

COQUET ANIMAL HEALTH LIMITED

(the "Company")

PRINT OF WRITTEN RESOLUTIONS passed pursuant to Chapter 2 of Part 13 of the Companies Act 2006 as special resolutions or ordinary resolutions as indicated below on 14/11/2019.....2019:

SPECIAL RESOLUTIONS**1. ADOPTION OF NEW ARTICLES**

THAT the draft articles of association attached to this resolution be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the Company's existing Articles of Association.

2. REDESIGNATION OF EXISTING SHARE CAPITAL OF THE COMPANY

THAT the existing issued share capital of the Company be and is hereby redesignated so that with effect from such redesignation the issued share capital of the Company shall be as set out below, such shares having the rights and being subject to the restrictions set out in the Articles of Association to be adopted pursuant to Resolution 1 above

Shareholder	Existing shareholding prior to reclassification	Shareholding following reclassification
Sarah Megan Forsyth	75 ordinary shares of £1.00 each	75 A ordinary shares of £1.00 each
Emily Renton	25 ordinary shares of £1.00 each	25 B ordinary shares of £1.00 each

S M Forsyth
Director

THURSDAY



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19/12/2019

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COMPANIES HOUSE

COMPANY NO. 11710377

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

COQUET ANIMAL HEALTH LIMITED

(Adopted by special resolution passed on 14/11/2019)

Introduction

1. INTERPRETATION

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

"Appointor"	has the meaning given in article 11.1;
"Articles"	the Company's articles of association for the time being in force;
"Adoption Date"	the date on which these Articles are adopted as the articles of association of the Company;
"A Share"	an ordinary share of £1.00 in the capital of the Company designated as an A Share;
"A Director"	a Director appointed to the Board by the holders of the A Shares;
"Bad Leaver"	any holder of B Shares upon which a Deemed Transfer Notice is served pursuant to Article 16.1 within 5 years of the Adoption Date;
"B Share"	an ordinary share of £1.00 in the capital of the Company designated as a B Share;
"Business Day"	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
"CA 2006"	the Companies Act 2006;
"Conflict"	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
"Continuing Shareholder"	has the meaning given in article 14.1;

"Controlling Interest"	an interest in shares giving to the holder or <i>holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010</i> ;
"Deemed Transfer Notice"	a Transfer Notice that is deemed to have been served under any provisions of these Articles;
"Eligible Director"	a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);
"Fair Value"	in relation to shares, as determined in accordance with article 17;
"Interested Director"	has the meaning given in article 8.1;
"Leaver"	any holder of B Shares who ceases to be an employee of, consultant to or director of the Company;
"Model Articles"	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (<i>SI 2008/3229</i>) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;
"Original Shareholder"	a shareholder who holds shares in the Company on the date of adoption of these Articles;
"Permitted Transfer"	a transfer of shares made in accordance with article 15;
"Permitted Transferee"	in relation to a shareholder, any Privileged Relation to that shareholder;
"Purchase Notice"	has the meaning given in article 14.2;
"Privileged Relation"	in relation to a holder of A Shares, that person's spouse and children (including step and adopted children) provided in each case they are at least 18 years old;
"Sale Shares"	has the meaning given in article 14.1;
"Sale Price"	has the meaning given in article 14.1.2;
"Seller"	has the meaning given in article 14.1;
"subsidiary"	has the meaning given in article 1.5;

"Transfer Notice"

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

"Valuers"

an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator); and

"Writing or written"

the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
 - 1.5.1 another person (or its nominee), by way of security or in connection with the taking of security; or
 - 1.5.2 its nominee.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force on the date when these Articles become binding on the Company.

- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made as at the date on which these Articles become binding on the Company under that statute or statutory provision.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(1)(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DIRECTORS

3. DIRECTORS' MEETINGS

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.

4. UNANIMOUS DECISIONS OF DIRECTORS

- 4.1 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.

4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 6.

5. CALLING A DIRECTORS' MEETING

5.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by the directors) to each director or by authorising the Company secretary (if any) to give such notice.

5.2 Notice of any directors' meeting must be accompanied by:

5.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting; and

5.2.2 copies of any papers to be discussed at the meeting.

6. QUORUM FOR DIRECTORS' MEETINGS

6.1 Subject to article 7, the quorum at any meeting of the directors (including adjourned meetings) shall be one A Director, unless there is no A Director in office in which case the quorum shall be any one director.

6.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

6.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those Eligible Directors present will constitute a quorum.

7. CHAIRING OF DIRECTORS' MEETINGS

The post of chair of the board of directors will be held by as nominated by the holder of the majority of the A Shares. The chairperson shall have a casting vote. If the chairperson for the time being is unable to attend any meeting of the board of directors, that meeting shall be adjourned.

8. DIRECTORS' INTERESTS

8.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the "**Interested Director**") breaching their duty under section 175 of the CA 2006 to avoid conflicts of interest.

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

8.2.1 to the extent permitted by the CA 2006, the matter in question shall have been proposed by any director for consideration in the same way that any other

- matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- 8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- 8.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 8.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- 8.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- 8.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- 8.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- 8.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 8.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 8.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 8.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 8.1 shall be necessary in respect of any such interest.
- 8.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a

relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

- 8.8 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.
- 8.9 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared under article 8.8.
- 8.10 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 8.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 8.10.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - 8.10.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 8.10.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or to participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 8.10.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
 - 8.10.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 8.10.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the CA 2006.

9. RECORDS OF DECISIONS TO BE KEPT

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

10. APPOINTMENT AND REMOVAL OF DIRECTORS

10.1 The holder of the A Shares (and her Permitted Transferees) may appoint and maintain in office one director (such person being an A Director) by notice in writing to the Board. The holder of the A Shares (and her Permitted Transferees) may remove any A Director and replace them with any other person by notice in writing to the Board.

10.2 Any person willing to act as a director, and is permitted by law to so, may be appointed to be a director:

10.2.1 by ordinary resolution; or

10.2.2 by a majority decision of the directors.

10.3 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a director:

10.3.1 he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other directors resolve that he cease to be a director;

10.3.2 save in the case of an director, a majority of the other directors resolve that he cease to be a director; and

10.3.3 in the case of an executive director only, he shall cease to be employed by the Company.

11. ALTERNATE DIRECTORS

11.1 Any director (other than an alternate director) (the "**Appointor**") may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor.

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

11.3 The notice must:

11.3.1 identify the proposed alternate; and

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

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

11.5 Except as the Articles specify otherwise, alternate directors:

11.5.1 are deemed for all purposes to be directors;

11.5.2 are liable for their own acts and omissions;

11.5.3 are subject to the same restrictions as their Appointors; and

11.5.4 are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.

11.6 A person who is an alternate director but not a director may, subject to him being an Eligible Director:

11.6.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and

11.6.2 participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).

11.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.

11.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

11.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

11.9.1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or

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

11.9.3 when the alternate director's Appointor ceases to be a director for whatever reason.

SHARES

12. SHARE CAPITAL

12.1 Except as otherwise provided in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

12.2 The profits of the Company available for distribution shall be distributed amongst the holders of A Shares and B Shares as the board of directors shall determine and the

board of directors may declare dividends in different proportions on the A Shares and B Shares as they see fit.

12.3 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.

12.4 On the transfer of any share as permitted by these Articles:

12.4.1 a share transferred to a non-shareholder shall remain of the same class as before the transfer; and

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

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

12.5 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

12.6 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the CA 2006.

13. SHARE TRANSFERS: GENERAL

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

13.2 No share shall be transferred unless the transfer is made in accordance with these Articles.

13.3 Subject to article 13.4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

13.4 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors

may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 13.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.

- 13.5 Any transfer of shares by way of a sale that is required to be made under article 14, article 15, article 16, article 18 or article 18 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

14. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 14.1 Except where the provisions of article 15 or article 16 apply, a shareholder ("**Seller**") wishing to transfer all (but not some only) of its shares ("**Sale Shares**") must give a Transfer Notice to all the other shareholders ("**Continuing Shareholder**") giving details of the proposed transfer including:

14.1.1 the identity of the proposed buyer; and

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

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

- 14.3 If:

14.3.1 at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which the Continuing Shareholder's existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy.

14.3.2 not all Sale Shares are allocated following allocations in accordance with article 14.3.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 14.3.1. The procedure set out in this article 14.3.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied.

- 14.4 On serving a Purchase Notice to the Seller under article 14.2, the Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the Sale Price.

- 14.5 If, at the expiry of the period specified in article 14.2, the Continuing Shareholder has not given a Purchase Notice, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (subject to the provisions of article 18 and article 18 where applicable) at a price not less than the Sale Price provided that it does so within 12 months of the expiry of the period specified in article 14.2.

15. PERMITTED TRANSFERS

- 15.1 A holder of A Shares may at any time transfer any of its shares in the Company to a Permitted Transferee without being required to follow the steps set out in article 14.
- 15.2 A shareholder holding shares in the Company as a result of a Permitted Transfer made after the date of adoption of these Articles by a holder of A Shares under the provisions of this article 15 may at any time transfer any of its shares in the Company back to the holder of the Shares from whom it received those shares or to another Permitted Transferee of such holder of A Shares, without being required to follow the steps set out in article 14.
- 15.3 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall within five Business Days of ceasing to be a Privileged Relation transfer all of the shares in the Company held by it to:

15.3.1 the holder of A Shares from whom it received those shares; or

15.3.2 another Permitted Transferee of that holder of A Shares,

without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 15.3, the Company may execute a transfer of the shares on behalf of the Permitted Transferee and register the holder of A Shares from whom it received those shares as the holder of such shares.

16. COMPULSORY TRANSFERS

- 16.1 A shareholder is deemed to have served a Transfer Notice under article 14.1 immediately before any of the following events:
- 16.1.1 a bankruptcy petition being presented for the shareholder's bankruptcy; or
- 16.1.2 an arrangement or composition with any of the shareholder's creditors being proposed; or
- 16.1.3 the shareholder convening a meeting of his creditors, or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
- 16.1.4 the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
- 16.1.5 any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or
- 16.1.6 the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or

- 16.1.7 the shareholder committing a material or persistent breach of any shareholders' agreement to which he is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the holder(s) of a majority of the shares of the other class requiring such remedy; or
 - 16.1.8 he becomes a Leaver; or
 - 16.1.9 on the death of a holder of B Shares.
- 16.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- 16.2.1 the Deemed Transfer Notice given as a result of article 16.1 takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 17, save in the case of a Bad Leaver where the price for the Sale Shares shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares;
 - 16.2.2 if the Continuing Shareholder does not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller shall not have the right to sell the Sale Shares to a third party.
- 16.3 A Deemed Transfer Notice under articles 16.1.1 to 16.1.9 shall immediately and automatically revoke a Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under articles 16.1.1 to 16.1.9.
- 16.4 If the Seller fails to complete a transfer of Sale Shares as required under this article 16, the Continuing Shareholder is irrevocably authorised to appoint any person it nominates for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholder may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller (without any obligation to pay interest), giving a receipt that shall discharge the Continuing Shareholder.
- 17. VALUATION**
- 17.1 As soon as practicable after deemed service of a Transfer Notice under article 16, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.
- 17.2 The Valuers shall be requested to determine the Fair Value within 10 Business Days of their appointment and to notify the shareholders in writing of their determination.
- 17.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- 17.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;

- 17.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 17.3.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 17.3.4 the Sale Shares are sold free of all encumbrances;
 - 17.3.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value.
- 17.4 The shareholders are entitled to make submissions to the Valuers including oral submissions and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 17.5 To the extent not provided for by this article 17, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 17.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 17.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders equally or in such other proportions as the Valuers shall direct.

18. DRAG ALONG

- 18.1 Subject to article 15, after first giving a Transfer Notice to the Continuing Shareholder and going through the procedure set out in article 14, if the holders of the A Shares wishes to transfer all (but not some only) of its A Shares to a bona fide purchaser on arm's length terms ("**Proposed Buyer**"), the Seller may require the holder of the B Shares ("**Called Shareholder**") to sell and transfer all of its shares ("**Called Shares**") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article ("**Drag Along Option**").
- 18.2 The holders of the A Shares may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholder ("**Drag Along Notice**") at any time before the transfer of the A Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 18.2.1 that the Called Shareholder is required to transfer all of its Called Shares pursuant to this article 18;
 - 18.2.2 the person to whom the Called Shares are to be transferred;
 - 18.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the A Shares; and

- 18.2.4 the proposed date of the transfer.
- 18.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the holders of the A Shares has not sold the A Shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The holders of the A Shares may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 18.
- 18.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the A Shares unless:
- 18.5.1 the holders of the A Shares and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
- 18.5.2 that date is less than 5 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 5th Business Day after service of the Drag Along Notice.
- 18.6 The proposed sale of the A Shares by the holders of the A Shares to the Proposed Buyer is subject to the rights of pre-emption set out in article 14, but the sale of the Called Shares by the Called Shareholder shall not be subject to those provisions.
- 18.7 On or before the Completion Date, the Called Shareholder shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholder, on behalf of the Proposed Buyer, the amounts due pursuant to article 18.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholder in trust for the Called Shareholder without any obligation to pay interest.
- 18.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholder shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholder shall have no further rights or obligations under this article 18 in respect of its Shares.
- 18.9 If the Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 18.7) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the holders of the A Shares to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 18.9.

Decision making by shareholders

19. QUORUM FOR GENERAL MEETINGS

- 19.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be one person being the holder of A Shares or a duly authorised representative of such holder.
- 19.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

20. CHAIRING GENERAL MEETINGS

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

21. VOTING

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

22. POLL VOTES

- 22.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.
- 22.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

23. PROXIES

- 23.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".
- 23.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

Administrative arrangements

24. MEANS OF COMMUNICATION TO BE USED

- 24.1 Subject to article 24.2, any notice, document or other information shall be deemed received by the intended recipient:

- 24.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address;
 - 24.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of delivery, at the time recorded by the delivery service;
 - 24.1.3 if sent by pre-paid airmail providing proof of delivery at the time recorded by the delivery service;
 - 24.1.4 if sent by email, at the time of transmission; or
 - 24.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 24.2 If deemed receipt under article 24.1 would occur outside Usual Business Hours, the notice, document or other information shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this article, "**Usual Business Hours**" means 9.00 am to 5.30 pm local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt of the notice, document or other information (which, in the case of service by email shall be deemed to be the same place as is specified for service of notices, documents or other information on the relevant recipient by hand or post).
- 24.3 To prove service, it is sufficient to prove that:
- 24.3.1 if delivered by hand, the notice was delivered to the correct address;
 - 24.3.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted;
 - 24.3.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.
- 24.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.

25. INDEMNITY AND INSURANCE

- 25.1 Subject to article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 25.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

- 25.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 25.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.
- 25.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 25.4 In this article:
- 25.4.1 a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- 25.4.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.