

Dated: 4 FEBRUARY 2021  
ARTICLES OF ASSOCIATION  
of  
**NOORO GROUP LIMITED**

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COMPANIES HOUSE

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**NOORO GROUP LIMITED**  
**(Company)**

(Adopted by Special Resolution passed on 4 February 2021)

**1 DEFINED TERMS**

1.1 In these Articles unless the context otherwise requires the following words and expressions have the following meanings:

**Act** means the Companies Act 2006;

**Acting in Concert** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);

**Adoption Date** means the date of adoption of these Articles;

**appointor** has the meaning given in Article 11.1;

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

**Bad Leaver** means a person who ceases to be an Employee of the Company in circumstances when they are not a Good Leaver;

**Business Day** means a day of which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

**Conflict** has the meaning given in Article 7.1;

**Controlling Interest** means an interest in shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**Departing Employee** means a Bad Leaver, Early Leaver or a Good Leaver;

**Early Leaver** means a person who, within 12 months of (but excluding) the Adoption Date, ceases to be an employee of the Company (other than as a Good Leaver or following dismissal by the Company);

**eligible director** means 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);

**Employee** an individual who is employed by the Company or any member of the Group;

**Fair Value** means the price for the Relevant Shares determined by a third party independent expert on the following bases and assumptions:

- (a) valuing the Relevant Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);

- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Relevant Shares are capable of being transferred without restriction;
- (d) valuing the Relevant Shares as a rateable proportion of the total value of all the issued shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- (e) reflecting any other factors which the independent expert reasonably believes should be taken into account;

**Family Trust** means as regards any particular shareholder who is an individual (or deceased or former shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the particular shareholder and/or any of the Privileged Relations of that shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons);

**Good Leaver** means a person who ceases to be an Employee at any time by reason of:

- (a) death;
- (b) permanent disability or permanent incapacity;
- (c) long-term illness or incapacity of either the Employee or that Employee's Privileged Relation;
- (d) dismissal by the Company (or a member of the Company's Group) which is determined by an employment tribunal or at a court of competent jurisdiction, from which there is no right to appeal to be wrongful or constructive; or
- (e) a majority of more than fifty per cent of the directors, or the Sole Director as applicable, determining in their absolute discretion that they a Good Leaver;

**Group** means together the Company and any Subsidiary (if any) from time to time;

**Model Articles** means the regulations contained in Schedule 1 to The Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these Articles;

**Permitted Transferee** means in relation to:

- (a) a shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust; and
- (b) a shareholder which is a company, a member of the same group as that company;

**Privileged Relation** means in relation to a shareholder who is an individual (or a deceased or former shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue);

**Relevant Shares** in relation to a shareholder means all shares held by:

- (a) the shareholder in question; and
- (b) any Permitted Transferee of that person (other than those shares held by those persons that were not acquired directly or indirectly from shareholder or by reason of his/her relationship with the shareholder),

and including any shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of shares pursuant to the relevant Transfer Notice;

**Subsidiary** has the meaning set out in sections 1159 of the Act;

**Termination Date** means:

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (b) 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;
- (c) where an Employee dies, the date of his death;
- (d) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated; or
- (e) in any other case, the date on which the employment or holding of office is terminated;

**Transfer Notice** means a notice in writing given to the Company by a shareholder intending to transfer shares specifying the terms of the intended transfer.

- 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 Act shall have the same meanings in these Articles.
- 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 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.5.1 any subordinate legislation from time to time made under it; and
  - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase in these Articles or the Model Articles introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.

- 1.8 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.9 Model Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the Company.
- 1.10 Article 7 of the Model Articles shall be amended by:
  - 1.10.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
  - 1.10.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director after the words "and the director may".
- 1.11 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.12 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.14 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".
- 1.15 Articles 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". 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".

## **DIRECTORS**

### **2 UNANIMOUS DECISIONS**

- 2.1 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.
- 2.2 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.
- 2.3 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

### **3 CALLING A DIRECTORS' MEETING**

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

### **4 QUORUM FOR DIRECTORS' MEETINGS**

- 4.1 Subject to Article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

4.3.1 to appoint further directors; or

4.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

## 5 **CASTING VOTE**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

## 6 **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 6.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the Company is otherwise (directly or indirectly) interested;
- 6.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.4 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;
- 6.5 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
- 6.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 7 **DIRECTORS' CONFLICTS OF INTEREST**

- 7.1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this Article 7 will be effective only if:
- 7.2.1 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;

- 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
  - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this Article 7 may (whether at the time of giving the authorisation or subsequently):
- 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 7.3.2 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;
  - 7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 7.3.5 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
  - 7.3.6 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.
- 7.4 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.
- 7.5 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.
- 7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit 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.

## **8 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 permanent form, so that they may be read with the naked eye.

## **9 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one.



## **10 APPOINTMENT OF DIRECTORS**

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

## **11 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

11.1 Any director (appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

11.1.1 exercise that director's powers; and

11.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

11.2 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.

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 the proposed alternate is willing to act as the alternate of the director giving the notice.

## **12 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

12.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

12.2 Except as the Articles specify otherwise, alternate directors:

12.2.1 are deemed for all purposes to be directors;

12.2.2 are liable for their own acts and omissions;

12.2.3 are subject to the same restrictions as their appointors; and

12.2.4 are not deemed to be agents of or for their appointors,

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

12.3 A person who is an alternate director but not a director:

12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

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

12.3.3 shall not be counted as more than one director for the purposes of Article 12.3.

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

12.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

### **13 TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate director's appointment as an alternate terminates:

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

13.2 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;

13.3 on the death of the alternate's appointor; or

13.4 when the alternate's appointor's appointment as a director terminates.

### **14 SECRETARY**

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

## **SHARES**

### **15 FURTHER ISSUES OF SHARES: AUTHORITY**

15.1 Subject to Article 15.2 and save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.

15.2 Article 15.1 shall not prevent the Company from issuing shares to employees, directors or members of the Company's advisory board under an employee share scheme or other incentive arrangement approved by the board of directors, where the total amount of such shares or options to subscribe for shares to be issued in any calendar year does not exceed 10% of the Company's then issued share capital.

### **16 FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

16.1 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.

16.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity 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:

- 16.2.1 shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
  - 16.2.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.
- 16.3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 16.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 16.2. 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 16.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.
- 16.4 Subject to Articles 16.2 and 16.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 16.5 The provisions of Articles 16.2 to 16.4 (inclusive) shall not apply to:
- 16.5.1 shares or options to subscribe for shares issued or granted in order for the Company to comply with its obligations under these Articles;
  - 16.5.2 shares or options to subscribe for shares issued in consideration of the acquisition by the Company of any company or business;
  - 16.5.3 shares issued as a result of a bonus issue of shares;
  - 16.5.4 shares or options to subscribe for shares issued to employees, directors or members of the Company's advisory board under an employee share scheme or otherwise, where the total amount of such issuances in each calendar year does not exceed 10% of the Company's share capital; and
  - 16.5.5 shares or options to subscribe for shares issued or granted to any person in accordance with the terms of any investment agreement or shareholders' agreement to which each of that person and the Company is a party.
- 16.6 No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

## 17 TRANSFERS OF SHARES

- 17.1 In Articles 17 to 21 inclusive, reference to the transfer of a share includes the transfer or assignment 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.
- 17.2 No share may be transferred unless the transfer is made in accordance with these Articles, approved by the directors or made by a shareholder to a Permitted Transferee.

- 17.3 Where shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer shares to:
- 17.3.1 the original shareholder; or
  - 17.3.2 any Privileged Relation(s) of the original shareholder,
- without any price or other restriction.
- 17.4 Any transfer of a share by way of sale which is required to be made under these Articles will be deemed to include a warranty that the transferor sells with full title guarantee.
- 17.5 The directors may further refuse to register a transfer if:
- 17.5.1 it is a transfer of a share to a bankrupt, a minor or a person of unsound mind;
  - 17.5.2 the transfer is to an employee, director or prospective employee or prospective director of the Company, who in the opinion of the board of directors is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
  - 17.5.3 it is a transfer of a share which is not fully paid:
    - 17.5.3.1 to a person of whom the directors do not approve; or
    - 17.5.3.2 on which share the Company has a lien;
  - 17.5.4 the transfer is not lodged at the registered office or at such other place as the directors may appoint;
  - 17.5.5 the transfer is not accompanied by the certificate for the shares to which it relates (or an indemnity for lost certificate in a form acceptable to the board of directors) and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
  - 17.5.6 the transfer is in respect of more than one class of shares;
  - 17.5.7 the transfer is in favour of more than four transferees; or
  - 17.5.8 these Articles otherwise provide that such transfer shall not be registered.
- 17.6 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:
- 17.6.1 the transferor; and
  - 17.6.2 (if any of the shares is partly or nil paid) the transferee.

## 18 **COMPULSORY TRANSFERS**

- 18.1 A person entitled to a share in consequence of the bankruptcy of a shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that share at such time as the directors may determine.
- 18.2 If a shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and

Wales, that shareholder shall be deemed to have given a Transfer Notice in respect of all shares held by it at such time as the directors may determine.

- 18.3 Notwithstanding any other provisions of these Articles, if a Transfer Notice is deemed given in accordance with Articles 18.1 or 18.2, the price payable for the Relevant Shares shall be the aggregate Fair Value of such Relevant Shares.
- 18.4 If a person becomes a Departing Employee a Transfer Notice shall, unless the directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within 20 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (**Compulsory Employee Transfer**) for the transfer of such Relevant Shares to the Company or, at the discretion of the directors, any other person approved by the directors. Any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.
- 18.5 Notwithstanding any other provisions of these Articles, the price payable for the Relevant Shares in respect of a Compulsory Employee Transfer shall, where the Departing Employee is:
  - 18.5.1 an Early Leaver or Bad Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Relevant Shares and the aggregate Fair Value of such Relevant Shares; and
  - 18.5.2 a Good Leaver, be the aggregate Fair Value of such Relevant Shares.
- 18.6 Notwithstanding the provisions of Article 18.5, the shareholders may by ordinary resolution direct that some higher (but not lower) price shall apply to any or all Relevant Shares which would otherwise be subject to Article 18.5.
- 18.7 Forthwith upon a Transfer Notice being deemed to be served under this Article 18 the Relevant Shares shall cease to confer on the holder of them any rights:
  - 18.7.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of shares;
  - 18.7.2 to receive dividends or other distributions otherwise attaching to those shares; or
  - 18.7.3 to participate in any future issue of shares.
- 18.8 The rights referred to in Article 18.7 shall be reinstated on completion of such transfer.
- 18.9 A Transfer Notice constitutes the Company as agent for the relevant shareholder for the transfer of the shares.
- 18.10 As soon as reasonably possible following the determination of a price for the Relevant Shares in accordance with Articles 18.3 or 18.5, the shareholder or Departing Employee (as the case may be) must transfer the Relevant Shares against payment of such price.
- 18.11 If the shareholder or Departing Employee fails to comply with the obligation to transfer its shares in accordance with Article 18.10:
  - 18.11.1 any of the directors may on behalf of the shareholder or Departing Employee:
    - 18.11.1.1 complete, execute and deliver all documents necessary to give effect to the transfer of the Relevant Shares;
    - 18.11.1.2 receive the price determined in accordance with Article 18.5 and give a good discharge for it; and

18.11.1.3 (subject to the transfer being duly stamped) enter the transferee in the register of shareholders as the holders of the shares transferred; and

18.11.2 the Company shall hold the price determined in accordance with Article 18.5 on trust for the Departing Employee until he has delivered his share certificate(s) for the Relevant Shares (or an indemnity in a form acceptable to the directors).

## 19 ALTERATION OF SHARE CAPITAL

If a share sub-division or consolidation to be carried out by the Company in relation to its share capital would result in any fractional entitlement to shares, the directors shall be permitted, acting in their absolute discretion (subject to the provisions of the Act), to round any fractional entitlement up or down.

## 20 DRAG ALONG

20.1 If the holders of 75% by nominal value of the shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in the shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of the shares on the date of the request, including the Company in respect of shares held in treasury, if any (**Called Shareholders**) to sell and transfer all their interest in the shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 19.

20.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (**Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:

20.2.1 that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to this Article 19;

20.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

20.2.3 the consideration payable for the Called Shares calculated in accordance with Article 19.4;

20.2.4 the proposed date of completion of transfer of the Called Shares.

20.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

20.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the same price per share to be paid for the Sellers' Shares.

20.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 19.

20.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:

20.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or

- 20.6.2 that date is less than 20 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 20 Business Days after the date of service of the Drag Along Notice.
- 20.7 Within two Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Equity Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Equity Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 20 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 20.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 20.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 20.4 in trust for the Called Shareholders without any obligation to pay interest.
- 20.8 To the extent that the Proposed Buyer has not, on the expiration of the 20 Business Day period, put the Company in funds to pay the amounts due pursuant to Article 20.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant shares and the Called Shareholders shall have no further rights or obligations under this Article 19 in respect of their shares.
- 20.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of shares under this Article 19.
- 20.10 Upon any person, following the issue of a Drag Along Notice, becoming a shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, shares, whether or not pursuant to an option scheme (**New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 19 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 20.10 to a person becoming a shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own shares.
- 20.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to restrictions on transfers of shares contained in these Articles.
- 20.12 Any Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.
- 21 **TAG ALONG**
- 21.1 Except in the case of transfers pursuant to Article 18, the provisions of Article 21.2 to Article 20.5 shall apply if, in one or a series of related transactions, one or more shareholders propose to transfer any of the shares (**Proposed Transfer**) which would, if carried out, result in any

person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.

21.2 Before making a Proposed Transfer, a shareholder shall procure that the Buyer makes an offer (**Offer**) to:

21.2.1 the other shareholders to purchase all of the shares held by them;

21.2.2 the holders of any existing options to acquire shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any shares acquired on the exercise of options at any time before the Proposed Transfer;

21.2.3 the holders of any warrants to subscribe for shares that are capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any shares acquired on the exercise of the subscription rights under such warrants at any time before the Proposed Transfer; and

21.2.4 the holders of any securities of the Company that are convertible into shares (**Convertible Securities**), to purchase any shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer,

for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (**Specified Price**).

21.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

21.3.1 the identity of the Buyer;

21.3.2 the Specified Price and other terms and conditions of payment;

21.3.3 the Sale Date; and

21.3.4 the number of shares proposed to be purchased by the Buyer (**Offer Shares**).

21.4 If the Buyer fails to make the Offer to all of the persons listed in Article 21.2 in accordance with Article 21.2 and Article 21.3, the relevant shareholder shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.

21.5 If the Offer is accepted by any shareholder (**Accepting Shareholder**) in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders. The purchase of Offer Shares from Accepting Shareholders shall not be subject to the restrictions on share transfers contained in these Articles.

## **DECISION MAKING BY SHAREHOLDERS**

### **22 POLL VOTES**

22.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) 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 the 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, 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.

## **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 served on, or delivered to, 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; or
  - 24.1.2 if sent by fax, at the time of transmission; or
  - 24.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00am on the second Business Day after posting; or
  - 24.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00am on the fifth Business Day after posting; or
  - 24.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt; or
  - 24.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
  - 24.1.7 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; and
  - 24.1.8 if deemed receipt under the previous paragraphs of this Article 24.1 would occur outside business hours (meaning 9.00am to 5.30pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00am on the day when business next starts in the place of deemed receipt. For the purposes of this Article, all references to time are to local time in the place of deemed receipt.
- 24.2 To prove service, it is sufficient to prove that:
- 24.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
  - 24.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or

24.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or

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

## **25 INDEMNITY**

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 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 (or any associated 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 24.1.1 and otherwise may take any 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 Companies Acts or by any other provision of law.

25.3 In this Article:

25.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

25.3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act).

## **26 INSURANCE**

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

26.2 In this Article:

26.2.1 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act);

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

26.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## **27 COMPANY'S LIEN OVER SHARES**

- 27.1 The company has a lien (the Company's Lien) over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- 27.2 The Company's Lien over a share:
- 27.2.1 takes priority over any third party's interest in that share; and
  - 27.2.2 extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share.
- 27.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

## **28 ENFORCEMENT OF THE COMPANY'S LIEN**

- 28.1 Subject to the provisions of this Article 28, if:
- 28.1.1 a Lien Enforcement Notice has been given in respect of a share; and
  - 28.1.2 the person to whom the notice was given has failed to comply with it,
- the Company may sell that share in such manner as the directors decide.
- 28.2 A Lien Enforcement Notice:
- 28.2.1 may only be given in respect of a share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed;
  - 28.2.2 must specify the share concerned;
  - 28.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
  - 28.2.4 must be addressed either to the holder of the share or to a transferee of that holder, and
  - 28.2.5 must state the Company's intention to sell the share if the notice is not complied with.
- 28.3 Where shares are sold under this Article 28:
- 28.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser; and
  - 28.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

- 28.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 28.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
  - 28.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.
- 28.5 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been sold to satisfy the Company's Lien on a specified date:
- 28.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - 28.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.