.

48.3 The Drag Along Notice must specify:

- 48.3.1 the details of the Third Party;
  - 48.3.2 the price payable for each share and other consideration (if any) to be received (directly or indirectly) by the Accepting Shareholders; and
  - 48.3.3 any other material terms upon which the Other Shareholders' shares shall be purchased pursuant to the Drag Along Notice.
- 48.4 If any Other Shareholder shall not, within five Business Days of being required to do so, execute and deliver transfers (or other necessary documentation) in respect of the shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s), documentation and indemnities on the Other Shareholder's behalf and, against receipt by the company (on trust for such Shareholder) of the consideration payable for the relevant shares, deliver such transfer(s) and certificate(s) or indemnities to the Third Party (or his nominee) and register such Third Party (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.
- 48.5 The Other Shareholders are not obliged to sell their shares in accordance with this article if the Accepting Shareholders do not complete the sale of all their shares to the Third Party on the same terms and conditions set out in the Drag Along Notice.
- 48.6 The drag-along provisions of this article shall also apply in circumstances where the Third Party Offer comprises a proposal for the restructure of the company under which shares in the company are transferred to a holding company in exchange for the allotment and issue of an equivalent number of shares in that holding company.

## **49 Fair Value**

- 49.1 For the purposes of these articles, fair value means such price as is agreed between the relevant buyer and seller or, failing such agreement, as determined by an independent expert, in which case:
- 49.1.1 the company shall immediately instruct the independent expert to determine the fair value on the basis which, in the independent expert's opinion, represents a fair price for the relevant Shares at the date of the Transfer Notice as between a willing seller and a willing buyer and shall take account of whether such shares comprise a majority or minority interest in the Company and the fact that their transferability is restricted by these articles;
  - 49.1.2 the independent expert shall act as an expert and not an arbitrator (and the Arbitration Act 1996 shall not apply);
  - 49.1.3 the independent expert shall certify the fair value as soon as possible after being instructed to do so and such certificate shall be final and binding (in the absence of manifest error); and
  - 49.1.4 the costs and expenses of the independent expert shall be borne by such parties and in such proportions as the independent expert may reasonably determine.
- 49.2 For the purposes of these articles, the **independent expert** shall be an accountant or an expert in company valuation (acting as an expert and not as an arbitrator) nominated by the company.

## **50 Transmission of shares**

- 50.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 50.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- 50.2.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
- 50.2.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 50.3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

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

- 51.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 51.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 51.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **52 Transmittees bound by prior notices**

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

# **DIVIDENDS AND OTHER DISTRIBUTIONS**

## **53 Procedure for declaring dividends**

- 53.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 53.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 53.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 53.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.

- 53.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 53.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 53.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

#### **54 Calculation of dividends**

- 54.1 Except as otherwise provided by the articles or the rights attached to shares, all dividends must be:
- 54.1.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
- 54.1.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 54.2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
- 54.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

#### **55 Payment of dividends and other distributions**

- 55.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- 55.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- 55.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- 55.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- 55.1.4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 55.2 Dividends may be declared or paid in any currency and the directors may agree with any distribution recipient that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the company or any other person to bear the costs involved.

55.3 In the articles, **the distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable:

55.3.1 the holder of the share; or

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

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

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

56.1 If:

56.1.1 a share is subject to the company's lien; and

56.1.2 the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.

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

56.3 The company must notify the distribution recipient in writing of:

56.3.1 the fact and amount of any such deduction;

56.3.2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and

56.3.3 how the money deducted has been applied.

## **57 No interest on distributions**

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

57.1 the terms on which the share was issued, or

57.2 the provisions of another agreement between the holder of that share and the company.

## **58 Unclaimed distributions**

58.1 All dividends or other sums which are:

58.1.1 payable in respect of shares, and

58.1.2 unclaimed after having been declared or become payable,

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

58.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

58.3 If:

58.3.1 12 years have passed from the date on which a dividend or other sum became due for payment, and

58.3.2 the distribution recipient has not claimed it,

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

## **59 Non-cash distributions**

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

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

59.2.1 fixing the value of any assets;

59.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

59.2.3 vesting any assets in trustees.

## **60 Waiver of distributions**

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

60.1 the share has more than one holder; or

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

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

## **CAPITALISATION OF PROFITS**

### **61 Authority to capitalise and appropriation of capitalised sums**

61.1 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:

61.1.1 decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

- 61.1.2 appropriate any sum which they so decide to capitalise (a **capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **persons entitled**) and in the same proportions.
- 61.2 Capitalised sums must be applied:
  - 61.2.1 on behalf of the persons entitled, and
  - 61.2.2 in the same proportions as a dividend would have been distributed to them.
- 61.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 61.4 A capitalised sum which was appropriated from profits available for distribution may be applied:
  - 61.4.1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled; or
  - 61.4.2 in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 61.5 Subject to the articles the directors may:
  - 61.5.1 apply capitalised sums in accordance with articles 61.3 and 61.4 partly in one way and partly in another;
  - 61.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
  - 61.5.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **PART 4, DECISION-MAKING BY MEMBERS**

### **ORGANISATION OF GENERAL MEETINGS**

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

- 62.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 62.2 A person is able to exercise the right to vote at a general meeting when:
  - 62.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 62.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

- 62.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 62.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 62.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

### **63 Quorum for general meetings**

- 63.1 The quorum for a general meeting shall be three members or, if the company has fewer than three members, the quorum shall be all members of the company.
- 63.2 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

### **64 Chairing general meetings**

- 64.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 64.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

64.2.1 the directors present, or

64.2.2 (if no directors are present), the meeting,

must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

- 64.3 The person chairing a meeting in accordance with this article is referred to as 'the chairman of the meeting'.

### **65 Attendance and speaking by directors and non-members**

- 65.1 Directors may attend and speak at general meetings, whether or not they are members.

- 65.2 The chairman of the meeting may permit other persons who are not:

65.2.1 members, or

65.2.2 otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

### **66 Adjournment**

- 66.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, if the meeting was convened by the members, the meeting shall be dissolved and, in any other case, the chairman of the meeting must adjourn it.

- 66.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- 66.2.1 the meeting consents to an adjournment; or
  - 66.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 66.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 66.4 When adjourning a general meeting, the chairman of the meeting must:
- 66.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - 66.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 66.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least seven clear days' notice of it:
- 66.5.1 to the same persons to whom notice of the company's general meetings is required to be given, and
  - 66.5.2 containing the same information which such notice is required to contain.
- 66.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

#### **VOTING AT GENERAL MEETINGS**

##### **67 Voting: general**

*A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.*

##### **68 Errors and disputes**

- 68.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 68.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

##### **69 Poll votes**

- 69.1 A poll on a resolution may be demanded:
- 69.1.1 in advance of the general meeting where it is to be put to the vote; or
  - 69.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

- 69.2 A poll on a resolution may be demanded by the chairman of the meeting, the directors or by any qualifying person (as defined in section 318 of the Companies Act 2006) present and entitled to vote on the resolution.
- 69.3 A demand for a poll may be withdrawn if:
- 69.3.1 the poll has not yet been taken; and
  - 69.3.2 the chairman of the meeting consents to the withdrawal.
- 69.4 A demand withdrawn in accordance with article 69.3 shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 69.5 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## **70 Content of proxy notices**

- 70.1 Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:
- 70.1.1 states the name and address of the member appointing the proxy;
  - 70.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - 70.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - 70.1.4 is delivered to the company in accordance with the articles not less than 48 hours before the time appointed for holding the general meeting in relation to which the proxy is appointed and in accordance with any instructions contained in the notice of the general meeting to which they relate (but notwithstanding this an appointment of a proxy may be accepted by the directors at any time prior to the meeting at which the person named in the appointment proposes to vote (or, where a poll is demanded at the meeting, but not taken forthwith, at any time prior to the taking of the poll)).
- 70.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 70.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions, but the company shall not be obliged to ascertain that any proxy has complied with those or any other instructions given by the appointor and no decision on any resolution shall be vitiated by reason only that any proxy has not done so.
- 70.4 On a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and:
- 70.4.1 has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it; or

70.4.2 has been instructed to vote the same way (either for or against) on the resolution by all of those members except those who have given the proxy discretion as to how to vote on the resolution,

the proxy is entitled to one vote for and one vote against the resolution.

70.5 Unless a proxy notice indicates otherwise, it must be treated as:

70.5.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

70.5.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **71 Delivery of proxy notices**

71.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

71.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

71.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

71.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **72 Amendments to resolutions**

72.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

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

72.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

72.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:

72.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

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

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

**73 No voting of shares on which money owed to company**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, or in relation to any written resolution of the company unless all amounts payable to the company in respect of that share have been paid.

**APPLICATION OF RULES TO CLASS MEETINGS**

**74 Class meetings**

The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

**PART 5, ADMINISTRATIVE ARRANGEMENTS**

**75 Means of communication to be used**

- 75.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- 75.2 Except insofar as the Companies Acts require otherwise, the company shall not be obliged to accept any notice, document or other information sent or supplied to the company in electronic form unless it satisfies such stipulations, conditions or restrictions (including, without limitation, for the purpose of authentication) as the directors think fit, and the company shall be entitled to require any such notice, document or information to be sent or supplied in hard copy form instead.
- 75.3 In the case of joint holders of a share, except insofar as the articles otherwise provide, all notices, documents or other information shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and shall be deemed to have been given to all the joint holders. For all purposes, including the execution of any appointment of proxy, resolution in writing, notice or other document (including anything sent or supplied in electronic form) executed or approved pursuant to any provision of the articles, execution by any one of such joint holders shall be deemed to be and shall be accepted as execution by all the joint holders.
- 75.4 In the case of a member that is a corporation, for all purposes, including the execution of any appointment of proxy, resolution in writing, notice or other document (including anything sent or supplied in electronic form) executed or approved pursuant to any provision of the articles, execution by any director or the secretary of that corporation or any other person who appears to any officer of the company (acting reasonably and in good faith) to have been duly authorised to execute shall be deemed to be and shall be accepted as execution by that corporation.
- 75.5 A member whose registered address is not within the United Kingdom and who notifies the company of an address within the United Kingdom at which notices, documents or other information may be served on or delivered to him shall be entitled to have such things served on or delivered to him at that address (in the manner referred to above), but otherwise no

such member shall be entitled to receive any notice, document or other information from the company. If the address is that member's address for sending or receiving documents or information by electronic means the directors may at any time without prior notice (and whether or not the company has previously sent or supplied any documents or information in electronic form to that address) refuse to send or supply any documents or information to that address.

75.6 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

75.7 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **76 Deemed delivery of documents and information**

Any document or information sent or supplied by the company shall be deemed to have been received by the intended recipient:

76.1 where the document or information is properly addressed and sent by first class post or other delivery service to an address in the United Kingdom, on the day (whether or not it is a working day) following the day (whether or not it is a working day) on which it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent;

76.2 where (without prejudice to article 76.4) the document or information is properly addressed and sent by post or other delivery service to an address outside the United Kingdom, five working days after it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent;

76.3 where the document or information is not sent by post or other delivery service but delivered personally or left at the intended recipient's address, on the day (whether or not a working day) and time that it was sent;

76.4 where the document or information is properly addressed and sent or supplied by electronic means, on the day (whether or not a working day) and time that it was sent and proof that it was sent in accordance with guidance issued by ICSA: The Governance Institute shall be conclusive evidence that it was sent;

76.5 where the document or information is sent or supplied by means of a website, when the material was first made available on the website or (if later) when the intended recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

## **77 Company seals**

77.1 Any common seal may only be used by the authority of the directors.

77.2 The directors may decide by what means and in what form any common seal is to be used.

77.3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

77.4 For the purposes of this article, an authorised person is:

77.4.1 any director of the company;

77.4.2 the company secretary (if any); or

77.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **78 No right to inspect accounts and other records**

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

## **79 Provision for employees on cessation of business**

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

## **80 Secretary**

Subject to the Companies Act 2006, the directors may appoint a company secretary (or two or more persons as joint secretary) for such term, at such remuneration and upon such conditions as the directors may think fit; and any company secretary (or joint secretary) so appointed may be removed by the directors. The directors may also from time to time appoint on such terms as they think fit, and remove, one or more assistant or deputy secretaries.

# **DIRECTORS; INDEMNITY AND INSURANCE**

## **81 Indemnity**

81.1 Subject to article 81.2 (but without prejudice to any indemnity to which a relevant officer is otherwise entitled):

81.1.1 a relevant officer may be indemnified out of the company's assets to whatever extent the directors may determine against:

- (a) any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the company or any undertaking in the same group as the company;
- (b) any liability incurred by that officer in connection with the activities of the company, or any undertaking in the same group as the company, in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);
- (c) any other liability incurred by that officer as an officer of the company or of any undertaking in the same group as the company; and

81.1.2 the company may, to whatever extent the directors may determine, provide funds to meet expenditure incurred or to be incurred by a relevant officer in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the company or any undertaking in the same group as the company, or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of an application for relief, or in order to enable the relevant officer to avoid incurring such expenditure.

81.2 This article does not authorise any indemnity that would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

## **82 Insurance**

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

82.2 In this article, a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the company, any undertaking in the same group as the company or any pension fund or employees' share scheme of the company or of any undertaking in the same group as the company.

## **CONFIDENTIALITY AND RESTRICTIVE COVENANTS**

### **83 Confidentiality**

83.1 Each member shall, for as long as he is a member and for a period of 24 months after the date on which he is no longer a member, keep confidential and shall not disclose any confidential information, except where the confidential information is:

83.1.1 publicly available, other than as a result of a breach by a member of the provisions of these articles;

83.1.2 lawfully available to a member from a third party who was not subject to any confidentiality restriction prior to the disclosure of such confidential information; or

83.1.3 required to be disclosed by law, regulation or by order or ruling of a court or administrative body of a competent jurisdiction or any regulatory body to which any member is subject or submits (but in which case to the absolute minimum necessary) provided that the disclosing party shall use its reasonable endeavours to the extent permitted to do so by law, the court or the authority requiring disclosure, to first consult fully with the company to establish whether and, if so, how far it is possible to prevent or restrict such enforced disclosure and take all steps as it may require to achieve prevention or restriction.

83.2 Upon a shareholder-employee ceasing to be an employee, all confidential information (in whatever form it may exist) in the possession, custody or control of, or kept or made by or on behalf of, the shareholder-employee relating to the business or affairs of the company will be returned by the member or (at the company's option) destroyed and certified as destroyed.

83.3 For the purposes of this article, confidential information shall mean all data or information (whether technical, commercial, financial or of any other type) in any form used in or relating to the business of the company (including information relating to the company's products

(bought, manufactured, produced, distributed or sold), services (bought or supplied), operations, processes, formulae, methods, plans, strategy, product information, code, know-how, design rights, trade secrets, market opportunities, customer lists, commercial relationships, marketing, sales materials and general business affairs), and which are for the time being confidential to the company.

#### **84 Restrictive Covenants**

84.1 Each member undertakes to the company (for the benefit of the company) that except with the prior written consent of a founder majority:

84.1.1 for so long as he is a member and for a period of 12 months after the date on which he is no longer a member, he shall not be economically or otherwise concerned with, engaged, interested, connected with or employed in, any business, person, undertaking company or firm supplying goods or services in competition with the business of the company in any geographical area in which the company carries on its business or any part of it;

84.1.2 for a period of 12 months after the date on which he is no longer a member, he shall not, acting either alone or jointly with or on behalf of any other person, firm or company whether as principal, partner, manager, employee, contractor, director, consultant, investor or otherwise solicit, entice, employ, seek to employ, conclude any contract for services with, offer or procure or facilitate the making of any such offer by any other person, any person who was an officer or employed in a skilled or managerial position by the company at any time during the 12 months prior to the date on which he is no longer a member;

84.1.3 for a period of 12 months after the date on which he is no longer a member, deal with, seek or solicit the custom of any person who was a client or customer of the company for the purposes of providing that client or customer with goods or services of a type supplied by the company which it provided to such client or customer at any time during the 12 months prior to the date on which he is no longer a member;

84.1.4 for a period of 12 months after the date on which he is no longer a member, entice or solicit any person who was a supplier to the company at any time during the 12 months prior to the date on which he is no longer a member, if such solicitation causes or would cause disruption to or the cessation of the supplier's supply of those goods or services to the company or its business;

84.1.5 use, or permit any third party to use, any trade mark, trade or domain name, design or logo associated with the company or any email address used by the company or any other name which, in the reasonable opinion of the company, is intended or likely to be confused with any such trade or domain name or email address.

84.2 Nothing in this article shall prevent a member from holding for investment purposes only:

84.2.1 any units of any authorised unit trust; or

84.2.2 not more than 5% of any class of shares or securities of any company traded on a recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000).