

Company Number: 11775479

The Companies Act 2006
Company Limited by Shares
Written Resolutions
of
Armatus Oceanic Ltd
(Company)

On **31 JULY** 2019, the following resolutions were passed by the members of the Company who were entitled to vote thereon:

Special Resolutions

1. 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 existing articles of association of the Company.
2. That, subject to the passing of Resolution 1 above and in accordance with section 570 of the Companies Act 2006 (**Act**), the directors of the Company be generally empowered to allot equity securities (as defined in section 560 of the Act) as if the rights of pre-emption contained in article 4.5 of the articles of association of the Company or otherwise, did not apply in respect of the allotment of 999 ordinary shares of £1.00 each in the capital of the Company.


.....
Director

MONDAY



A07 *A8B7CXUX* #38
05/08/2019
COMPANIES HOUSE

Certified a true and correct copy
of the original document

Signed SB

Printed STEPHANIE BEAUS

CRN: 11775479

Muckle LLP

THE COMPANIES ACT 2006

Newcastle upon Tyne

Date 2/8/19

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

ARMATUS OCEANIC LTD

Adopted by Special Resolution dated 31 July 2019

1. INTERPRETATION

1.1 In these Articles the following words and expressions shall have the following meanings:

"2006 Act"	the Companies Act 2006;
"Board"	the board of Directors of the Company from time to time;
"Business Day"	any day (other than a Saturday or Sunday) on which banks are open in London for the transaction of normal banking business;
"Director"	a director of the Company from time to time;
"Deemed Transfer Notice"	has the meaning given in Article 7.2;
"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);
"Family Member"	the spouse or widow or widower or children of a Shareholder;
"Family Trust"	in relation to a Shareholder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Shareholder or any of his Family Members and under which no power of control over the voting rights conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Shareholder or any of his Family Members;
"Group"	the Company and its subsidiary undertakings from time to time and references to "member of the

	Group" and "Group Company" shall be construed accordingly;
"Independent Expert"	an umpire (acting as expert and not as arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales;
"Model Articles"	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;
"Relevant Securities"	any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the date on which these Articles are adopted;
"Shareholder"	a holder of Shares;
"Shareholders' Agreement"	the shareholders' agreement dated the same date as the adoption of these Articles and made between (1) the Company, (2) Alan Jamieson, (3) Peter Johnson, (4) The University of Newcastle upon Tyne, (5) Newcastle University Holdings, and (6) North East Business and Innovation Centre Limited as may be supplemented, varied or amended from time to time;
"Shares"	the shares in the capital of the Company; and
"Transfer Price"	in relation to a voluntary Transfer Notice (as set out in Article 6), the price agreed between the Board and the Proposed Transferor or, failing agreement, the fair value as determined by an Independent Expert pursuant to Article 6.11 , or, in the case of a Deemed Transfer Notice, such other value as may be provided for in Article 7.5 .

- 1.2 Unless the context requires otherwise, words or expressions in these Articles have the same meaning as in the 2006 Act.
- 1.3 The Model Articles shall apply to the Company, except insofar 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.

- 1.4 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and any subordinate legislation made from time to time under that statute or statutory provision.
- 1.5 A reference in these **Articles** to an "**article**" is a reference to the relevant **article** of these **Articles** unless expressly provided otherwise.
- 1.6 Model articles 7, 11, 13, 14, 16, 17, 22, 26(5), 36, 39, 43, 49 and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company.
- 1.7 Model article 8(2) of the Model Articles shall be deleted and replaced with the words "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."
- 1.8 Model article 15 of the Model Articles shall be amended by the insertion of the words "(in the case of decisions taken by electronic means such decisions shall be recorded by the directors in permanent form so that they may be read with the naked eye)" after the words "keeps a record, in writing,".
- 1.9 Model article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.10 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.11 Model Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.12 Model Article 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".
- 1.13 The headings in these Articles are for convenience only and shall not affect its construction or interpretation.
- 1.14 Unless the context otherwise requires words denoting the singular shall include the plural and vice versa, words denoting a gender shall include all genders and references to persons shall include corporations and firms.
- 1.15 The "ejusdem generis" (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, "include" and "including" will be read without limitation.
- 2. SHARE CAPITAL**
- 3.1 The share capital of the Company on the date of adoption of these Articles is divided into 1,000 ordinary shares of £1.00 each, held as follows: 400 ordinary shares of £1.00 each held by Alan Jamieson, 101 ordinary shares of £1.00 each held by Peter Johnson, 99 ordinary shares of

£1.00 each held by North East Business and Innovation Centre Limited and 400 ordinary shares of £1.00 each held by Newcastle University Holdings Limited.

- 3.2 Unless the context requires otherwise, references in these Articles to shares of a particular class shall include Shares created and/or issued after the date of adoption of these Articles and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares of the relevant class then in issue.

3. VOTING AND CLASS RIGHTS

3.1 Voting

The holders of the Shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and the holders of the Shares who (being individuals) are present in person or by proxy or (being corporations) are present by duly authorised representative or by proxy shall, on a show of hands, have one vote each, and, on a poll or written resolution, shall have one vote for each Share of which he is the holder.

3.2 Variation of rights

Whenever the capital of the Company is divided into different classes of shares then the special rights attached to any class of shares may not be varied or abrogated (whether or not the Company is being wound up) without the consent in writing of Shareholders holding not less than 75% in nominal value of the issued shares of the relevant class or with the sanction of a special resolution passed at a separate meeting of the holders of the relevant class. To any separate general meeting all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply.

3.3 Proxies

3.3.1 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 the general meeting (or adjourned meeting) to which they relate".

3.3.2 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, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

4. ALLOTMENT OF SHARES

- 4.1 Save to the extent authorised by these Articles and subject always to the provisions of the Shareholders' Agreement, the Directors shall be able to exercise any power to allot Shares or to grant rights to subscribe for or to convert any security into any Shares.

- 4.2 Subject to **Article 4.1** and the remaining provisions of this **Article 4**, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

4.2.1 offer or allot;

4.2.2 grant rights to subscribe for or to convert any security into; and

4.2.3 otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think fit.

4.3 The authority referred to in **Article 4.2**:

4.3.1 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by special resolution; and

4.3.2 may only be exercised for a period of five years from the date of adoption of these Articles save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

4.4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

4.5 Unless otherwise agreed by Shareholders holding not less than 75% of the Shares, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all Shareholders on the same terms, and at the same price, as those Relevant Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as possible without involving fractions). The offer:

4.5.1 shall be in writing and give details of the number and subscription price of the Relevant Securities; and

4.5.2 may stipulate that any Shareholder who wishes to subscribe for a number of Relevant Securities in excess of the proportion to which each is entitled shall, in its acceptance, state the number of excess Relevant Securities ("Excess Securities") for which they wish to subscribe.

4.6 Any Relevant Securities not accepted by Shareholders pursuant to the offer made to them in accordance with **Article 4.5** shall be used for satisfying any requests for Excess Securities made pursuant to **Article 4.5**. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to Shareholders in accordance with **Article 4.5** (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him).

4.7 Notwithstanding any other provisions of this **Article 4**, no Shares shall be allotted to any party not bound by the Shareholders' Agreement unless that party has first entered into a deed of accession if so required by the Shareholders' Agreement.

5. TRANSFER OF SHARES

- 5.1 No transfer of any Share shall be made or registered in the statutory books of the Company unless such transfer complies with the provisions of the Shareholders' Agreement and these Articles and the transferee has first entered into a deed of accession pursuant to the Shareholders' Agreement.
- 5.2 For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer by a Shareholder:
- 5.2.1 any direction (by way of renunciation or otherwise) by a Shareholder entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and
 - 5.2.2 any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant Shareholder, (ii) whether or not for consideration, and (iii) whether or not effected by a written instrument.

6. VOLUNTARY TRANSFER OF SHARES

- 6.1 Save as otherwise provided in these Articles every Shareholder or person entitled to any Shares by reason of the death or bankruptcy of a Shareholder or by operation of law who intends to transfer or otherwise dispose of all or any part of the Shares held by him (which shall include any disposition of any legal or equitable interest in any Share and whether by way of gift, sale, mortgage or otherwise) ("a **Proposed Transferor**") shall, before so doing or agreeing so to do give notice ("**Transfer Notice**") in writing to the Company specifying:
- 6.1.1 the number and class of Shares (the "**Sale Shares**") which he wishes to transfer;
 - 6.1.2 the name of any third party to whom he proposes to sell or transfer the Sale Shares;
 - 6.1.3 the price at which he wishes to transfer the Sale Shares.
- 6.2 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified that all the Shares registered in the name of the Proposed Transferor shall be included for transfer.
- 6.3 The Transfer Notice shall constitute the Company the agent of the Proposed Transferor for the sale of the Sale Shares at the Transfer Price upon the following terms:
- 6.3.1 the price for each Sale Share is the Transfer Price, (save in the case of a Deemed Transfer Notice where the Transfer Price will be as determined in accordance with either **Article 7.4.2** or **Article 7.5**);
 - 6.3.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 6.4 Within 7 days of the receipt by the Company of any Transfer Notice, the shares comprised in such Transfer Notice shall be offered by the Company to the persons (other than the proposing transferor) in accordance with the order of priorities set out at **Article 6.6** (the "**Offer Notice**").

6.5 Each Shareholder shall state, in writing within 20 Business Days from the date of such Offer Notice (which date shall be specified therein), whether he is willing to purchase any and, if so, how many of the Sale Shares which shall, if he so wishes, include an amount in excess of his Proportionate Entitlement as defined at **Article 6.7**.

6.6 For the purposes of allocation of the Sale Shares, the Sale Shares shall be treated as offered:

6.6.1 to the Company; and

6.6.2 to the extent not accepted by the Company under **Article 6.6.1** to the Shareholders in accordance with **Article 6.7**,

provided that any acceptance by the Company assumes that the acceptance is given on the basis that the Company has, or will on the date of completion, have satisfied:

6.6.3 the requirements of the 2006 Act to purchase the shares in question; and

6.6.4 any requirement for consent under the Shareholders' Agreement.

If any such shares accepted by the Company cannot be bought back at completion by the Company due to the Company being unable to comply with **Articles 6.6.3** and **6.6.4** then this **Article 6** shall take effect as if no acceptance was given by the Company.

6.7 Subject always to the order of priorities set out in **Article 6.6** the Sale Shares shall (save in respect of any offer of Sale Shares to the Company, which shall be offered in such numbers and proportions as the Board shall direct) be treated as offered on terms that, in the event of competition, the Sale Shares offered shall be sold to the Shareholders accepting the offer in proportion (as nearly as may be) to their existing holdings of shares (the "**Proportionate Entitlement**"). It shall be open to each such Shareholder to specify if he is willing to purchase Sale Shares in excess of his Proportionate Entitlement ("**Excess Sale Shares**") and, if the holder does so specify, he shall state the number of Excess Sale Shares.

6.8 Within ten Business Days of the expiry of the Offer Notice period set out at **Article 6.5** (or sooner if all holders of Shares have responded to the invitation and all the Sale Shares shall have been accepted in the manner provided in **Article 6.5**), the Board shall allocate the Sale Shares in the following manner:

6.8.1 if the total number of Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or

6.8.2 if the total number of Shares applied for is more than the available number of Sale Shares, each Shareholder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied); applications for Excess Sale Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each Shareholder applying for Excess Sale Shares in the proportion which Shares held by such Shareholder bears to the total number of Shares held by all such Shareholders applying for Excess Sale Shares **PROVIDED THAT** such Shareholder shall not be allocated more Excess Sale Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an "Allocation Notice") to the Proposed Transferor and each of the persons to whom Sale Shares have been allocated (a "Member Applicant") and shall specify in the Allocation Notice the place and time (being not later than twenty Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

- 6.9 Upon such allocations being made as set out in **Article 6.4 to 6.6** (inclusive), the Proposed Transferor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance. If he makes default in so doing, the chairman for the time being of the Company or, failing him, one of the Directors, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Proposed Transferor with full power to execute, complete and deliver in the name and on behalf of the Proposed Transferor a transfer of the relevant Sale Shares to the Member Applicant and any Director may receive and give a good discharge for the purchase money on behalf of the Proposed Transferor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Proposed Transferor until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.
- 6.10 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 6** the Proposed Transferor may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares which have not been sold to any person or persons at any price not less than the Transfer Price provided that:
- 6.10.1 the Board shall be entitled to refuse registration of the proposed transferee if he or it is believed to be a competitor of the Company and/or its subsidiaries, any person holding any interest in any company or other business which is competitive with any member of the Group and any nominee of any of the foregoing; and
- 6.10.2 any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer.
- 6.11 In the event that an Independent Expert is required to determine the price at which Shares are to be transferred pursuant to these Articles, such price shall be the amount the Independent Expert shall, on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 6.11** is required), give their written opinion as to the price which represents a fair value for such Shares as between a willing vendor and a willing purchaser as at the date the Transfer Notice or deemed Transfer Notice is given. In making such determination, the Independent Expert shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these Articles (and shall assume that the entire issued share capital of the Company is being sold) and comprises only of Ordinary Shares. The Company and the Shareholders shall use their reasonable

endeavours to procure that the Independent Expert gives their written decision as to the fair value of such Sale Shares to the Company and the Proposed Transferor within 28 days of being requested to do so.

- 6.12 If an Independent Expert is appointed under these Articles, each Shareholder will sign an engagement letter from the Independent Expert in the form agreed between that expert, the Company and the Board. Each Shareholder acknowledges that the engagement letter will include a waiver of claims against the Independent Expert and similar "hold harmless" provisions arising out of the expert's performance of its role. If a Shareholder fails to sign the letter, the Directors may authorise some person to sign it as attorney for the Shareholder.
- 6.13 If any matter under these Articles is referred to an Independent Expert for determination then the Independent Expert shall act as expert and not as arbitrator and its decision shall be conclusive and binding on the Company and all the holders of Shares (in the absence of fraud or manifest error).
- 6.14 If the Independent Expert is asked to certify the Transfer Price, his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy to the Proposed Transferor. Unless the shares are sold under a Deemed Transfer Notice (as defined in **Article 7.2**), the Proposed Transferor may, by notice in writing to the Company within 7 days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 6.15 The cost of obtaining the certificate from the Independent Expert shall be paid by the Company unless:
- 6.15.1 the Proposed Transferor cancels the Company's authority to sell; or
- 6.15.2 the sale is pursuant to a Deemed Transfer Notice, and the Transfer Price certified by the Independent Expert is less than the price (if any) offered by the Directors to the Proposed Transferor for the Sale Shares before the Independent Expert was instructed,

in which case the Proposed Transferor shall bear the cost.

7. COMPULSORY TRANSFER OF SHARES

- 7.1 For the purposes of this **Article 7** the occurrence of any of the following shall be deemed to be a **Relevant Event**:
- 7.1.1 the death of a Shareholder or a Shareholder becoming bankrupt;
- 7.1.2 a Shareholder making any arrangement or composition with his creditors generally;
- 7.1.3 a Shareholder which is a body corporate:
- (a) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets; or
- (b) having an administrator appointed in relation to it; or

(c) entering into liquidation (other than a Members' voluntary liquidation for the purpose of bona fide solvent reconstruction or amalgamation); or

(d) having equivalent action taken in any jurisdiction;

7.1.4 a Shareholder attempting to deal with or dispose of any Share or any interest in it other than in accordance with these Articles;

7.1.5 a Shareholder who is an individual and who is or was previously an employee, consultant or a director of a member of the Group ceasing to hold such engagement, office or employment and as a consequence no longer being an employee, consultant or director of any member of the Group,

and in each case, the Board declaring, subject to the provisions of the Shareholders' Agreement, that such occurrence is a Relevant Event for the purpose of these Articles (for the avoidance of doubt the Board shall at its own discretion be free to determine that any such occurrence is not a Relevant Event and accordingly the provisions of this **Article 7** would not apply).

7.2 Upon the happening of any Relevant Event, the Shareholder in question and any other Shareholder who has acquired Shares from him under a permitted transfer (directly or by means of a series of two or more permitted transfers) under **Article 8** shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them and which in the case of a transferee of Shares were the Shares received directly or indirectly from the Shareholder who is the immediate subject of the Transfer Event (a "**Deemed Transfer Notice**"). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.

7.3 Notwithstanding any other provision of these Articles, if the Board so notifies the Company in relation to any Shares, any Shareholder holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares between the date of the relevant Deemed Transfer Notice and the expiry of three months after the date of the Allocation Notice given in respect of those Shares or, if earlier, the entry in the register of Shareholders of the Company of another person as the holder of those Shares.

7.4 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with **Article 7** as if they were Sale Shares in respect of which a Transfer Notice had been given save that:

7.4.1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Relevant Event or, if later, the date of notification to the Company by the Board that the relevant event is a Relevant Event;

7.4.2 the Transfer Price shall be a price per Sale Share agreed between the Proposed Transferor and the Board or, in default of agreement, within 15 Business Days after the date of the Transfer Event, the Fair Value of such Sale Shares;

7.4.3 a Deemed Transfer Notice shall be irrevocable;

- 7.4.4 the Proposed Transferor may retain any Sale Shares for which purchasers are not found or, after the expiry of the three calendar month period referred to in **Article 6.10** and with the prior written approval of the Board, sell all or any of those Sale Shares to any person (including any Shareholder) at any price per Sale Share which is not less than the Transfer Price; and
- 7.4.5 the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Relevant Event.
- 7.5 The Transfer Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Relevant Event pursuant to Article 7.1.5 shall:
 - 7.5.1 in the case of a Good Leaver (as defined in **Article 7.6**) be Fair Value; and
 - 7.5.2 in the case of a Bad Leaver (as defined in **Article 7.6**) be their subscription price or, if lower, their Fair Value.
- 7.6 In **Article 7.5**:
 - 7.6.1 **"Bad Leaver"** refers to any person who ceases to be an employee, consultant or director of the Group where that cessation occurs by reason of:
 - (a) the Shareholder being guilty of:
 - (A) fraud; or
 - (B) dishonesty;
 - (b) where the Shareholder in question is an employee (but not a consultant), the Shareholder being guilty of gross misconduct (other than where the dismissal has been ruled by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be an unfair, wrongful or constructive dismissal); and
 - (c) where the Shareholder in question is a consultant (but not an employee), the Shareholder's consultancy being terminated in accordance with the express terms of the relevant consultancy contract permitting immediate termination of such engagement for fault without notice.
 - 7.6.2 **"Good Leaver"** refers to a person who ceases to be an employee, consultant or director of any member of the Group and is not a Bad Leaver.
- 7.7 For the purpose of **Article 7.1.5** the date upon which a Shareholder ceases to hold office or employment as described therein shall be:
 - 7.7.1 where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires; or
 - 7.7.2 where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served; or
 - 7.7.3 where a Shareholder dies, the date of his death; or

7.7.4 where the Shareholder concerned is a director but not an employee, the date on which his service agreement or letter of appointment with the Company is terminated or the date on which he ceases to hold office whichever is the later; and

7.7.5 in any other case, the date on which the consultancy agreement or employment agreement is terminated.

7.8 "Fair Value" for the purposes of these Articles means as agreed between the Board and the Proposed Transferor or, in the absence of agreement within 15 (fifteen) Business Days of the Relevant Event, by an Independent Expert in accordance with **Article 6.11**.

8. PERMITTED TRANSFERS

8.1 Notwithstanding the provisions of any other Article, the transfers set out in this **Article 8** shall be permitted without restriction and the provisions of **Article 6** shall have no application.

8.2 Subject to the provisions of the Shareholders' Agreement, any Shareholder may at any time transfer any Shares in accordance with the 2006 Act to the Company.

8.3 Subject to **Articles 8.4 to 8.7** (inclusive), any Shareholder who is an individual may at any time transfer shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be:

8.3.1 a Family Member of his; or

8.3.2 *trustees to be held under a Family Trust in relation to that individual.*

8.4 Subject to **Article 8.5** no shares shall be transferred under **Article 8.3** by an individual who previously acquired those shares by way of transfer under **Article 8.3** save to another individual who is a Family Member of the original Shareholder of such shares or to trustees to be held under a Family Trust in relation to the original Shareholder.

8.5 Where shares are held by trustees under a Family Trust:

8.5.1 those shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust;

8.5.2 those shares may at any time be transferred by those trustees to the settler of that trust or any person to whom that settler could have transferred them under **Article 8.3** if he had remained the holder of them; and

8.5.3 if any of those shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Article 8.3**) the trustees shall be deemed to have given a Transfer Notice in respect of all the shares then held by those trustees pursuant to **Article 7**.

8.6 if:

8.6.1 any person has acquired shares as a Family Member of a Shareholder by way of one or more transfers permitted under this **Article 8**; and

8.6.2 that person ceases to be a Family Member of that Shareholder,

that person shall forthwith transfer all the shares then held by that person back to that Shareholder, for such consideration as they agree, within 15 Business Days of the cessation, or, failing such transfer within that period, shall be deemed to have given a Transfer Notice in respect of all the shares then held by that person pursuant to **Article 7**.

- 8.7 Subject to the provisions of **Article 7**, if the personal representatives of a deceased Shareholder are permitted under these Articles to become registered as the holders of any of the deceased Shareholder's shares and elect to do so, those shares may at any time be transferred by those personal representatives under **Article 8.3** to any person to whom the deceased Shareholder could have transferred such shares under this Article if he had remained the holder of them. No other transfer of such shares by personal representatives shall be permitted under this **Article 8**.

9. GENERAL MEETINGS

- 9.1 No business shall be transacted at any general meeting unless a quorum of holders is present at the time when the meeting proceeds to business and for its duration. Two persons, being holders of Shares present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting. If a meeting is adjourned under model article 41 of the Model Articles because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for that adjourned meeting, the holders then present shall form a quorum, and model article 41 of the Model Articles shall be modified accordingly.
- 9.2 A poll may be demanded at a general meeting either by the chairman of the meeting or by any Shareholder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and model article 44 of the Model Articles shall be modified accordingly.
- 9.3 Every notice concerning a general meeting shall be given in accordance with the Companies Act 2006 that is, in hard copy form, electronic form or by means of a website.
- 9.4 The Company may send a notice of meeting by making it available on a website or by sending it in electronic form and if notice is sent in either way it will be valid provided it complies with the relevant provisions of the 2006 Act.

10. DRAG ALONG AND TAG ALONG

Drag Along

- 10.1 If a Shareholder holding not less than 75% of the Shares (in this **Article 10**, being the "**Sellers**") wish to transfer all of their Shares in the Company from the date of adoption of these Articles to any proposed third party purchaser not connected with any current holder of Shares (the "**Purchaser**") (who together with persons with whom it is acting in concert) which has made a bona fide arm's length offer (the "**Offer**") for such Shares to any person (the "**Purchase**"), then the Sellers shall also have the option to require all of the other holders of Shares, and any persons who become holders of Shares upon exercise of any options, warrants or other rights to subscribe for Shares which exist at the date of the Offer (the "**Called Shareholders**"), to transfer all their Shares in the Company (the "**Called Shares**") to the Purchaser, or as the Purchaser directs, by giving notice (the "**Drag Along Notice**") to that effect to all such other holders specifying that:

- 10.1.1 the Called Shareholders are required to transfer the Called Shares under **Article 10**;
- 10.1.2 identity of the Purchaser;
- 10.1.3 the consideration for which the Called Shares are to be transferred (calculated in accordance with **Article 10.3**); and
- 10.1.4 the date of the proposed transfer.
- 10.2 *Drag Along Notices shall be irrevocable but will lapse if the Proposed Transferor's Shares are not sold to the Purchaser within 60 days after the date the Drag Along Notice was served. The Sellers may serve further Drag Along Notices if any particular Drag Along Notice lapses.*
- 10.3 The form (in cash or otherwise) and amount of the consideration payable for each Called Share shall be:
 - 10.3.1 the consideration to be paid by the Purchaser for each Share held by the Sellers (excluding any consideration attributable to accruals or arrears of dividends) (the "**Offer Consideration**"); or
 - 10.3.2 the consideration certified by the Auditors as not being less favourable than the Offer Consideration.
- 10.4 The sale of the Called Shares shall be completed on the date proposed for completion of the sale of the Sellers' Shares unless the holders of 50% of the Called Shares and all of the Sellers agree otherwise.
- 10.5 The restrictions on transfer set out in **Articles 6** and **7** shall not apply to any transfer of shares to a Buyer (or as he may direct) pursuant to the exercise of the Sellers' rights under **Article 10**.
- 10.6 If any holder of Called Shares does not on completion of the sale of Called Shares execute transfers in respect of all his Called Shares, that holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Sellers to be his agent and attorney to:
 - 10.6.1 execute all necessary transfers on his behalf; and
 - 10.6.2 against receipt by the Company (on trust for the holder) of the purchase monies or any other consideration payable for the Called Shares, deliver those transfers to the Purchaser (or as the Purchaser may direct).
- 10.7 On completion of the sale of the Called Shares, the Directors shall (subject only to stamping any stock transfer forms, if required) immediately register the Purchaser (or as he may direct) as the holder of the Called Shares and, after the Purchaser (or his nominee) has been registered as the holder, the validity of those proceeding shall not be questioned by any person. A person may be registered as the holder of the Called Shares under this **Article 10.11** even if no certificate for those shares has been produced.
- 10.8 If any person becomes a member of the Company (a "**New Member**") pursuant to the exercise of a pre-existing option or other right to acquire shares in the Company after a Drag Along Notice has been served, the New Member will be bound to sell and transfer all shares acquired by him to the Purchaser or as the Purchaser may direct. The provisions of **Articles 10.1** to **10.2**

shall apply (with the necessary changes) to the New Member, save that if the shares are acquired after the sale of the Called Shares has been completed, completion of the sale of the New Member's shares shall take place immediately on the New Member acquiring the shares.

Tag Along

- 10.9 If at any time one or more of the Shareholders ("**Proposed Sellers**") propose to sell in one or a series of related transactions, not less than 75% of the Shares in issue in the Company ("**Majority Holding**") to any person (not being a Purchaser of the purposes of **Article 10.1**) other than pursuant to **Article 8** (Permitted Transfers), the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of **Articles 10.10 to 10.12** (inclusive).
- 10.10 The Proposed Sellers shall give written notice ("**Proposed Sale Notice**") to the other Shareholders of such intended sale at least ten Business Days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer ("**Proposed Buyer**"), the purchase price and other terms and conditions of payment, the proposed date of sale ("**Proposed Sale Date**") and the number of Shares proposed to be purchased by the Proposed Buyer ("**Proposed Sale Shares**").
- 10.11 Any other Shareholder shall be entitled, by written notice given to the Proposed Sellers within five Business Days of receipt of the Proposed Sale Notice, to be permitted to sell all of his Shares to the Proposed Buyer on the same terms and conditions as those set out in the Proposed Sale Notice.
- 10.12 If any other Shareholder is not given the rights accorded him by the provisions of **Articles 10.9 to 10.11** (inclusive), the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.

11. NUMBER OF DIRECTORS

The number of Directors of the Company shall not exceed 6.

12. ALTERNATE DIRECTORS

- 12.1 Any Director ("**Appointor**") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:
- 12.1.1 exercise that Director's powers; and
- 12.1.2 carry out that Director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of an alternate's Appointor.
- 12.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.
- 12.3 The notice must:
- 12.3.1 identify the proposed alternate; and

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

12.4 Except as the Articles specify otherwise, alternate Directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) are not deemed to be agents of or for their Appointors

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

12.5 An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointer as such Appointer may by notice in writing to the Company from time to time direct.

12.6 An alternate Director may represent more than one Director, and shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents (provided that his Appointer is an eligible director in relation to that decision), in addition to his own vote (if any) if he is also a Director, but shall not count as more than one Director for the purposes of determining whether a quorum is present.

12.7 An alternate Director's appointment as an alternate terminates:

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

12.7.2 on the death of the alternate's Appointor; or

12.7.3 when the alternate's Appointor's appointment as a Director terminates.

13. RETIREMENT OF DIRECTORS

13.1 The office of a Director shall be vacated if:

13.1.1 (in the case of an executive Director only) he shall, for whatever reason, cease to be employed by the Company or any subsidiary of the Company and he does not remain an employee of any other Group Company; or

13.1.2 all the other Directors request his resignation in writing;

and the provisions of model article 18 of the Model Articles shall be extended accordingly.

14. PROCEEDINGS OF DIRECTORS

- 14.1 *The quorum for meetings of the Board shall be two Directors.*
- 14.2 Notice of every meeting of the Directors shall be given to each Director at any address supplied by him to the Company for that purpose provided that any Director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. It shall be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Model article 9 of the Model Articles shall be varied accordingly.
- 14.3 If there shall be no quorum at any meeting of the Directors within 30 minutes after the time fixed for the meeting, the meeting shall be adjourned to such time (not being earlier than 15 Business Days after the date of the original meeting) as the Director or Directors present at the meeting shall determine, or if none, as shall be determined by the secretary. If there shall be no quorum within 30 minutes after the time fixed for the adjourned meeting, the meeting shall be further adjourned to such time (not being earlier than 5 Business Days after the date of the adjourned meeting) as the Director or Directors present at the meeting shall determine, or if none, as shall be determined by the secretary.
- 14.4 Any Director who ceases to be a Director at a board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
- 14.5 All decisions made at any meeting of the Directors shall be made by a majority vote. In the case of equality of votes at any meeting of the Directors there shall be no second or casting vote for the chairman and accordingly such decision shall not be approved.

15. DIRECTORS' BORROWING POWERS

Subject to the terms of the Shareholders Agreement, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, subject to the provisions of 2006 Act, to issue debentures and other securities whether as primary or collateral security for any debt liability or obligation of the Group or any third party and to issue notes bonds and other obligations of the Company either for cash or as consideration for the acquisition of assets other than cash.

16. GRATUITIES AND PENSIONS

The Directors may exercise the powers of the Company to grant pensions, annuities, gratuities and superannuation or other allowances and benefits in favour of any person, including any Director or former Director or the relations, connections or dependents of any such persons and the Directors and any former Directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers. The receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

17. DIRECTORS' INTERESTS IN TRANSACTIONS

A Director may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a Director. A Director may (where he has previously notified his interest to the Company in accordance with the provisions of 2006 Act) vote at any meeting of the Directors (or of any committee of the Directors) on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of

interest or duty. If he does so vote his vote shall be counted and (whether or not he votes) he may be counted as part of the quorum present at the meeting.

18. DIRECTORS CONFLICTS OF INTEREST

18.1 The Directors may, in accordance with the requirements set out in this **Article 18**, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the 2006 Act to avoid conflicts of interest ("**Conflict**").

18.2 Any authorisation under this **Article 18** will be effective only if:

18.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;

18.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without

18.2.3 counting the Director in question; and

18.2.4 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

18.3 Any authorisation of a matter under this Article may (whether at the time of giving the authority or subsequently):

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

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

18.3.3 be terminated or varied by the Directors at any time.

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

18.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authority or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person the Director is under no obligation to:

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

18.4.2 use or apply any such information in performing his duties as a Director

where to do so would amount to a breach of that confidence.

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

- 18.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
 - 18.5.2 is not given any documents or other information relating to the Conflict;
 - 18.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.
- 18.6 Where the Directors authorise a Conflict:
- 18.6.1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict;
 - 18.6.2 the Director will not infringe any duty he owes to the Company by virtue of section 177 of 2006 Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.
- 18.7 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 or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

19. NOTICES

- 19.1 Any notice or other document (including a share certificate) may be served on or delivered to any Shareholder by the Company either personally or by sending it through the post in a prepaid letter addressed to the Shareholder at his registered address as appearing in the Register of Members (whether or not that address is within the United Kingdom), or by delivering it to or leaving it at that registered address, addressed as aforesaid, or by any other means provided such other means have been authorised in writing by the Shareholder concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Any notice or other document served or delivered in accordance with these Articles shall be deemed duly served or delivered notwithstanding that the Shareholder is then dead or bankrupt or otherwise under any legal disability or incapacity and whether or not the Company had notice thereof. Any such notice or other document, if sent by first class post, shall be deemed to have been served or delivered on the day after the day when it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post.
- 19.2 Notice of every general meeting shall be given in any manner authorised by or under these Articles to all Shareholders other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company provided that any Shareholder may in writing waive notice of any meeting either *prospectively or retrospectively and if he shall do so it shall be no objection to the validity of the meeting that notice was not given to him.*

20. INDEMNITY

20.1 Subject to the provisions of the 2006 Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director, secretary or other officer of the Company is entitled to be indemnified by the Company against all losses and liabilities sustained or incurred by him in the execution of his duties or in the exercise of his powers or otherwise in connection with his office, including any liability incurred by him in (i) defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted without any finding or admission of any material breach of duty on his part; or (ii) in connection with any application in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company.

20.2 The Company may buy and maintain insurance against any liability falling upon its Directors or other officers or auditors which arises out of their respective duties to the Company, or in relation to its affairs.

21. DATA PROTECTION

21.1 Each of the Shareholders and Directors (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a "Recipient") for due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

21.2 The personal data that may be processed for such purposes under this Article 21 shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or any regulated authority, that personal data shall not be disclosed by a Recipient or any other person, except to:

21.2.1 to employees, directors and professional advisors of that Recipient or the Recipient Group Companies; and

21.2.2 to its holding companies and subsidiaries (each such term being defined by the 2006 Act).

21.3 Each of the Shareholders and Directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.