

# FILE COPY



## CERTIFICATE OF INCORPORATION OF A PRIVATE LIMITED COMPANY

Company Number **12345883**

The Registrar of Companies for England and Wales, hereby certifies that

**HIGHMEAD HOLDINGS LIMITED**

is this day incorporated under the Companies Act 2006 as a private company, that the company is limited by shares, and the situation of its registered office is in England and Wales

Given at Companies House, Cardiff, on **3rd December 2019**



\* N12345883L \*



Companies House



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



Companies House

**IN01**<sub>(ef)</sub>

**Application to register a company**



Received for filing in Electronic Format on the: **02/12/2019**

X8JFVAA9

*Company Name in full:* **HIGHMEAD HOLDINGS LIMITED**

*Company Type:* **Private company limited by shares**

*Situation of Registered Office:* **England and Wales**

*Proposed Registered Office Address:* **18 WINDSOR PLACE  
CARDIFF  
UNITED KINGDOM CF10 3BY**

*Sic Codes:* **68320  
98000**





## ***Statement of Capital (Share Capital)***

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<i>Class of Shares:</i>	<b>ORDINARY</b>	<i>Number allotted</i>	<b>100</b>
<i>Currency:</i>	<b>GBP</b>	<i>Aggregate nominal value:</i>	<b>100</b>
<i>Prescribed particulars</i>			

**THE ORDINARY SHARES HAVE ATTACHED TO THEM FULL VOTING, DIVIDEND AND CAPITAL DISTRIBUTION (INCLUDING ON WINDING UP) RIGHTS; THEY DO NOT CONFER ANY RIGHTS OF REDEMPTION.**

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### **Statement of Capital (Totals)**

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<i>Currency:</i>	<b>GBP</b>	<i>Total number of shares:</i>	<b>100</b>
		<i>Total aggregate nominal value:</i>	<b>100</b>
		<i>Total aggregate unpaid:</i>	<b>0</b>

## ***Initial Shareholdings***

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*Name:*           **LANGLEY JOHN DAVIES**

*Address*       **18 WINDSOR PLACE  
CARDIFF  
UNITED KINGDOM  
CF10 3BY**

*Class of Shares:*       **ORDINARY**

*Number of shares:*       **20**

*Currency:*               **GBP**

*Nominal value of each share:*       **1**

*Amount unpaid:*       **0**

*Amount paid:*           **1**

*Name:*           **MILES DAVIES**

*Address*       **18 WINDSOR PLACE  
CARDIFF  
UNITED KINGDOM  
CF10 3BY**

*Class of Shares:*       **ORDINARY**

*Number of shares:*       **40**

*Currency:*               **GBP**

*Nominal value of each share:*       **1**

*Amount unpaid:*       **0**

*Amount paid:*           **1**

*Name:*           **BRADLEY RHYS DAVIES**

*Address*       **18 WINDSOR PLACE  
CARDIFF  
UNITED KINGDOM  
CF10 3BY**

*Class of Shares:*       **ORDINARY**

*Number of shares:*       **40**

*Currency:*               **GBP**

*Nominal value of each share:*       **1**

*Amount unpaid:*       **0**

*Amount paid:*           **1**

## ***Persons with Significant Control (PSC)***

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### **Statement of initial significant control**

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**On incorporation, there will be someone who will count as a Person with Significant Control (either a registerable person or relevant legal entity (RLE)) in relation to the company**

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## ***Individual Person with Significant Control details***

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***Names:*** MR MILES DAVIES

***Country/State Usually Resident:*** UNITED KINGDOM

***Date of Birth:*** \*\*/10/1989      ***Nationality:*** BRITISH

***Service Address:*** 18 WINDSOR PLACE  
CARDIFF  
UNITED KINGDOM  
CF10 3BY

*The subscribers confirm that each person named as an individual PSC in this application knows that their particulars are being supplied as part of this application.*



<i>Nature of control</i>	<b>The person holds, directly or indirectly, more than 25% but not more than 50 % of the shares in the company.</b>
<i>Nature of control</i>	<b>The person holds, directly or indirectly, more than 25% but not more than 50 % of the voting rights in the company.</b>

## ***Individual Person with Significant Control details***

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***Names:*** MR BRADLEY RHYS DAVIES

***Country/State Usually Resident:*** UNITED KINGDOM

***Date of Birth:*** \*\*/08/1991      ***Nationality:*** BRITISH

***Service Address:*** 18 WINDSOR PLACE  
CARDIFF  
UNITED KINGDOM  
CF10 3BY

*The subscribers confirm that each person named as an individual PSC in this application knows that their particulars are being supplied as part of this application.*

<i>Nature of control</i>	<b>The person holds, directly or indirectly, more than 25% but not more than 50 % of the shares in the company.</b>
<i>Nature of control</i>	<b>The person holds, directly or indirectly, more than 25% but not more than 50 % of the voting rights in the company.</b>

## ***Statement of Compliance***

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*I confirm the requirements of the Companies Act 2006 as to registration have been complied with.*

*memorandum delivered by an agent for the subscriber(s):*      **YES**

*Agent's Name:*      **COMPANY REGISTRATIONS ONLINE LIMITED**

*Agent's Address:*      **CARPENTER COURT 1 MAPLE ROAD  
BRAMHALL  
STOCKPORT  
UNITED KINGDOM  
SK7 2DH**

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## ***Authorisation***

*Authoriser Designation:*   **agent**      *Authenticated*   **YES**

*Agent's Name:*      **COMPANY REGISTRATIONS ONLINE LIMITED**

*Agent's Address:*      **CARPENTER COURT 1 MAPLE ROAD  
BRAMHALL  
STOCKPORT  
UNITED KINGDOM  
SK7 2DH**

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**COMPANIES ACT 2006**  
**COMPANY HAVING A SHARE CAPITAL**

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**HIGHMEAD HOLDINGS LIMITED**

Each subscriber to this Memorandum of Association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company and to take at least one share

<b>Name of Each Subscriber</b>	<b>Authentication</b>
BRADLEY RHYS DAVIES	Authenticated Electronically
LANGLEY JOHN DAVIES	Authenticated Electronically
MILES DAVIES	Authenticated Electronically

Date: 02 December 2019

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**HIGHMEAD HOLDINGS LIMITED**  
**(the Company)**

**INTRODUCTION**

**1 INTERPRETATION**

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

**Accepting Shareholder(s):** has the meaning given in paragraph 6.5 of the Transfer Schedule.

**Act:** means the Companies Act 2006.

**Alternate:** has the meaning given in article 15.1.

**Appointor:** has the meaning given in article 15.1.

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

**Board:** means the board of directors of the Company from time to time.

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

**Buyer:** has the meaning given in paragraph 6.1 of the Transfer Schedule.

**Called Shares:** has the meaning given in paragraph 5.1 of the Transfer Schedule.

**Called Shareholders:** has the meaning given in paragraph 5.1 of the Transfer Schedule.

**Completion Date:** has the meaning given in paragraph 5.5 of the Transfer Schedule.

**Conflict:** has the meaning given in article 11.1.

**Drag Along Notice:** has the meaning given in paragraph 5.2 of the Transfer Schedule.

**Drag Along Option:** has the meaning given in paragraph 5.1 of the Transfer Schedule.

**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).

**Interested Director:** has the meaning given in article 11.1.

**Offer:** has the meaning given in paragraph 6.2 of the Transfer Schedule.

**Offer Notice:** has the meaning given in paragraph 6.3 of the Transfer Schedule.

**Offer Shares:** has the meaning given in paragraph 6.3 of the Transfer Schedule.

**Permitted Transfer:** has the meaning given to it in the Transfer Schedule.

**Permitted Transferee:** has the meaning given to it in the Transfer Schedule.

**Proposed Buyer:** has the meaning given in paragraph 5.1 of the Transfer Schedule.

**Proposed Transfer:** has the meaning given in paragraph 6.1 of the Transfer Schedule.

**Sale Date:** has the meaning given in paragraph 6.3 of the Transfer Schedule.

**Selling Shareholders:** has the meaning given in paragraph 5.1 of the Transfer Schedule.

**Shareholder:** means the shareholders of the Company.

**Shares:** means shares (of any class) in the capital of the company and "Share" shall be construed accordingly.

**Specified Price:** has the meaning given in paragraph 6.2 of the Transfer Schedule.

**Transfer Schedule:** means the Schedule to these Articles.

- 1.2 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.3 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 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.
- 1.5 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.6 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.7 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

## **DIRECTORS**

### **2 GENERAL AUTHORITY**

Subject to the Articles and to the applicable provisions for the time being of the Act, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the company.

### **3 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 3.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 7.
- 3.2 If:
  - 3.2.1 the Company only has one director, and



3.2.2 no provision of the Articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

#### **4 UNANIMOUS DECISIONS**

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 References in this article to Eligible Directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 4.4 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

#### **5 CALLING A DIRECTORS' MEETING**

- 5.1 Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting to the directors or by authorising the Company secretary (if any) to give such notice.
- 5.2 Notice of a directors' meeting shall be given to each director and shall be in writing.

#### **6 PARTICIPATION IN DIRECTORS' MEETINGS**

- 6.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:-
  - 6.1.1 the meeting has been called and takes place in accordance with the Article; and
  - 6.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

6.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

6.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **7 QUORUM FOR DIRECTORS' MEETINGS**

7.1 The quorum for the transaction of business at a meeting of directors is any two Eligible Directors.

7.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 11 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.

7.3 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:

7.3.1 to appoint further directors; or

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

## **8 CHAIRING OF DIRECTORS' MEETINGS**

8.1 The directors may appoint any director to chair their meetings.

8.2 The person appointed for the time being is known as the chairman.

8.3 If the chairman is not present at a directors' meeting within 20 minutes of the time at which it was due to start, the meeting will stand adjourned for 7 days at which time, the quorum (as long as two Eligible Directors are present) will be those directors present (as long as there are at least two directors present) and the participating directors must appoint one of themselves to chair it.

## **9 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 have a casting vote.

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

10.1      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 Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- 10.1.1      may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 10.1.2      shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 10.1.3      shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 10.1.4      may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 10.1.5      may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 10.1.6      shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## 11 DIRECTORS' CONFLICTS OF INTEREST

- 11.1 The directors may, in accordance with the requirements set out in this article 11, 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**).
- 11.2 Any authorisation under this article 11 will be effective only if:
- 11.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
  - 11.2.2 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
  - 11.2.3 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.
- 11.3 Any authorisation of a Conflict under this article 11 may (whether at the time of giving the authorisation or subsequently):
- 11.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 11.3.2 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;
  - 11.3.3 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;
  - 11.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;

- 11.3.5 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
- 11.3.6 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.
- 11.4 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.
- 11.5 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.
- 11.6 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.

## **12 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.

## **13 NUMBER OF DIRECTORS**

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

## **14 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.

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

15.1 Any director (**Appointor**) may appoint as an alternate (an **Alternate**) any other director, or any other person approved by resolution of the directors, to:

15.1.1 exercise that director's powers; and

15.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the Alternate's Appointor.

15.2 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.

15.3 The notice must:

15.3.1 identify the proposed Alternate; and

15.3.2 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.

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

16.1 An Alternate may act as Alternate to more than one director and has the same rights in relation to any decision of the directors as the Alternate's Appointor.

16.2 Except as the Articles specify otherwise, Alternates:

16.2.1 are deemed for all purposes to be directors;

16.2.2 are liable for their own acts and omissions;

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

16.2.4 are not deemed to be agents of or for their Appointors

and, in particular (without limitation), each Alternate 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.

16.3 A person who is an Alternate but not a director:

16.3.1 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);

16.3.2 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

16.3.3 shall not be counted as more than one director for the purposes of article 7.

16.4 A director who is also an Alternate 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.

16.5 An Alternate 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 except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the company.

## **17 TERMINATION OF ALTERNATE DIRECTORSHIP**

17.1 An Alternate's appointment as an Alternate terminates:

17.1.1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

- 17.1.2 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;
- 17.1.3 on the death of the Alternate's Appointor; or
- 17.1.4 when the Alternate's Appointor's appointment as a director terminates.

## **18 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**

## **19 ALL SHARES TO BE FULLY PAID UP**

No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

## **20 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

Without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution.

## **21 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

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

## **22 SHARE CERTIFICATES**

22.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

22.2 Every certificate must specify:-



- 22.2.1 in respect of how many Shares, of what class, it is issued;
  - 22.2.2 the nominal value of those Shares;
  - 22.2.3 that the Shares are fully paid; and
  - 22.2.4 any distinguishing numbers assigned to them.
- 22.3 No certificate may be issued in respect of Shares of more than one class.
- 22.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 22.5 Certificates must:-
- 22.5.1 have affixed to them the company's common seal; or
  - 22.5.2 be otherwise executed in accordance with the Act.

## **23 REPLACEMENT SHARE CERTIFICATES**

- 23.1 If a certificate issued in respect of a Shareholder's Shares is:-
- 23.1.1 damaged or defaced, or
  - 23.1.2 said to be lost, stolen or destroyed,
- that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 23.2 A Shareholder exercising the right to be issued with such a replacement certificate:-
- 23.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 23.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
  - 23.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

## 24 SHARE TRANSFERS

- 24.1 Subject also to the provisions of this article 24, any transfer of Shares shall be in accordance with the Transfer Schedule.
- 24.2 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 24.3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 24.4 The Company may retain any instrument of transfer which is registered.
- 24.5 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 24.6 The directors may by Board resolution refuse to register the transfer of a Share if:-
- 24.6.1 the Share is not fully paid;
  - 24.6.2 the transfer is not lodged at the Company's registered office or such other place as the directors have appointed;
  - 24.6.3 the transfer is not accompanied by the certificate for the Shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf; or
  - 24.6.4 in their absolute opinion the proposed transferee is or may compete with the Company and they do not consider it to be in the best interests of the Company to approve the transfer.
- 24.7 The directors shall refuse to register the transfer of a Share unless:-
- 24.7.1 the transfer has been made in accordance with paragraph 3 of the Transfer Schedule (*Pre-emption procedure*); or
  - 24.7.2 it is a Permitted Transfer under paragraph 2 of the Transfer Schedule; or

- 24.7.3 all Shareholders have waived in writing the rights afforded to them under paragraph 3 of the Transfer Schedule (*Pre-emption procedure*); or
- 24.7.4 the transfer has been made in accordance with paragraph 5 of the Transfer Schedule (*Drag Along Right*).
- 24.8 The directors shall also refuse to register the transfer of any Shares in respect of which the provisions of paragraph 6 of the Transfer Schedule (*Tag Along Right*) apply unless the transfer has been made in accordance with the provisions of that paragraph or all Shareholders have waived in writing the rights afforded to them thereunder.
- 24.9 For the purpose of ensuring that a transfer of Shares is permitted under these Articles, the Board may require any Shareholder or the legal personal representatives of any deceased Shareholder or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares from time to time registered in the Shareholder's name.
- 24.10 If the directors refuse to register the transfer of a Share, the instrument of transfer must be returned to the transferee with notice of refusal unless they suspect that the proposed transfer may be fraudulent.

## **25 TRANSMISSION OF SHARES**

- 25.1 Nothing in these Articles shall release the estate of a deceased Shareholder from any liability in respect of a share solely or jointly held by that Shareholder.
- 25.2 If a Shareholder dies, the Board may in its discretion serve a notice on a Permitted Transferee:-
- 25.2.1 requiring it to transfer the Shares back to the estate of that Shareholder; or
- 25.2.2 allowing the Company to buy-back the Shares,
- subject to the pre-emption rights set out in paragraph 3 of the Transfer Schedule.

## **26 PURCHASE OF OWN SHARES**

- 26.1 Subject to the Act, but without prejudice to any other provision of these Articles, the company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
- 26.1.1 £15,000; and
  - 26.1.2 the nominal value of 5% of the company's fully paid share capital at the beginning of each financial year of the company.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

## **27 PROCEDURE FOR DECLARING DIVIDENDS**

- 27.1 The Company may declare dividends and/or decide to pay interim dividends.
- 27.2 A dividend must not be declared unless the directors have made a recommendation to the Shareholders as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 27.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 27.4 Unless the directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each Shareholder's holding of Shares on the date of the decision to declare or pay it.
- 27.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 27.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 27.7 If the directors act in good faith, they do not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

## **28 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

28.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:-

28.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

28.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

28.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

28.1.4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

28.2 In the Articles, "the distribution recipient" means, in respect of a Share in respect of which a dividend or other sum is payable:-

28.2.1 the holder of the Share; or

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

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

## **29 NO INTEREST ON DISTRIBUTIONS**

29.1 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:-

29.1.1 the terms on which the Share was issued, or

- 29.1.2 the provisions of another agreement between the holder of that Share and the Company.

### **30 UNCLAIMED DISTRIBUTIONS**

- 30.1 All dividends or other sums which are:-

- 30.1.1 payable in respect of Shares, and

- 30.1.2 unclaimed after having been declared or become payable,

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

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

- 30.3 If:

- 30.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

- 30.3.2 the distribution recipient has not claimed it,

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

### **31 WAIVER OF DISTRIBUTIONS**

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

- 31.1.1 the Share has more than one holder, or

- 31.1.2 more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

### **DECISION MAKING BY SHAREHOLDERS**

## **32 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 32.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 32.2 A person is able to exercise the right to vote at a general meeting when:-
- 32.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 32.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 32.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 32.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 32.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

## **33 QUORUM FOR GENERAL MEETINGS**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

## **34 CHAIRING GENERAL MEETINGS**

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

34.2.1 the directors present, or

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

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

34.3 The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

### **35 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

35.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.

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

35.2.1 Shareholders of the company, or

35.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

### **36 ADJOURNMENT**

36.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

36.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:-

36.2.1 the meeting consents to an adjournment, or

36.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

36.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.



- 36.4 When adjourning a general meeting, the chairman of the meeting must:-
- 36.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - 36.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 36.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-
- 36.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and
  - 36.5.2 containing the same information which such notice is required to contain.
- 36.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **VOTING AT GENERAL MEETINGS**

### **37 VOTING: GENERAL**

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

### **38 ERRORS AND DISPUTES**

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

### **39 POLL VOTES**

- 39.1 A poll on a resolution may be demanded:-

- 39.1.1 in advance of the general meeting where it is to be put to the vote, or
  - 39.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 39.2 A poll may be demanded by:-
- 39.2.1 the chairman of the meeting;
  - 39.2.2 the directors;
  - 39.2.3 two or more persons having the right to vote on the resolution; or
  - 39.2.4 a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- 39.3 Polls must be taken immediately and in such manner as the chairman of the meeting directs.
- 39.4 A demand for a poll may be withdrawn if:-
- 39.4.1 the poll has not yet been taken, and
  - 39.4.2 the chairman of the meeting consents to the withdrawal.
- 39.5 A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made

#### **40 CONTENT OF PROXY NOTICES**

- 40.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:-
- 40.1.1 states the name and address of the shareholder appointing the proxy;
  - 40.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
  - 40.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and

40.1.4 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,

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.

40.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

40.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

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

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

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

## **41 DELIVERY OF PROXY NOTICES**

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

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

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

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

## **42 AMENDMENTS TO RESOLUTIONS**

- 42.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-
- 42.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - 42.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 42.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:-
- 42.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - 42.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 42.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **ADMINISTRATIVE ARRANGEMENTS**

## **43 MEANS OF COMMUNICATION TO BE USED**

- 43.1 Subject to the Articles, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 43.1.1 if delivered by hand, on signature of a delivery receipt; or
  - 43.1.2 if sent by fax, at the time of transmission; or
  - 43.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or

43.1.4 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; and

43.1.5 if deemed receipt under the previous paragraphs of this article would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

43.2 To prove service, it is sufficient to prove that:

43.2.1 if delivered by hand, the notice was delivered to the correct address; or

43.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or

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

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

#### **44 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

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

#### **45 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

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

#### **46 INDEMNITY**

46.1 Subject to article 46.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:-

- 46.1.1 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:
- 46.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- 46.1.1.2 in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),
- including (in each case) any liability incurred by him in defending any civil or criminal proceedings, 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
- 46.1.2 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 46.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 46.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 46.3 In this article:
- 46.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 46.3.2 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)).

## **47 INSURANCE**

47.1 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.

47.2 In this article:

47.2.1 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));

47.2.2 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

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

## APPENDIX

### TRANSFER SCHEDULE

#### 1 General

1.1 No Share shall be transferred or registered as transferred unless the transfer is made in accordance with this Schedule.

1.2 In this schedule the following expressions shall have the following meanings:-

**"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 from time to time);

**"Bankruptcy Event"** means a bankruptcy petition being presented for the bankruptcy of a Shareholder, or an arrangement or composition being proposed with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors.

**"Controlling Interest"** means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**"Family Trust"** means in relation to a Shareholder, a trust set up wholly for the benefit of that Shareholder and/or that Shareholder's Privileged Relations;

**"Permitted Transfer"** means a transfer of Shares made in accordance with paragraph 2;

**"Permitted Transferee"** means:-

- (i) a Privileged Relation; or
- (ii) trustees of a Family Trust;

**"Privileged Relation"** means the spouse, parent, brother, sister or children (including step children and adopted children) of a Shareholder;



**"Requisite Majority"** means the holders of 60% or more in value of the Shares in issue from time to time including Langley John Davies for such time as he remains a Shareholder;

**"Transfer Notice"** means an irrevocable notice in writing given by any Shareholder to the Company where the Shareholder desires, or is required by this Agreement, to transfer or offer for transfer (or enter into an agreement to transfer) any Shares;

**"Transfer Price"** shall have the meaning given to in in paragraph 3.4 of this Schedule; and

**"Valuers"** means an independent firm of accountants appointed by the Seller and by the Board or, in the absence of agreement between them on the identity of the expert within 5 Business Days of the date of the Transfer Notice, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

## **2 Permitted Transfers**

- 2.1 A Shareholder may transfer Shares to any of his Permitted Transferees without restriction as to price or otherwise.
- 2.2 A Shareholder holding Shares as a result of a transfer by a Shareholder under paragraph 2.1 may transfer any or all such Shares back to that original Shareholder (or to one or more other Permitted Transferees of that original Shareholder) without restriction as to price or otherwise.
- 2.3 If a Permitted Transfer has been made to a Privileged Relation, that Privileged Relation shall within 20 Business Days of ceasing to be a Privileged Relation of that Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of death) execute and deliver to the Company a transfer of those Shares held by him/her pursuant to a Permitted Transfer in favour of that original Shareholder for such consideration as may be agreed between them, failing which he/she shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with paragraph 3. The provisions of paragraph 3 shall apply to such a deemed Transfer Notice.

2.4 In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from an original Shareholder, on the occurrence of:

2.4.1 the Privileged Relation's death;

2.4.2 the Privileged Relation suffering a Bankruptcy Event;

2.4.3 the Privileged Relation lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding; or

2.4.4 the death of the original Shareholder,

that Privileged Relation, his/her personal representatives, his/her trustee(s) in bankruptcy, his/her attorney(s) or otherwise (as the case may be) shall, within 20 Business Days after the grant of probate, the making of the bankruptcy order or the determination of lack of capacity (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that original Shareholder or his personal representatives if he has died (for such consideration as may be agreed between them), failing which he/she, his/her personal representatives, his/her trustee(s) in bankruptcy, his/her attorney(s) or otherwise (as the case may be) shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with paragraph 3. The provisions of paragraph 3 shall apply to such a deemed Transfer Notice.

2.5 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 20 Business Days of that Family Trust ceasing to be wholly for the benefit of the original Shareholder and/or the original Shareholder's Privileged Relations execute and deliver to the Company a transfer of those Shares held by them or the Family Trust pursuant to a Permitted Transfer in favour of the original Shareholder, for such consideration as may be agreed between them, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the Shares in accordance with paragraph 3. The provisions of paragraph 3 shall apply to such a deemed Transfer Notice.

### **3 Pre-emption Procedure**

3.1 Except where the provisions of paragraph 2 apply or it is agreed by a Requisite Majority, a Shareholder wishing to transfer its Shares (the **Seller**) must give a

Transfer Notice to the Company giving details of the proposed transfer including, in particular:-

- 3.1.1 the number of Shares which he desires to transfer (the **Sale Shares**);
  - 3.1.2 the identity of the buyer to whom he proposes to sell or transfer such Shares;
  - 3.1.3 the price per share at which he proposes to transfer the Sale Shares and any other payment terms and conditions; and
  - 3.1.4 whether or not the Transfer Notice is conditional upon all and not part only of the Sale Shares being sold pursuant to the offer hereinafter mentioned (a **Total Transfer Condition**) and in the absence of such stipulation it shall be deemed not to be so conditional.
- 3.2 No Transfer Notice once given or deemed to be given in accordance with paragraph 3.1 shall be withdrawn unless the Board approves the withdrawal of the Transfer Notice, and for so long as any Shares are the subject of a Transfer Notice no power or control is capable of being exercised over the votes of those Shares.
- 3.3 The Transfer Notice, notwithstanding that it may specify that the Seller wishes to dispose only of an interest or right in or arising from or attaching to the Sale Shares, shall unconditionally constitute the Company the agent of the Seller in relation to the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Sale Shares at the Transfer Price in accordance with the provisions of this paragraph 3.
- 3.4 The transfer price for the Sale Shares shall be the price per share at which the Seller states in the Transfer Notice that he proposes to transfer the Sale Shares unless:-
- 3.4.1 no transfer price for the Sale Shares is stated in the Transfer Notice; or
  - 3.4.2 the Board is not satisfied (having been provided with such evidence as they may reasonably require for the purpose) that the transfer price proposed in the Transfer Notice is a bona fide price agreed between the Seller and the relevant third party buyer at arms' length and in good faith,

then the transfer price shall be the price per Share at which the Seller and the Board agree the Sale Shares are to be offered for sale unless the Seller and the Board, within 28 days of receipt of the Transfer Notice, are unable to agree a price per Share at which the Sale Shares are to be offered for sale, then the transfer price shall be the price per Share which a Valuer, upon appointment, determines, in accordance with paragraph 4, the Sale Shares are to be offered for sale (the **Transfer Price**).

3.5 The Company shall forthwith upon the later (if relevant) of:

3.5.1 receipt (or deemed receipt) of a Transfer Notice; or

3.5.2 where the Transfer Price is not stated in the Transfer Notice or the Board is not satisfied that the Transfer Price is a bona fide price agreed between the Seller and the relevant third party buyer at arms' length and in good faith, the determination of the Transfer Price,

give notice in writing (containing the details set out in the Transfer Notice and the Transfer Price) to each of the Shareholders (other than the Seller and any other member who has or is deemed to have served a Transfer Notice in relation to all of the Shares held by him) inviting them to state in writing by a specified date being not less than 7 days and not more than 28 days from the date of the said notice whether and, if so, the maximum number of Sale Shares they wish to purchase at the Transfer Price.

3.6 The Sale Shares shall be offered on the basis that, in the event that the Shareholders accept the offer for a maximum number of Shares:-

3.6.1 in excess of the number of Sale Shares, the Sale Shares shall be sold to the Shareholders accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares, subject to the maximum number of Shares which each has indicated it wishes to purchase;

3.6.2 equal to the number of Sale Shares, then the Sale Shares shall be sold to the Shareholders accepting the offer in the proportions (as nearly as may be) each Shareholder indicated they wish to purchase;

3.6.3 less than the number of Sale Shares, then, provided the Transfer Notice didn't contain a Total Transfer Condition, the Sale Shares shall be sold to the Shareholders accepting the offer in the proportions (as nearly as may be) each Shareholder indicated they wish to purchase.

- 3.7 Within seven days of the closing of the offer to shareholders pursuant to paragraph 3.6 the Company shall give notice of each allocation of Sale Shares (an **Allocation Notice**) to the Seller and each of the persons to whom Sale Shares have been allocated (each a **Purchaser**) and subject to paragraph 3.9 shall specify in the Allocation Notice the place and time (being not less than 7 and not more than 14 days after the date of the notice) at which the sale of the Sale Shares shall be completed.
- 3.8 Subject to paragraph 3.9, upon such allocation of Sale Shares being made, the Seller shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Purchaser(s) named therein at the time and place therein specified. If he makes default in so doing one of the directors (provided he is not the Seller) or some other person duly nominated by a resolution of the Board for that purpose, shall immediately be deemed to be the duly appointed attorney and agent of the Seller with full power to execute, complete and deliver in the name and on behalf of the Seller a transfer of the relevant Sale Shares to the Purchaser(s) and the Board may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Purchaser(s) in the register of members as the holder or holders by transfer of the Shares so purchased by him or them. The Board shall 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 Seller until he shall deliver up his certificate or certificates for the relevant Shares to the Company upon which he shall be paid the purchase money.
- 3.9 If the Seller shall have included in the Transfer Notice a Total Transfer Condition and if the total number of Shares applied for is less than the total number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation open for 28 days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding provisions of this paragraph 3 shall be conditional upon such offer being accepted in relation to all of the Sale Shares.
- 3.10 Subject to paragraph 3.9, if the Seller stipulated in the Transfer Notice a Total Transfer Condition, the Seller shall not be entitled, unless authorised by the Requisite Majority, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons.
- 3.11 In the event of any (and if the Seller stipulated in the Transfer Notice a Total Transfer Condition, all) of the Sale Shares are not sold in accordance with this

paragraph 3 the Seller 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 not sold to the person or persons set out in the original Transfer Notice at any price not less than the Transfer Price **PROVIDED THAT:**

- 3.11.1 the Board shall be entitled to refuse registration of the proposed transferee if he is believed to be, or is a nominee for, a person reasonably considered by the Board to be a competitor of the business of the Company and its subsidiaries and if as a result of such transfer more than 5% of the share capital of the Company would be held by, or by nominees for, competitors or persons connected with competitors of the business of the Company and its subsidiaries;
- 3.11.2 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; and
- 3.11.3 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares comprised in the Transfer Notice to such person or persons.

#### **4 Transfer Price**

- 4.1 In event the directors' appoint a Valuer in accordance with paragraphs 3.4 of this Schedule to determine the price per Share at which the Sale Shares are to be offered for sale, the Valuer shall determine such price, which for the purposes of this clause shall be the value the Valuer certifies to be the fair market value in his opinion based on the following assumptions:-
  - 4.1.1 the value of the Shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Sale Shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Seller's shareholding or for the rights or restrictions applying to the shares under this Agreement or the Articles);

- 4.1.2 the sale is between a willing buyer and a willing seller on the open market;
  - 4.1.3 if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so;
  - 4.1.4 the Shares are sold free of all encumbrances; and
  - 4.1.5 to take account of any other factors that the Valuer reasonably believes should be taken into account.
- 4.2 If any problem arises in applying any of the assumptions set out in paragraph 4.1, the Valuer shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit.
- 4.3 The Valuer shall be requested to determine the Transfer Price of the Sale Shares in accordance with this paragraph 4 within 10 Business Days of his appointment and to notify the Purchaser and Seller in writing of his determination.

## 5 Drag Along

- 5.1 If the holder(s) of 60% in value of the Shares with the consent of Langley John Davies for such time as he remains a Shareholder (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their Shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this paragraph 5 (**Drag Along Option**).
- 5.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 5.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this paragraph 5;
  - 5.2.2 the person to whom the Called Shares are to be transferred;

- 5.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
- 5.2.4 the proposed date of the transfer.
- 5.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 90 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.
- 5.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this paragraph 5.
- 5.5 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Sellers' Shares (**Completion Date**) unless all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders.
- 5.6 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in paragraph 3, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 5.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company.
- 5.8 On the Completion Date either:-
- 5.8.1 the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to paragraph 5.2.3 to the extent that the Proposed Buyer has put the Company in the requisite funds, in which case:-
- 5.8.1.1 the Company's receipt for the price shall be a good discharge to the Proposed Buyer; and



5.8.1.2 the Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest; or

5.8.2 the Proposed Buyer shall pay the Called the Shareholders, the amounts due pursuant to paragraph 5.2.3.

5.9 To the extent that the Proposed Buyer has not, on the Completion Date:-

5.9.1 put the Company in funds to pay the purchase price due in respect of the Called Shares; or

5.9.2 paid to the Called Shareholders' the purchase price due in respect of the Called Shares,

the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this paragraph 5 in respect of their Shares.

5.10 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with paragraph 5.7) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its attorney and agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this paragraph 5.

5.11 This paragraph 5 shall not apply in the case of a Permitted Transfer.

## **6 Tag along on a change of control**

6.1 The provisions of paragraph 6.2 to paragraph 6.6 shall apply if, in one or a series of related transactions, one or more Sellers 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.

- 6.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them 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 3 months preceding the date of the Proposed Transfer (**Specified Price**).
- 6.3 The Offer shall be made by written notice (**Offer Notice**), at least 30 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 6.3.1 the identity of the Buyer;
  - 6.3.2 the Specified Price and other terms and conditions of payment;
  - 6.3.3 the Sale Date; and
  - 6.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 6.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with paragraph 6.2 and paragraph 6.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 6.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 20 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.
- 6.6 The Proposed Transfer is subject to the pre-emption provisions of paragraph 3, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.
- 6.7 This paragraph 6 shall not apply in the case of a Permitted Transfer.