

# HOWARD KENNEDY

**DATED** 16 March **2021**

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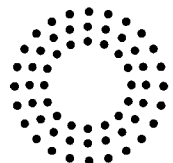
**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**  
**OF**  
**LIB.ENERGY LIMITED**

(Adopted by a special resolution passed on  
16 March 2021)

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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**LIB.ENERGY LIMITED**

(Adopted by a special resolution passed on 16 March 2021)

**1. DEFINITIONS AND INTRODUCTION**

- 1.1 Save where otherwise defined in these Articles the following words and expressions shall have the following meanings:

<b>"Acting in Concert"</b>	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);
<b>"Actions"</b>	has the meaning given to it in Article 12.4;
<b>"Adoption Date"</b>	means the date on which these Articles were adopted;
<b>"Allocation Notice"</b>	has the meaning given to it in Article 20.9.2;
<b>"Applicant"</b>	has the meaning given to it in Article 20.9.2;
<b>"Arrears"</b>	means in relation to any Share, all arrears of any dividend or other sums payable (including interest) in respect of that Share, whether or not such arrears have been earned or declared and irrespective of whether or not the Company has had at any time sufficient Available Profits to pay such dividend or sums, in each case together with any interest payable on that Share;
<b>"Articles"</b>	means these articles of association (and references to an <b>"Article"</b> shall be construed accordingly, so as to apply to the appropriate provision of these Articles);
<b>"A Shareholder"</b>	means the holder of the A Shares from time to time;
<b>"A Shares"</b>	means the A ordinary shares of £1.00 each in the capital of the Company;
<b>"Asset Sale"</b>	means the disposal by the Company of all or substantially all of its undertaking and assets (including/excluding a Significant Transaction);

<b>"Associate"</b>	means in relation to a person:  (a) a person who is his associate (and the question of whether a person is an associate of another shall be determined in accordance with section 435 of the Insolvency Act 1986 (whether or not such person is associate, as so defined)); and  (b) any Group Member of that person.
<b>"Auditors"</b>	means the auditors for the time being of the Company;
<b>"Available Profits"</b>	means the profits available for distribution within the meaning of part 23 of the Companies Act;
<b>"Board"</b>	means the board of Directors of the Company from time to time;
<b>"Breach Notice"</b>	has the meaning given to it in Article 18.9;
<b>"B Shareholder"</b>	means the holder of the B Shares from time to time;
<b>"B Shares"</b>	means the B ordinary shares of £1.00 each in the capital of the Company from time to time;
<b>"Business Day"</b>	means a day (other than a Saturday, Sunday or public holiday) when banks in the City of London are open for business;
<b>"Buyer"</b>	has the meaning given to it in Article 23.1;
<b>"Called Shareholder"</b>	has the meaning given to it in Article 24.1;
<b>"Called Shares"</b>	has the meaning given to it in Article 24.2.1;
<b>"C Director"</b>	means such Director as appointed and holding office by the C Shareholder under Article 3.1;
<b>"Civil Partner"</b>	means a civil partner (as defined in the Civil Partnership Act 2004) of an individual Shareholder or an individual deceased Shareholder (as the case may be);
<b>"Companies Act"</b>	means the Companies Act 2006;
<b>"Company"</b>	means LiB.Energy Limited;
<b>"Continuing Shareholders"</b>	has the meaning given to it in Article 20.8.1;
<b>"Controlling Interest"</b>	means an interest in the Shares giving to the holder or holders of such interest control of the Company within the meaning of section 1124 of the CTA 2010;
<b>"C Shareholder"</b>	means the holder of the C Shares from time to time;

<b>"C Shares"</b>	means the C ordinary shares of £1.00 each in the capital of the Company from time to time;
<b>"CTA 2010"</b>	means the Corporation Tax Act 2010;
<b>"Director"</b>	means a director of the Company from time to time;
<b>"Drag Along Notice"</b>	has the meaning given to it in Article 24.2;
<b>"Drag Along Option"</b>	has the meaning given to it in Article 24.1;
<b>"Drag Completion Date"</b>	has the meaning given to it in Article 24.6;
<b>"Drag Consideration"</b>	has the meaning given to it in Article 24.4;
<b>"Drag Documents"</b>	has the meaning given to it in Article 24.6;
<b>"Drag Purchaser"</b>	has the meaning given to it in Article 24.1;
<b>"Eligible Director"</b>	means a Director who would be entitled to vote on a matter at a Board meeting (but excluding any Director whose vote is not to be counted in respect of the particular matter);
<b>"Employee"</b>	means each of: <ul style="list-style-type: none"> <li>(a) an employee, apprentice, worker (as defined in s.230(3) Employment Rights Act 1996), contract worker, part-time employee, temporary employee or home worker of a Group Company or any other person who would be deemed to be "in employment" with any Group Company for the purposes of the Equality Act 2010; and</li> <li>(b) a consultant, independent contractor or other self-employed individual engaged by a Group Company under a contract for services (whether directly or through a limited company) and not being an Employee;</li> </ul>
<b>"Employee Trust"</b>	means a trust whose beneficiaries are the Employees and the terms of which have been approved by the Board;
<b>"Encumbrance"</b>	means any interest or equity of any person (including any right to acquire, any option or right of pre-emption), any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, covenant, restriction, lease, trust, order, decree, title defect, retention or any other security arrangement, or conflicting claim of ownership, right to use or any other third party right;
<b>"Equity Securities"</b>	has the meaning given to it in sections 560(1) to (3) (inclusive) of the Companies Act;
<b>"Equity Shareholder"</b>	means the A Shareholder, the B Shareholder and the C

	Shareholder and <b>"Equity Shareholder"</b> means any of them and shall be construed accordingly;
<b>"Equity Shares"</b>	means the A Shares, the B Shares and the C Shares;
<b>"Exit"</b>	a Share Sale, an Asset Sale, a Significant Transaction or an IPO (as the case may be);
<b>"Expert Valuer"</b>	has the meaning given to it in Article 21.1.1;
<b>"Fair Value"</b>	has the meaning given to it in Article 21.4;
<b>"Family Trust"</b>	<p>means as regards to any particular individual Shareholder or any individual deceased Shareholder (as the case may be), 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 of the individual Shareholder or deceased Shareholder in question is, for the time being, vested in any person other than the individual Shareholder or deceased individual Shareholder and/or any of his Privileged Relations (as the case may be). For the purposes of this definition, an individual Shareholder or individual deceased Shareholder shall be considered to be "beneficially interested" in a Share if:</p> <ul style="list-style-type: none"> <li>(a) such Share or the income thereof is liable to be transferred, paid, applied or appointed to, or for the benefit of, such an individual Shareholder or an individual deceased Shareholder; or</li> <li>(b) any voting or other rights attaching thereto are exercisable or capable of being directed to be exercised (or, in the case of a deceased individual Shareholder, were exercisable or were capable of being directed to be exercised): <ul style="list-style-type: none"> <li>(i) by such individual Shareholder or an individual deceased Shareholder, pursuant to the terms of the trust in question; or</li> <li>(ii) otherwise in consequence or as a result of an exercise of a power or discretion conferred thereby on the individual Shareholder or individual deceased Shareholder in question;</li> </ul> </li> </ul>
<b>"Financial Year"</b>	has the meaning given to it in section 390 of the Companies Act;
<b>"First Further Subscription"</b>	has the meaning given to it in Article 17.5.1.1;

<b>Period"</b>	
<b>"Following Further Subscription Period"</b>	has the meaning given to it in Article 17.5.2.1;
<b>"Group Companies" or "Group"</b>	means the Company and its Subsidiary Undertakings (if any) from time to time and <b>"Group Company"</b> means any of them and shall be construed accordingly;
<b>"Group Member"</b>	means at any relevant time, in relation to any undertaking, a Group Undertaking of that undertaking and <b>"Member of its Group"</b> , in relation to any undertaking, means any Group Undertaking (as so defined) of that undertaking;
<b>"IPO"</b>	means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on a Recognised Investment Exchange;
<b>"Interested Director"</b>	has the meaning given to it in Article 8.4;
<b>"Investor"</b>	means the C Shareholder;
<b>"Investor Consent"</b>	means the prior written consent of the Investor;
<b>"ITEPA"</b>	means the Income Tax (Earnings and Pensions) Act 2003;
<b>"ITEPA Election"</b>	means a joint election pursuant to section 431 of ITEPA;
<b>"Minimum Transfer Condition"</b>	has the meaning given to it in Article 20.2.4;
<b>"Model Articles"</b>	means the model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229), as such are amended from time to time (and for reference a copy of the version of such model articles in force as at the Adoption Date is contained in Schedule 2 to these Articles);
<b>"NASDAQ"</b>	means the NASDAQ Stock Market of the NASDAQ, Inc.;
<b>"New Securities"</b>	means any Shares or other securities convertible into, or carrying the right to subscribe for, any Shares issued by the Company after the Adoption Date (other than any Shares or other securities allotted and/or issued as a result of the events set out in Article 17.9);
<b>"New Shareholder"</b>	has the meaning given to it in Article 24.11;
<b>"Offer"</b>	has the meaning given to it in Article 23.2;
<b>"Offer Notice"</b>	has the meaning given to it in Article 23.3;

<b>"Offer Period"</b>	has the meaning given to it in Article 20.8.1;
<b>"Original Shareholder"</b>	has the meaning given to it in Article 19.1;
<b>"Offer Shares"</b>	has the meaning given to it in Article 23.3.4;
<b>"Permitted Transfer"</b>	means a transfer of Shares in accordance with Article 19;
<b>"Permitted Transferee"</b>	<p>means each of the following:</p> <ul style="list-style-type: none"> <li>(a) in relation to a Shareholder who is an individual, any of such Shareholder's: <ul style="list-style-type: none"> <li>(i) Privileged Relations;</li> <li>(ii) Trustees; and</li> <li>(iii) Qualifying Companies; and</li> </ul> </li> <li>(b) in relation to a Shareholder which is an undertaking, any Member of the same Group,</li> </ul> <p>subject, in each case, to the approval of the Board;</p>
<b>"Pre-emptive Subscriber"</b>	has the meaning given to it in Article 17.3;
<b>"Preference Amount"</b>	means a price per share held equal to the amount paid up or credited as paid up (in each case including any and all premium) on such share in question, together with a sum equal to any Arrears;
<b>"Pre-New Money Valuation"</b>	means the result of multiplying the total number of A Shares/ B Shares in issue immediately after the IPO (but excluding any new A Shares/ B Shares issued upon the occurrence of the IPO itself) by the subscription price per share (including any premium) payable to the Company for each new A Share/ B Share issued at the time of the occurrence of the IPO;
<b>"Priority Rights"</b>	means the rights of Shareholders and any Employee Trust (as the case may be) to purchase Shares contained in any Transfer Notice in the order of priority stipulated in Article 20.7;
<b>"Privileged Relation"</b>	<p>means in relation to an individual Shareholder or an individual deceased Shareholder (as the case may be) means, in each case, any of the following persons of such an individual Shareholder or an individual deceased Shareholder:</p> <ul style="list-style-type: none"> <li>(a) spouse;</li> <li>(b) Civil Partner; and</li> <li>(c) child or grandchild (including in either case any</li> </ul>



step, adopted or illegitimate child and their issue);

<b>"Proceeds of Sale"</b>	means the consideration payable (including any deferred and/or contingent consideration and whether in cash or otherwise) to those Shareholders selling Shares pursuant to a Share Sale less any professional fees, costs and expenses payable in respect of such Share Sale as approved by a Shareholder Majority;
<b>"Proposed Exit"</b>	has the meaning given to it in Article 12.4;
<b>"Proposed Purchaser"</b>	means a proposed purchaser of Equity Shares who at the relevant time has made an offer to acquire such Equity Shares on arm's length terms;
<b>"Proposed Transfer"</b>	has the meaning given to it in Article 23.1;
<b>"Prospective Subscriber"</b>	has the meaning given to it in Article 17.3;
<b>"Qualifying Company"</b>	means a company in which an individual Shareholder, individual deceased Shareholder or Trustee(s) (as the case may be) holds the entire issued share capital of such company and over which that individual Shareholder, deceased Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);
<b>"Qualifying Person"</b>	has the meaning given to it in section 318(3) of the Companies Act;
<b>"Recognised Investment Exchange"</b>	has the meaning given in section 285 of FSMA (including for the avoidance of doubt the Stock Exchange and NASDAQ (and any markets over which either is the operator and regulator));
<b>"Relevant Interest"</b>	has the meaning given to it in Article 8.4;
<b>"Sale Agreement"</b>	has the meaning given to it in Article 24.2.5;
<b>"Sale Shares"</b>	has the meaning given to it in Article 20.2.1;
<b>"Secured Institution"</b>	has the meaning given to it in Article 18.6.1.1;
<b>"Seller"</b>	has the meaning given to it in Article 20.2;
<b>"Sellers' Shares"</b>	has the meaning given to it in Article 24.1;
<b>"Selling Shareholders"</b>	has the meaning given to it in Article 24.1;
<b>"Shareholder"</b>	means any holder of any Shares and <b>"Shareholders"</b> shall be construed accordingly;
<b>"Shareholder Majority"</b>	means the holders of a majority of Equity Shares from time to time;

<b>"Shareholders' Agreement"</b>	means any agreement entered into from time to time between the Equity Shareholders and, if relevant, the Company relating to, amongst other things, the operation and running of the Company (if any);
<b>"Shares"</b>	means the A Shares, the B Shares and the C Shares and shares of any class in the capital of the Company in issue from time to time and <b>"Share"</b> shall be construed accordingly;
<b>"Share Option Plan(s)"</b>	means the share option plan(s) of the Company from time to time, the terms of which have been approved by the Board (with Investor Consent);
<b>"Share Sale"</b>	means the sale of (or the grant of a right to acquire or to dispose of) any of the Equity Shares (in one transaction or over a series of transactions) which will result in the purchaser of those Equity Shares (or the grantee of such a right to acquire such Equity Shares) and persons Acting in Concert with such acquirer (or grantee (as the case may be)) together acquiring or having a right to acquire a Controlling Interest in the Company;
<b>"Significant Transaction"</b>	means any transaction or series of transactions involving a transfer or licensing of all or some of the rights of the assets of the Company, including without limitation any licensing agreements;
<b>"Specified Price"</b>	has the meaning given to it in Article 23.2;
<b>"Stock Exchange"</b>	means the London Stock Exchange plc;
<b>"Subscription Period"</b>	has the meaning given to it in Article 17.3.1;
<b>"Subsidiary", "Subsidiary Undertaking", "Parent Undertaking" and "Group Undertaking"</b>	have the respective meanings given to them sections 1159 to 1162 of the Companies Act (as is so applicable to each respective definition);
<b>"Surplus Assets"</b>	has the meaning given to it in Article 11;
<b>"Transfer Date"</b>	has the meaning given to it in Article 23.3;
<b>"Transfer Notice"</b>	has the meaning given to it in Article 20.2;
<b>"Transfer Price"</b>	has the meaning given to it in Article 20.3; and
<b>"Trustees"</b>	means in relation to an individual Shareholder or an individual deceased Shareholder means, in either case, the trustee or the trustees (as the case may be) of a Family Trust.

- 1.2 The Model Articles shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the terms of these Articles.
- 1.3 In these Articles and the Model Articles any reference to any statute or statutory provision shall be deemed to include a reference to each and every:
- 1.3.1 statute or statutory provision as from time to time consolidated, modified, re-enacted (with or without modification) or replaced by any statute or statutory provision; and
  - 1.3.2 any subordinate legislation made under the relevant statutory provision.
- 1.4 In these Articles:
- 1.4.1 a "**person**" includes all forms of legal entity including an individual and his personal representatives, company, bodies corporate, unincorporated bodies, unincorporated associations, governmental entities and partnerships;
  - 1.4.2 the singular includes the plural and in the plural includes the singular;
  - 1.4.3 one gender includes a reference to the other gender;
  - 1.4.4 article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
  - 1.4.5 "**writing**" or "**written**" includes all modes of representing or reproducing words including typing, printing, lithography, photography, and other modes of representing or reproducing words in a legible and non-transitory form;
  - 1.4.6 articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4) and 51 of the Model Articles shall not apply to the Company;
  - 1.4.7 references to "**electronic form**", "**electronic means**" and "**hard copy form**" shall have the meaning given in section 1168 of the Companies Act;
  - 1.4.8 reference to "**electronic address**" shall have the meaning given in section 333 of the Companies Act;
  - 1.4.9 reference to "**undertaking**" shall have the meaning given in section 1161(1) of the Companies Act;
  - 1.4.10 references to "**£**" are to pounds sterling, the lawful currency of the United Kingdom (or such other lawful currency of the United Kingdom as may from time to time replace it); and
  - 1.4.11 reference to a "**Director**" shall include any alternate appointed to act in that directors place from time to time.

## 2. NUMBER OF DIRECTORS

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors appointed shall be not less than three.

### **3. APPOINTMENT AND REMOVAL OF DIRECTORS**

- 3.1 In addition to the powers of appointment under article 17(1) of the Model Articles, the A Shareholder, the B Shareholder and the C Shareholder shall each be entitled to appoint themselves, or nominate an alternate person, to act as a Director and to remove or replace any director so appointed, with each such appointment and removal being made by notice in writing served on the Company.
- 3.2 For the avoidance of doubt, an appointment or removal of a Director under Article 3.1 will take effect at and from the time when the relevant notice or appointment or removal (as applicable) from the relevant Shareholder, is received at the registered office of the Company or produced to a meeting of the Board (as the case may be).
- 3.3 In addition to the provisions of article 18 of the Model Articles, the office of a Director shall be vacated if that Director is removed by the Shareholder that appointed him under Article 3.1.

### **4. APPOINTMENT AND REMOVAL OF SECRETARY**

Subject to the provisions of the Companies Act, the Board may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

### **5. DISQUALIFICATION OF DIRECTORS**

- 5.1 In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if:
- 5.1.1 he is convicted of a criminal offence (other than a minor motoring offence) and the Board resolves that his office be vacated; or
  - 5.1.2 if a majority of his co-Directors (including Investor Consent) serve notice on him in writing, removing him from office.

### **6. PROCEEDINGS OF DIRECTORS**

- 6.1 The quorum of any meetings of the Board shall be three Directors which must include at least one C Director (save that where a Relevant Interest of a C Director is being authorised by the other Directors in accordance with section 175(5)(a) of the Companies Act, such C Director and any other interested Director shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting). If such a quorum is not present within the period of half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting. If a quorum is not present at any such adjourned meeting within the period of half an hour from the time appointed (or otherwise ceases to be quorate during such meeting), then the meeting shall, in any event, proceed with those Directors in attendance (notwithstanding that any such meeting may otherwise be inquorate).
- 6.2 In the event that a meeting of the Board is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if at such meeting there is only one actual Director physically present but there would otherwise be a quorum if any such

alternate were appointed as a Director, the meeting may be held despite the fact (if it is the case) that only one such actual Director is physically present.

- 6.3 If all of the Directors participating in a meeting of the Board are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority, the location of the chairman shall be deemed to be the place of the meeting.
- 6.4 Notice of a Board meeting need not be given to Directors who waive their entitlement to receive notice of that meeting, by such waiving Director giving notice to that effect to the Company at any time before (or after, if so applicable) the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at such a meeting.
- 6.5 Provided (if these Articles so require) that he has declared to the other Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 6.6 Questions arising at any meeting of the Board shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 6.7 A decision of the Board 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 (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.
- 6.8 Investor Consent shall be required for and in respect of any of the actions set out in Schedule 1.

## **7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 7.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 7.1.1 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;
- 7.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 7.1.3 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;

- 7.1.4 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;
- 7.1.5 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
- 7.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) 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 Companies Act.

## 8. DIRECTORS' INTERESTS

### *Specific interests of a Director*

- 8.1 Subject to the provisions of the Companies Act and provided (if these Articles so require) that he has declared to the other Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
  - 8.1.1 where a Director (or that Director's Associates):
    - 8.1.1.1 is:
      - (a) a party to or in any way directly or indirectly interested in; or
      - (b) has any duty in respect of,
        - any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
    - 8.1.1.2 is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
    - 8.1.1.3 is a Shareholder or a shareholder in, employee, director, member or other officer of, or consultant to, any Group Undertaking of the Company;
    - 8.1.1.4 holds and is remunerated in respect of any office or place of profit (other than the office of Auditor) in respect of a Group Company or a body corporate in which a Group Company is in any way interested;

8.1.2 where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of a Group Company or any body corporate in which a Group Company is in any way interested;

8.1.3 where:

8.1.3.1 a Director (or that Director's Associates or any body corporate of which that Director is a shareholder or employee) acts; or

8.1.3.2 any body corporate promoted by the Company or in which the Company is in any way interested of which a Director is also a director, employee or other officer of, may act

in each case in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as Auditor), whether or not that Director or other party referred to in this Article 8.1.3 is remunerated for so acting;

8.1.4 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or

8.1.5 any other interest authorised by ordinary resolution.

*Interests of which a Director is not aware*

8.2 For the purposes of this Article 8, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

*Accountability of any benefit and validity of a contract*

8.3 In, or as part of, any situation or interest permitted by this Article 8 (save as otherwise agreed by him) a Director shall not, by reason of his holding of office, be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds or as a result of any such situation, interest or benefit.

*Terms and conditions of Board authorisation*

8.4 Subject to the provisions of Article 8.6, any authority given in accordance with section 175(5)(a) of the Companies Act in respect of a Director ("**Interested Director**") who has proposed that the other Directors authorise an interest proposed by him (and each such interest shall be a "**Relevant Interest**") pursuant to that section may, for the avoidance of doubt:

8.4.1 be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:

8.4.1.1 restricting that Interested Director from voting on any resolution put to a meeting of the Board or of a committee of the Board in respect of or in relation to that Relevant Interest;

- 8.4.1.2 restricting the Interested Director from being counted in the quorum at a meeting of the Board or of a committee of the Board where such Relevant Interest is to be discussed; or
  - 8.4.1.3 restricting the application of the provisions set out in Articles 8.7 and 8.8, so far as is permitted by law, in respect of such Interested Director in relation to that Relevant Interest; or
- 8.4.2 be withdrawn or varied at any time by the Directors entitled to authorise that Relevant Interest as such Directors see fit from time to time.
- 8.5 Subject to the provisions of Article 8.6, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by those Directors entitled to authorise the Interested Director to have or hold that Relevant Interest pursuant to the provisions of section 175(5)(a) of the Companies Act and this Article 8.

*Terms and conditions of Board authorisation for a C Director*

- 8.6 Notwithstanding the other provisions of this Article 8, it shall not (save with the consent in writing of a C Director) be made a condition of any authorisation of an interest or situation in relation to, or in respect of, a C Director in accordance with section 175(5)(a) of the Companies Act, that he shall be:
  - 8.6.1 restricted from voting or counting in the quorum at any meeting of, or of any committee of the Board; or
  - 8.6.2 required to disclose, use or apply confidential information as contemplated in Article 8.8.

*Director's duty of confidentiality to a person other than the Company*

- 8.7 Subject to Article 8.8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 8), if a Director, otherwise than by virtue of his position as a Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required to:
  - 8.7.1 disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
  - 8.7.2 otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.
- 8.8 Where a duty of confidentiality referred to in Article 8.7 arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, the provisions of Article 8.7 shall apply only if the conflict of interests in question arises out of a matter which falls within Article 8.1 or has otherwise been authorised in accordance with section 175(5)(a) of the Companies Act.

*Additional steps to be taken by a Director to manage a conflict of interest*

- 8.9 Where a Director has an interest or is in a situation which can reasonably be regarded as likely to give rise to a conflict of interest, the Director in question shall take such additional steps as may be necessary or desirable (in each case as determined by the Board) for the



purpose of managing such conflict of interest, including but not limited to, compliance with any procedures laid down from time to time by the Board for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Board for the purpose of, or in connection with, the interest or situation, including without limitation:

- 8.9.1       absenting himself from any discussions, whether in meetings of the Board or otherwise, at which the relevant situation or matter falls to be considered; and
- 8.9.2       excluding himself from documents or other information that is made available to the Directors generally in relation to such interest or situation and/or arranging for such documents or other information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or other information.

*Requirement of a Director is to declare an interest*

- 8.10       Subject to the provisions of section 182 of the Companies Act, a Director shall declare the nature and extent of any interest permitted by Article 8.1 at a meeting of the Board, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Companies Act or in such other manner as the Board may determine, except that no declaration of interest shall be required by a Director in relation to an interest:
  - 8.10.1       falling under Article 8.1.4;
  - 8.10.2       if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
  - 8.10.3       if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Companies Act) that have been or are to be considered by a meeting of the Board, or by a committee of the Board appointed for the purpose under these Articles.

*Shareholder approval*

- 8.11       Subject to the provisions of section 239 of the Companies Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 8.
- 8.12       For the purposes of this Article 8:
  - 8.12.1       a conflict of interest includes a conflict of interest and duty and a conflict of duties; and
  - 8.12.2       a general notice to the other Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

**9.       SHARE CAPITAL**

- 9.1       The classes of Shares and their respective rights shall be as follows:

9.1.1 A Shares

The A Shares shall be ordinary voting shares and shall confer rights for capital distribution in respect of equity including in the case of a winding-up, as set out in these Articles. The A Shares shall confer rights to dividends as set out in these Articles but shall confer no rights for redemption.

9.1.2 B Shares

The B Shares shall be ordinary voting shares and shall confer rights for capital distribution in respect of equity including in the case of a winding-up, as set out in these Articles. The B Shares shall confer rights to dividends as set out in these Articles but shall confer no rights for redemption.

9.1.3 C Shares

The C Shares shall be ordinary voting shares and shall confer rights for capital distribution in respect of equity including in the case of a winding-up, as set out in these Articles. The C Shares shall confer rights to dividends as set out in these Articles but shall confer no rights for redemption.

9.2 In these Articles, unless the context requires otherwise, references to Shares of a particular class shall include any and all Shares allotted and/or issued at any time following the Adoption Date and ranking pari passu in all respects with the Shares of the relevant class then in issue.

9.3 Except as otherwise provided in these Articles, the Equity Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

9.4 No Share is to be issued to any person for an amount less than the aggregate amount of its nominal value and premium (if any) to be paid to the Company in consideration for its issue.

9.5 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.

9.6 Subject the approval of the Board (acting with Investor Consent) and any applicable provisions of the Companies Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Companies Act.

9.7 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".

9.8 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".

10. **DIVIDENDS**

10.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 9.5.

- 10.2 Any Available Profits which the Board may determine, with Investor Consent, to distribute in respect of any Financial Year will be distributed among the Equity Shareholders (pari passu as if the Equity Shares constituted one class of share) pro rata to their respective number of Equity Shares held.
- 10.3 Subject to the provisions of the Companies Act and these Articles, the Board may, with Investor Consent, pay interim dividends if justified by the Available Profits in respect of the relevant period in question.
- 10.4 Each dividend shall accrue on a daily basis (assuming a 365 day year) and shall, unless otherwise agreed with Investor Consent, be paid in cash.
- 10.5 Article 31(1) of the Model Articles shall be amended by:
- 10.5.1 the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing"; and
- 10.5.2 the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".
- 10.6 The Company will procure that the profits of any other Group Company available for distribution will be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate Parent Undertaking) if and to the extent that dividends are necessary to permit lawful and prompt payment by the Company of any dividend.

## **11. LIQUIDATION PREFERENCE**

On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities (the "**Surplus Assets**") shall be distributed (to the extent that the Company is lawfully permitted to do so) among the Equity Shareholders pro rata (as if the Equity Shares constituted one and the same class) to the number of Equity Shares held.

## **12. EXIT PROVISIONS**

- 12.1 On a Share Sale, the Proceeds of Sale shall be distributed in the order of priority set out in Article 11 and the Board shall not register any transfer of Shares if the Proceeds of Sale are not so distributed (save for in respect of any Shares not sold in connection with that Share Sale) provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:
- 12.1.1 the Board shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 11; and
- 12.1.2 the Shareholders shall take any action reasonably required by a Shareholder Majority to ensure that the Proceeds of Sale are distributed in their entirety in the order of priority set out in Article 11.
- 12.2 In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on

each further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Article 11.

12.3 On an Asset Sale, the Surplus Assets shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 11 provided always that, if it is not lawful for the Company to distribute the Surplus Assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by a Shareholder Majority (including, but without prejudice to the generality of this Article, actions that may be necessary to put the Company into voluntary liquidation) so that Article 11 applies.

12.4 In the event of an Exit approved by the Board and a Shareholder Majority in accordance with the terms of these Articles (such an Exit being a "**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive in full any and all applicable rights, claims and causes of actions in connection with such Proposed Exit (but any such waiver shall not include any waiver of the right to receive any Proceeds of Sale or other monies attaching to the Shares held by such Shareholders) (and such positives actions imposed on such Shareholders and the waiver of any and all such rights, claims and causes of actions together being the "**Actions**"). The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are reasonably required by the Board to facilitate any Proposed Exit. If any Shareholder fails to comply with the provisions of this Article:

12.4.1 the Company shall be constituted the agent of each defaulting Shareholder for taking those Actions that the Board deems reasonably necessary to effect the Proposed Exit;

12.4.2 the Board may authorise on behalf of the Company any officer or any Shareholder to execute and deliver on behalf of such defaulting Shareholder the documents necessary for and in respect of the Proposed Exit; and

12.4.3 the Company may receive any Proceeds of Sale or other monies due or owing, or which may become due or owing, to a defaulting Shareholder on trust for and on behalf of that defaulting Shareholder.

12.5 On an IPO:-

12.5.1 the Company shall issue at par to each C Shareholder such number (if any) of new A Shares/ B Shares credited as fully paid, which, at the applicable offer/placing price for such C Shares on an IPO, have (as near as may be possible without the Company issuing any fraction of an A Share/ B Share) an aggregate value equal to any Arrears due in respect of the A Shares/ B Shares (and, in the event that any Arrears remain following such issue of C Shares, such balance of any Arrears shall continue to be at debt due from and immediately payable by the Company);

12.5.2 the Company shall issue to each C Shareholder such number (if any) of A Shares/ B Shares:

12.5.2.1 such that the proportion of which the Equity Shares held by that Shareholder bears to all of the issued Equity Shares following the completion of all such issues to the C Shareholders under this Article, shall be equal to the

proportion that the Proceeds of Sale that the C Shareholder in question would have been entitled to receive on a Share Sale on the date of the IPO would bear to the valuation of the Company on the date of the IPO (assuming that the valuation of the Company was equal to the Pre-New Money Valuation); and

- 12.5.2.2 the additional A Shares/ B Shares to be issued under Article 12.5.2.1 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Board and those additional A Shares/ B Shares shall be issued at par and credited as fully paid. Any such capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Board shall allot all of the relevant A Shares/ B Shares arising on any such capitalisation to the Shareholders entitled to them in accordance with the provisions of this Article. If the Company is not legally permitted to carry out such capitalisation then the C Shareholders shall be entitled to subscribe in cash at par for that number of additional A Shares/ B Shares as they would otherwise have been issued pursuant to Article 12.5.2.

### **13. GENERAL MEETINGS**

- 13.1 If the Board is required by the Shareholders under section 303 of the Companies Act to call a general meeting, the Board shall convene the meeting for a date falling no later than 28 days after the date on which the Board became subject to such requirement under section 303 of the Companies Act.
- 13.2 The provisions of section 318 of the Companies Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 75 per cent in nominal value of the Equity Shares, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- 13.3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman of the Board for such meeting.
- 13.4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 13.5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The

demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.

- 13.6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 13.7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a Business Day.

#### **14. VOTING**

- 14.1 Each Equity Shareholder shall rank pari passu in all respects as to rights to receive notice of and to attend, speak and vote at any general meeting of the Company and to receive and vote on proposed written resolutions of the Company.
- 14.2 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

#### **15. CONSOLIDATION OF SHARES**

- 15.1 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to a fraction or fractions of a Share, the Board may:
- 15.1.1 for and on behalf of those Shareholders, aggregate and then sell the Shares representing those fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Companies Act, the Company);
  - 15.1.2 distribute the net proceeds of sale resulting from such a sale set out in Article 15.1.1 pro rata (according to the proportion that a Shareholder's aggregate fraction(s) bears to the aggregate of all of the fractions of all of the relevant Shareholders forming such aggregation in question) among those relevant Shareholders; and
  - 15.1.3 authorise any person to execute an instrument of transfer of any such Shares to, or in accordance with the directions of, any purchaser of such Shares.
- 15.2 In such an instance, a purchaser of any such Shares shall not be bound to see to the application of the purchase money nor shall his title to the Shares purchased by him be affected in any way by any irregularity in, or invalidity of, the proceedings in reference or related to the sale.
- #### **16. VARIATION OF RIGHTS**
- 16.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with Investor Consent.

16.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares.

17. **ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION**

17.1 Subject to the provisions of this Article 17, the Board is generally and unconditionally authorised for the purpose of section 551 of the Companies Act to exercise any power of the Company to:

17.1.1 allot Shares; or

17.1.2 grant rights to subscribe for, or convert any securities into, Shares,  
to any persons, at any times and subject to any terms and conditions as the Board thinks proper, provided that:

17.1.2.1 this authority shall be limited to a maximum nominal amount of £7,500;

17.1.2.2 this authority shall only apply insofar as the Company has not by resolution waived or revoked it; and

17.1.2.3 this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Board may make an offer or agreement which would or might require Shares to be allotted or rights granted to subscribe for, or convert any security into, Shares after the expiry of such authority (and the Board may allot Shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired).

This authority is in substitution for all subsisting authorities.

17.2 Sections 561(1) and 562(1) to (5) (inclusive) of the Companies Act do not apply to an allotment of Equity Securities made by the Company.

17.3 Unless otherwise agreed by special resolution (in which instance the provisions of this Article 17.3 to Article 17.6 (inclusive) shall cease to apply to the allotment of New Securities in question) and subject to the provisions of Article 17.9, if the Company proposes to allot any New Securities, such New Securities shall not be allotted to any person (a "**Prospective Subscriber**") unless the Company has, in the first instance, offered them to all of the Equity Shareholders (such holders being a "**Pre-emptive Subscriber**") on the same terms and at the same price as those New Securities are being offered to the Prospective Subscriber on a pari passu and pro rata basis according to the number of Equity Shares (as if all of the Equity Shares constituted one and the same class of shares) held by those Pre-emptive Subscribers (as nearly as may be the case without involving fractions and, if a Pre-emptive Subscriber's pro-rata proportion would entitle him to be issued a fraction or fractions of an Equity Share, such Pre-emptive Subscriber's pro-rata proportion shall be rounded down to the nearest whole Equity Share). Any such offer:

17.3.1 shall be in writing and be open for acceptance for a period of 10 Business Days from, but not including, the date of the offer (each of such period of time being a "**Subscription Period**");

- 17.3.2 shall give the details of the aggregate number of New Securities proposed to be allotted, each Pre-emptive Subscriber's pro-rata proportion of such New Securities and the subscription price per Equity Share of such New Securities;
- 17.3.3 may stipulate that any Pre-emptive Subscriber who wishes to subscribe for:
  - 17.3.3.1 a number of New Securities in excess of the pro-rata proportion to which he is entitled shall, in any form of application referred to in Article 17.3.4, state the number of excess New Securities for which he wishes to subscribe; and
  - 17.3.3.2 any New Securities shall, with any form of application referred to in Article 17.3.4, return to the Company their existing share certificate(s) (or an indemnity for lost share certificate(s) in a form acceptable to the Board) for replacement by new share certificate(s) in respect of both of their existing Shares held and any New Securities that may be subscribed for by them; and
- 17.3.4 shall contain a form of application approved by the Board in which each Pre-emptive Subscriber who wishes to subscribe for New Securities is required to confirm to the Company the number of New Securities for which it wishes to subscribe.
- 17.4 Subject to the provisions of Articles 17.7 to 17.8 (inclusive), if, at the end of the Subscription Period in question (or any sooner date, if applications or refusals (as the case may be) have been received by the Company from all Pre-emptive Subscribers), the number of New Securities applied for by the Pre-emptive Subscribers:
  - 17.4.1 is, in aggregate equal to the aggregate number of New Securities so offered, the New Securities shall be allotted to those Pre-emptive Subscribers in accordance with their forms of application; or
  - 17.4.2 exceeds the aggregate number of New Securities so offered, the New Securities shall be allotted to those Pre-emptive Subscribers who have applied in their form of application for New Securities on a pro rata basis according to the number of Equity Shares held by such Pre-emptive Subscribers (and not, for the avoidance of doubt, including in that pro-rata basis those Equity Shares held by the Pre-emptive Subscribers who have not applied for any New Securities) and which procedure shall be repeated until all New Securities have been allotted (as nearly as may be the case without either:
    - 17.4.2.1 involving fractions and, if a Pre-emptive Subscriber's pro-rata proportion would entitle such holder to be issued a fraction or fractions of an Equity Share, such Pre-emptive Subscriber's pro-rata proportion shall be rounded down to the nearest whole Equity Share; or
    - 17.4.2.2 increasing the number of New Securities allotted to any Pre-emptive Subscriber beyond that applied for by him).
- 17.5 Subject to the provisions of Articles 17.7 to 17.8 (inclusive), if, at the end of the Subscription Period in question (or any sooner date, if applications or refusals (as the case may be) have



been received by the Company from all Pre-emptive Subscribers), the number of New Securities applied for is less than the aggregate number of New Securities so offered, the relevant number of New Securities shall be allotted to the Pre-emptive Subscribers in accordance with their forms of application and all, or any part of, the remaining New Securities shall then be offered in writing:

17.5.1 first, to the Prospective Subscriber, subject to such offer:

17.5.1.1 being open for acceptance for a period not less than five Business Days and not exceeding 10 Business Days following, but not including, the date of expiry of the Subscription Period (the "**First Further Subscription Period**"); and

17.5.1.2 save as set out in Article 17.5.1.1, being made on the same terms as offered to the Pre-emptive Subscribers; and

17.5.2 thereafter, to any other person or persons as the Board (acting with Investor Consent) may determine in one or more offers, subject to such offer or all of such offers (as the case may be):

17.5.2.1 subject to Article 17.5.2.3, being made to such person or persons within a period not exceeding 60 Business Days following, but not including, the date of expiry of the First Further Subscription Period (the "**Following Further Subscription Period**");

17.5.2.2 save as set out in Article 17.5.2.1, being made on the same terms as offered to the Pre-emptive Subscribers; and

17.5.2.3 ceasing to be capable of being made and lapsing in full upon the earlier to occur of the:

(a) allotment of all of the remaining New Securities in question; or

(b) date of expiry of the Following Further Subscription Period.

17.6 Subject to the requirements of Articles 17.3 to 17.5 (inclusive) and to the provisions of section 551 of the Companies Act, any New Securities shall be at the disposal of the Board 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, provided that the allotment or grant to that person must be approved by Investor Consent.

17.7 The Board may refuse to offer, allot or register the allotment of (as the case may be) any New Securities if:

17.7.1 it is a registration of the allotment of New Securities in the name of, or an offer or allotment of New Securities:

17.7.1.1 to a bankrupt, a minor or a person that, in the opinion of the Board, is of unsound mind; or

- 17.7.1.2 to any Employee, Director or director of any other Group Company or any prospective Employee, prospective Director or prospective director of any other Group Company (as the case may be) who, in the opinion of the Board, is subject to taxation in the United Kingdom, and such person has not entered into an ITEPA Election with the Company; or
- 17.7.1.3 to a Pre-emptive Subscriber who:
- (a) does not return to the Company a form of application in respect of his proposed subscription of New Securities;
  - (b) notwithstanding a requirement in any offer of New Securities for such Pre-emptive Subscriber to return his existing share certificate(s) to the Company for replacement, or to provide to the Company an indemnity for lost share certificate(s), as set out more particularly in Article 17.3.3.2, does not comply with such requirement; or
  - (c) does not otherwise comply (in the reasonable opinion of the Board) with any other terms of an offer of New Securities as required by the Board in any such offer; or
- 17.7.2 these Articles otherwise state shall that such offer, allotment or registration of the allotment of New Securities shall not be, or shall not be capable of being, registered.
- 17.8 The Board may, as a condition to any allotment or registration of any New Securities to any person require such person to execute and deliver to the Company a deed agreeing to be bound by the terms of any Shareholders' Agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Board may reasonably require and, if any such condition is imposed in accordance with this Article the allotment or registration of any New Securities shall not be made, or capable of being made, unless that deed has been executed and delivered to the Company's registered office by such relevant person.
- 17.9 The provisions of Articles 17.3 to 17.6 (inclusive) shall not apply to:
- 17.9.1 the:
- 17.9.1.1 grant to any person of any option to subscribe for any Shares; and
  - 17.9.1.2 the allotment and issue of any Shares upon the exercise of any options granted to a person,
- in each case under or pursuant to the Share Option Plans.
- 17.10 Any New Securities offered under this Article 17 to a person that is a body corporate may be accepted in full or part only by a Member of the same Group as such person in accordance with the terms of this Article 17.

- 17.11 No Shares shall be allotted to any Employee, Director or director of any other Group Company or any prospective Employee, prospective Director or prospective director of any other Group Company, who in the opinion of the Board, is subject to taxation in the United Kingdom, unless such person has entered into an ITEPA Election with the Company.

## **18. TRANSFERS OF SHARES – GENERAL**

- 18.1 In Articles 18 to 24 inclusive, reference to:

18.1.1 a Share includes a beneficial or other interest in a Share.

18.1.2 the transfer of a Share includes:

18.1.2.1 the transfer or assignment (as the case may be) of a beneficial or other interest in that Share; or

18.1.2.2 the creation of a trust or Encumbrance over that Share.

- 18.2 No Share may be transferred unless such transfer is made in accordance with these Articles.

- 18.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice (as defined in Article 20.2) in respect of all of the Shares held by him.

- 18.4 Any transfer of a Share which is required to be made under Articles 20 to 24 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

- 18.5 Unless express provision is made in these Articles to the contrary, no Shares held by any Employee, Director or any director of any other Group Company shall be transferred without first obtaining Investor Consent.

- 18.6 Notwithstanding anything contained in these Articles, whether expressly or impliedly contradictory to the provisions of this Article (to the effect that any provision contained in this Article 18.6 shall override any other provision of these articles):

18.6.1 the Board (or Director, if there is only one) shall not decline to register, or suspend registration of) any transfer of Shares, nor may they suspend registration thereof and a holder of the Shares is not required to comply with any provisions of these Articles which restricts the transfer of Shares or which requires any such Shares to be first offered to all or any current Shareholders of the Company before any transfer may take place where such transfer:

18.6.1.1 is to any bank, institution or other person which has been granted a security interest in respect of such Shares, or to any nominee of such a bank, institution or other person (or a person acting as agent or security trustee, receiver or manager for such person) ("**Secured Institution**") (and a certificate by any such person or an employee of any such person that a security interest over the Shares was so granted and the transfer was so executed shall be conclusive evidence of such facts); or

18.6.1.2 is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security interest over the Shares; or

18.6.1.3 is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under any security interest,

and the Board (or Director, if there is only one) shall forthwith register any such transfer of Shares upon receipt and furthermore, notwithstanding anything to the contrary contained in these Articles, no transferor of any Shares in the Company or proposed transferor of such Shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall (in either such case) be required to offer the Shares, which are or are to be the subject of any transfer as aforesaid, to the Shareholders for the time being of the Company or any of them and no such Shareholder shall have any right under these Articles or otherwise howsoever to require such Shares to be transferred to them whether for any valuable consideration or otherwise and any pre-emption rights conferred on existing members or any other person by these Articles shall not apply to such Shares;

18.6.2 the Board (or Director, if there is only one) shall not issue any share certificates (whether by way of replacement or otherwise) without the prior written consent of (or on behalf of) all (if any) Secured Institutions (as defined in Article 18.6.1.1 above); and

18.6.3 no lien (whether present or future) in these Articles or otherwise shall apply to any Shares, dividend or moneys payable in respect of any Shares where a security interest has been granted over such Share in favour of a Secured Institution (as defined in Article 18.6.1.1 above) and the Company shall not claim any lien (howsoever arising) in respect of such share while such security remains unreleased. A certificate executed by the party to whom such security interest has been granted that such security interest remains unreleased shall be conclusive evidence of such fact.

Any variation of this Article 18.6 shall be deemed to be a variation of the rights of each class of Share.

18.7 The Board may refuse to register a transfer of a Share if:

18.7.1 it is a transfer:

18.7.1.1 to a bankrupt, a minor or a person that, in the opinion of the Board, is of unsound mind;

18.7.1.2 to any Employee, Director or director of any other Group Company or any prospective Employee, prospective Director or prospective director of any other Group Company (as the case may be) who, in the opinion of the Board, is subject to taxation in the United Kingdom, and such person has not entered into an ITEPA Election with the Company;

- 18.7.1.3 which is not lodged at the registered office of the Company or, in the alternative, at such other place as the Board may require;
  - 18.7.1.4 which is not accompanied by each certificate for the Shares to which it relates (or an indemnity for lost share certificate(s) in a form acceptable to the Board) together with, if required by the Board, any such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - 18.7.1.5 in respect of more than one class of Shares; or
  - 18.7.1.6 in favour of more than four transferees; or
  - 18.7.2 that these Articles otherwise state shall not be, or shall not be capable of being, registered.
- 18.8 The Board may, as a condition to the registration of any transfer of Shares (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any Shareholders' Agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Board may reasonably require and, if any such condition is imposed in accordance with this Article 18.8, the transfer in question may not be registered unless that deed has been executed and delivered to the Company's registered office by the relevant transferee.
- 18.9 To enable the Board to determine whether or not there has been any disposal of any Shares (or the disposal of any interest in such Shares) in breach of any provisions of these Articles, the Board may require by way of notice in writing:
- 18.9.1 any Shareholder; or
  - 18.9.2 the legal personal representatives of any deceased Shareholder; or
  - 18.9.3 any person named as transferee in any transfer of any Share (or interest in any Share) lodged for registration with the Company; or
  - 18.9.4 any other person who the Board may reasonably believe to have information relevant to that purpose,
- to furnish to the Company in writing within such period of time that the Board may require (such period of time, without the consent of the Shareholder in question, not to be less than the date falling five Business Days from, but not including, the date that the Board notifies in writing each relevant person set out in Articles 18.9.1 to Article 18.9.4 (inclusive)) such information and evidence that the Board may request regarding any matter which they deem relevant to that 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 holder's name. If all of the information or evidence is not provided by each relevant person set out in Articles 18.9.1 to Article 18.9.4 (inclusive) within the period of time set out in any notice from the Board to them in order to enable the Board to determine to its reasonable satisfaction that no breach has occurred, or where, as a result of the information and evidence provided, the Board is reasonably satisfied that a disposal of any Shares (or a disposal of any interest in such Shares) has occurred in breach of any

provisions of these Articles, the Directors shall immediately notify the relevant Shareholder in writing of that fact (such notice being a "**Breach Notice**") and the following shall occur:

- 18.9.5 the relevant Shares so disposed of shall, from the date of the Breach Notice, cease to confer upon the holder of them (including any proxy appointed by that holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question);
- 18.9.6 the payment of all dividends or other distributions otherwise attaching to the relevant Shares so disposed of, or to any further shares issued in respect of those relevant Shares, shall be withheld as of the date of the Breach Notice; and
- 18.9.7 the:
  - 18.9.7.1 holder of the Shares in question may be required by the Board, either in the Breach Notice or by way of a separate notice in writing at any time following the date of the Breach Notice, to transfer some or all of its Shares to any person(s) at such price per Share that the Board may require; and
  - 18.9.7.2 Permitted Transferees of the holder of the Shares in question may be required by the Board, either in the Breach Notice or by way of a separate notice in writing at any time following the date of the Breach Notice, to transfer some or all of its Shares that have not been acquired directly or indirectly by that Permitted Transferee from the holder of the Shares in question as a result of that Permitted Transferee's relationship with such holder of Shares in question to any person(s) at such price per Share that the Board may require.
- 18.10 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days following (but not including) the date of any demand being made by the Board, a Transfer Notice shall automatically be deemed to have been given immediately upon the date of expiration of that period.
- 18.11 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:
  - 18.11.1 the Transfer Price (as defined in Article 20.3) for the Sale Shares will be such price as agreed between the Board (with Investor Consent) (with any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Companies Act) not voting or otherwise being entitled to vote on any resolution of the Board) and the Seller, or, failing any such agreement, within a period of five Business Days from (but not including) the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, such Transfer Price will be the Fair Value (as defined in Article 21.4) of the Sale Shares;

- 18.11.2 it does not include a Minimum Transfer Condition (as defined in Article 20.2.4); and
  - 18.11.3 the Seller wishes to transfer all of the Shares held by it.
- 18.12 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Board, which is executed by or on behalf of the transferor.
19. **PERMITTED TRANSFERS**
- 19.1 Subject to the provisions of Article 18.5, a Shareholder (who is not a Permitted Transferee) (such a Shareholder being the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 19.2 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases at any point to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must, not later than the date falling five Business Days from (but not including) the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise, failing which (or if such a transfer is not otherwise possible) it will be deemed to have given a Transfer Notice in respect of those Shares.
- 19.3 Subject to the provisions of Article 19.4, Trustees may:
- 19.3.1 transfer Shares to a Qualifying Company; or
  - 19.3.2 transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder; or
  - 19.3.3 transfer Shares to the new or remaining trustees upon a change of Trustees,
- in each case without restrictions as to price or otherwise.
- 19.4 No transfer of Shares may be made to any Trustees or new trustees unless the Board is satisfied:
- 19.4.1 with the terms of the trust instrument (and, in particular, with the powers of the trustees);
  - 19.4.2 with the identity of any Trustees or new proposed trustees;
  - 19.4.3 that the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's equity share capital being held by the Trustees or trustees (as the case may be) of the same and any other trusts; and
  - 19.4.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company or any other Group Member.
- 19.5 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases at any point to be a Qualifying Company of the Original Shareholder, it must, within a period of five Business Days from (but not including) the date of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original

Shareholder) (and may do so without restriction as to price or otherwise) failing which (or if such a transfer is not otherwise possible) it will be deemed to have given a Transfer Notice in respect of such Shares.

- 19.6 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder (as the case may be) ceases at any point to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within a period of 15 Business Days from, but not including, the date of so ceasing either:

19.6.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

19.6.2 give a Transfer Notice to the Company in accordance with Article 20.2,

failing which such Permitted Transferee shall be deemed to have given a Transfer Notice in respect of such Shares.

- 19.7 On the death, bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must, within a period of five Business Days from (but not including) the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver, execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without any restriction as to price or otherwise. Such a transfer shall be made to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of that Original Shareholder. If the transfer is not executed and delivered within such five Business Day period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice in respect of such Shares.

- 19.8 A transfer of any Shares approved by the Board (with Investor Consent) may be made:

19.8.1 without restriction as to price or otherwise; and

19.8.2 with any such conditions as may be imposed,

and each such transfer shall be registered by the Board.

## 20. **TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**

- 20.1 Save where the provisions of Articles 19 and 24 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 20.

- 20.2 A Shareholder who wishes to transfer Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:

20.2.1 the number of Shares which he wishes to transfer (the "**Sale Shares**");

20.2.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;



- 20.2.3 the price at which he wishes to transfer the Sale Shares; and
- 20.2.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").
- 20.3 If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the "**Transfer Price**") must be agreed by the Board (with Investor Consent). In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board (with Investor Consent). In each case, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within a period of five Business Days following the date that the Company received any such Transfer Notice.
- 20.4 Except with (Investor Consent), no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn or otherwise revoked.
- 20.5 A Transfer Notice constitutes with effect from the time at which it is served the Company as the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 20.6 As soon as practicable following the later of:
- 20.6.1 receipt of a Transfer Notice; or
- 20.6.2 in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 21,
- the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 20.7 and 20.8. Each such offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 20.7 The order of priority for any offer of Sale Shares set out in any Transfer Notice shall be:
- 20.7.1 if the Sale Shares are A Shares, the Company shall offer them to the A Shareholder on the basis as set out in Article 20.8;
- 20.7.2 if the Sale Shares are B Shares, the Company shall offer them to the B Shareholder on the basis as set out in Article 20.8; and
- 20.7.3 if the Sale Shares are C Shares, the Company shall offer them to the C Shareholder on the basis as set out in Article 20.8.
- 20.8 *Transfers: Offer*
- 20.8.1 The Board shall offer the Sale Shares pursuant to the Priority Rights to all relevant Shareholders specified in the offer other than the Seller (together being the "**Continuing Shareholders**") inviting them to apply in writing within a period of 15 Business Days following, but not including, the date of the offer (inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.
- 20.8.2 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under this Article 20.8 will be conditional upon the fulfilment of any such Minimum Transfer Condition.

- 20.8.3 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares offered, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) to which his existing holding of the relevant class(es) of Shares bears to the total number of the relevant class(es) of Shares held by those Continuing Shareholders who have applied for Sale Shares (and which procedure shall be repeated until all Sale Shares have been allocated (but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy).
- 20.8.4 If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 20.9.5.
- 20.9 Completion of transfer of Sale Shares:
- 20.9.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 20.8 stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 20.9.2 If:
- 20.9.2.1 the Transfer Notice does not include a Minimum Transfer Condition; or
- 20.9.2.2 the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,
- the Board shall, when no further offers are required to be made under Article 20.8, give written notice of allocation (an "**Allocation Notice**") to the Seller and to each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 5 Business Days nor more than 20 Business Days after (but not including) the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- 20.9.3 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

- 20.9.4 If the Seller fails to comply with the provisions of Article 20.9.3:
- 20.9.4.1 the chairman of the Company or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
  - (b) receive the Transfer Price and give a good discharge for it; and
  - (c) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- 20.9.4.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his share certificate or share certificates (as the case may be) for all of the relevant Shares (or an indemnity for lost share certificate(s) in a form acceptable to the Board).
- 20.9.5 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 20.9.6, the Seller may, within a period of eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.
- 20.9.6 The right of the Seller to transfer Shares under Article 20.9.5 does not apply if the Board is of the opinion on reasonable grounds that:
- 20.9.6.1 the transferee is a person (or a nominee for a person) who the Board determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with any Group Member of the Company;
- 20.9.6.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- 20.9.6.3 the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form any opinion set out or referred to in Articles 20.9.6.1 or 20.9.6.2 (as the case may be).
- 20.10 Any Sale Shares offered under this Article 20 to a Shareholder that is a body corporate may be accepted in full or part only by Member of the same Group as that Shareholder in accordance with the terms of this Article 20.

21. **VALUATION OF SHARES**

21.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 18.11, 20.2 or otherwise then, on the applicable date of failing agreement, the Board shall either:

21.1.1 appoint an expert valuer in accordance with Article 21.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares; or

21.1.2 (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

21.2 The Expert Valuer will be either:

21.2.1 the Auditors; or

21.2.2 (if otherwise agreed by the Board and the Seller) an independent firm of Chartered Accountants to be agreed between the Board and the Seller and, failing agreement within a period of 10 Business Days after (but not including) the date of service of the Transfer Notice, such independent firm as is nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.

21.3 Both the Board and the Seller shall sign the Expert Valuer's conditions of appointment. If the Seller fails to do so, the chairman of the Company or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller sign the Expert Valuer's conditions of appointment and any other documents necessary to give effect to the appointment of the Expert Valuer.

21.4 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

21.4.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;

21.4.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

21.4.3 that the Sale Shares are capable of being transferred without restriction;

21.4.4 valuing the Sale 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 but taking account of the rights attaching to the Sale Shares; and

21.4.5 reflect any other factors which the Expert Valuer reasonably believes should be taken into account.

21.5 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit, including (to the extent they reasonably consider necessary) instructing professional

advisers to assist them in reaching their determination. The fees of any such professional advisers will be borne in accordance with the terms of Article 21.10.

21.6 The Expert Valuer shall be requested to:

21.6.1 determine the Fair Value within a period of 10 Business Days following (but not including) the date of their appointment; and

21.6.2 unless otherwise agreed by the Board, promptly following such determination, notify the Board in writing of their determination (prior to delivering to the Board the certificate referred to in Article 21.9).

21.7 The Expert Valuer shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties (in the absence of fraud, manifest error, or breach of the duty of care required of them pursuant to their conditions of appointment).

21.8 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to the Expert Valuer agreeing to such confidentiality provisions as the Board may reasonably seek to impose.

21.9 The Expert Valuer shall deliver a certificate to the Company confirming any determination of the Fair Value and, within a reasonable period of time following the date that the Company receives such certificate, the Board shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice which is deemed to have been served, the Seller may by notice in writing to the Company within the period of five Business Days following (but not including) the date of service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.

21.10 The cost of obtaining the certificate of the Expert Valuer shall be paid in full by the Company unless:

21.10.1 the Seller cancels the Company's authority to sell; or

21.10.2 the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the Board to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller shall bear the full cost of the Expert Valuer.

## 22. **COMPULSORY TRANSFERS**

22.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Board.

22.2 If a Share remains registered in the name of a deceased Shareholder for longer than a period of one year after the date of his death the Board may require the legal personal representatives of that deceased Shareholder either:

22.2.1 to effect a Permitted Transfer of such Shares (including, for this purpose, any election to be registered in respect of any such Permitted Transfer); or

- 22.2.2 to show to the satisfaction of the Board that a Permitted Transfer will be effected before, or promptly upon, the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 22.2 shall not be fulfilled to the satisfaction of the Board, a Transfer Notice shall be deemed to have been given in respect of each such Share (unless otherwise determined by the Board).

- 22.3 If a Shareholder which is a body corporate either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees (unless otherwise determined by the Board).
- 22.4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a body corporate, it shall be bound at any time, if and when required in writing by the Board to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice.

## 23. TAG-ALONG

- 23.1 If, following completion of the pre-emption process set out in Article 20 the Continuing Shareholder has not taken up all of the Shares and the Seller proposes to transfer its Shares to a bona fide purchaser ("**Buyer**") on arm's length terms ("**Proposed Transfer**") the provisions of this Article 23 shall apply.
- 23.2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer ("**Offer**") to the Continuing Shareholder to purchase all of their Shares for a consideration in cash per Share that is at least equal to the price per Share offered by the Buyer in the Proposed Transfer ("**Specified Price**") and is otherwise on no less favourable terms than the Proposed Transfer.
- 23.3 The Offer shall be made by written notice ("**Offer Notice**"), at least 10 Business Days before the proposed transfer date ("**Transfer Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 23.3.1 the identity of the Buyer;
  - 23.3.2 the Specified Price and other terms and conditions of payment;
  - 23.3.3 the Transfer Date; and
  - 23.3.4 the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**").
- 23.4 If the Buyer fails to make the Offer in accordance with Article 23.2 and Article 23.3, 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.

- 23.5 If the Offer is accepted by any of the Continuing Shareholders 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 such Shareholder.
- 23.6 The Proposed Transfer is subject to the rights of pre-emption set out in Article 20, but the purchase of the Offer Shares shall not be subject to those provisions.
24. **DRAG-ALONG**
- 24.1 If the holders of more than 70% per cent of the Equity Shares (and such holders of those eligible Equity Shares being the "**Selling Shareholders**") wish to transfer with Investor Consent all of their Equity Shares and interests in them (and such Equity Shares together with all interests in them being, for the purposes of this Article, the "**Sellers' Shares**") to a Proposed Purchaser, the Selling Shareholders shall have the option (such option being the "**Drag Along Option**") to compel each Shareholder (each such other Shareholder being a "**Called Shareholder**" and together the "**Called Shareholders**") to sell and transfer all of their Shares and interests in such Shares to a Proposed Purchaser or as a Proposed Purchaser shall direct (the "**Drag Purchaser**") in accordance with the provisions of this Article.
- 24.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall forthwith copy to the Called Shareholders within a period of not less than five Business Days prior to, but not including, the date of completion of the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify:
- 24.2.1 that the Called Shareholders are required to transfer all their Shares and interests in them (the "**Called Shares**") as so required under this Article;
  - 24.2.2 the name of the person to whom their Called Shares and the Sellers' Shares are to be transferred;
  - 24.2.3 the consideration for which each of the Called Shares and the Sellers' Shares are to be transferred (which, in each case, shall be calculated in accordance with the provisions of this Article);
  - 24.2.4 the proposed date of completion of the transfer of the Called Shares and the Sellers' Shares; and
  - 24.2.5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (and such being the "**Sale Agreement**"),
- (and, in the case of Articles 24.2.2 to 24.2.4 (inclusive), whether such is actually specified or to be determined in accordance with any mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement (as the case be) may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.
- 24.3 Drag Along Notices shall be irrevocable but will lapse if, for any reason, there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within a period of 60 Business Days following (but not including) the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices on the Called Shareholders following the date that any particular Drag Along Notice lapses.

- 24.4 The consideration (in cash or otherwise) for which the Called Shareholders and the Selling Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 11 and 12 (and such total consideration being the "**Drag Consideration**").
- 24.5 In respect of a transfer that is the subject of a Drag-Along Notice and with respect to any Drag Document (as defined in Article 24.6), a Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for all lost share certificate(s), each of such being in a form acceptable to the Board (if deemed by the Board to be so necessary)) upon payment to him of the relevant proportion of the Drag Consideration when such Drag Consideration falls due and shall not be obliged to give any warranties or indemnities except warranties confirmation that the Called Shareholder in question:
- 24.5.1 has full capacity and authority to enter into a Drag Document;
  - 24.5.2 is not in liquidation, bankrupt, in administration or in administrative receivership or otherwise subject to any similar insolvency proceedings, events or otherwise;
  - 24.5.3 is the sole legal and beneficial owner of the Called Shares; and
  - 24.5.4 is capable of transferring the full legal and beneficial ownership of the Called Shares to the Drag Purchaser free and clear of any and all Encumbrances.
- 24.6 Within a period of five Business Days following (but not including) the date that the Company copies the Drag Along Notice to the Called Shareholders, as set out more particularly in Article 24.2 (or such later date as may be specified in the Drag Along Notice) (and such relevant date (as the case may be) being the "**Drag Completion Date**"), each Called Shareholder shall deliver to the Company:
- 24.6.1 duly executed stock transfer form(s) for all of its Shares in favour of the Drag Purchaser;
  - 24.6.2 the relevant share certificate(s) (or a duly executed indemnity for lost share certificate(s) in a form acceptable to the Board) to the Company; and
  - 24.6.3 a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified following the date of the Drag Along Notice by the Company,
- (together all of such forms, certificate(s) and agreements being the "**Drag Documents**").
- 24.7 On the relevant Drag Completion Date, the Company shall pay to each Called Shareholder and each Selling Shareholder, for and on behalf of the Drag Purchaser, the relevant proportion of the Drag Consideration that is due to such Called Shareholder (but in all instances only to the extent the Drag Purchaser has paid to the Company all of the Drag Consideration). The Company's receipt of all of the applicable Drag Consideration shall, for all purposes, be treated as a good discharge of the Drag Purchaser of its obligations to pay such amount under these Articles to the Called Shareholders and the Selling Shareholders. Upon and following receipt (save where otherwise permitted to be paid to the Called Shareholders and the Selling Shareholders under this Article) the Company shall hold the



Drag Consideration in trust for each of the Called Shareholders and Selling Shareholders without (save as otherwise agreed with the Board) any obligation to pay interest on such (or any part of such) amount.

24.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid all of the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under a Drag Along Notice in respect of such Called Shares.

24.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the relevant Drag Completion Date, the Company and each Director shall automatically be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are considered by the Board to be reasonably necessary to effect the transfer of the relevant Called Shares the subject of a Drag Along Notice and the Board shall, if requested by the Drag Purchaser, authorise any Director to transfer the relevant Called Shares on that Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid all of the Drag Consideration to the Company for the relevant Called Shareholder's Called Shares offered to him. The Board shall then authorise registration of the transfer of such relevant Called Shares once the full amount of appropriate stamp duty has been paid. Each defaulting Called Shareholder shall surrender each of his share certificate(s) for his Called Shares (or an indemnity in respect of any lost share certificate(s)) to the Company and, upon any such surrender, he shall be entitled to be paid the relevant proportion of the Drag Consideration due to him.

24.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 20.

24.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder (where such person was not, prior to the date of the Drag Along Notice, a Shareholder) pursuant to:

24.11.1 the exercise of a pre-existing option, warrant or other right to acquire any Shares; and/or

24.11.2 the conversion of any convertible security of the Company,

(and in each case any such person shall be a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on each such New Shareholder on the same terms as the previous Drag Along Notice and each such New Shareholder shall then be bound to sell and transfer any and all Shares so acquired by him to the Drag Purchaser and the provisions of this Article shall apply and be construed accordingly so as to apply to each New Shareholder (save that the Drag Completion Date in respect of each such New Shareholder shall take place immediately on the Drag Along Notice being deemed served on each such New Shareholder).

## **25. NOTICES**

25.1 Subject to the requirements set out in the Companies Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Companies Act, may be given, sent or supplied:

25.1.1 in hard copy form;

25.1.2 in electronic form; or

25.1.3 (by the Company) by means of a website (other than notices calling a meeting of the Board),

or partly by one of these means and partly by another of these means.

25.2 Notices shall be given and documents supplied in accordance with the procedures set out in the Companies Act, except to the extent that a contrary provision is set out in this Article.

### *Notices in hard copy form*

25.3 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):

25.3.1 to the Company or any other company at its registered office; or

25.3.2 to the address notified to or by the Company for that purpose; or

25.3.3 in the case of an intended recipient who is a Shareholder or his legal personal representative or trustee in bankruptcy, to such Shareholder's address as shown in the Company's register of members; or

25.3.4 in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or

25.3.5 to any other address to which any provision of the Companies Act (as defined in the Companies Act) authorises the document or information to be sent or supplied; or

25.3.6 where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in 25.3.1 to 25.3.5 above, to the intended recipient's last address known to the Company.

25.4 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:

25.4.1 if delivered, at the time of delivery; and

25.4.2 if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

### *Notices in electronic form*

- 25.5 Subject to the provisions of the Companies Act, any notice or other document in electronic form given or supplied under these Articles may:
- 25.5.1 if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
  - 25.5.2 if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 25.3; or
  - 25.5.3 be sent by such other electronic means (as defined in section 1168 of the Companies Act) and to such address(es) as the Company may specify:
    - 25.5.3.1 on its website from time to time; or
    - 25.5.3.2 by notice (in hard copy or electronic form) to all Shareholders.
- 25.6 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:
- 25.6.1 if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt of a read return mail from the correct address;
  - 25.6.2 if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
  - 25.6.3 if delivered in an electronic form, at the time of delivery; and
  - 25.6.4 if sent by any other electronic means as referred to in Article 25.5.3, at the time such delivery is deemed to occur under the Companies Act.
- 25.7 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

## **26. INDEMNITIES AND INSURANCE**

- 26.1 Subject to the provisions of and so far as may be permitted by, the Companies Act:
- 26.1.1 every Director or other officer of the Company (excluding the Auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Companies Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no Director or any associated company is indemnified by the Company against:
    - 26.1.1.1 any liability incurred by the director to the Company or any associated company; or

26.1.1.2 any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or

26.1.1.3 any liability incurred by the director:

- (a) in defending any criminal proceedings in which he is convicted;
- (b) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Companies Act) is given against him; or
- (c) in connection with any application under sections 661(3) or 661(4) or 1157 of the Companies Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Companies Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 26.1.1.1, 26.1.1.3(b) and 26.1.1.3(c) applying;

26.1.2 the Board may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

26.2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

## SCHEDULE 1

### RESERVED MATTERS

1. Make or permit any material change in the nature or scope of the Company's business.
2. Grant or enter into any licence, agreement or arrangement concerning any part of the name or trading names of the Company or any other Group Company or the goodwill attaching to the same or any other part of the Group's intellectual property.
3. Otherwise than in the ordinary course of business, sell, lease, transfer, license or otherwise dispose of or purchase, lease, license or otherwise acquire any assets, businesses or undertakings (or any interest therein) whether by a single transaction or by a series of transactions (related or not).
4. Incorporate or liquidate any Subsidiary or effect any hive-up or hive-down or any Group reorganisation.
5. Acquire or dispose of any asset or provide or receive any service otherwise than at market value and on an arm's-length basis.
6. Enter into or make the Company liable for any capital commitment (whether by way of purchase, lease, hire purchase or otherwise) which exceeds £10,000 (exclusive of VAT) on an individual basis, except where such capital commitments are provided for in the operating budget for the Group adopted by the Company as its annual budget ("**Annual Budget**").
7. Form, enter into, terminate or withdraw from any partnership, consortium, joint venture or any other incorporated or unincorporated association.
8. Make, increase or extend any loan or advance or grant any credit to anyone whomsoever (other than trade credit in the ordinary course of business or advances made to Employees against expenses properly incurred by them on the Group's behalf).
9. Grant, create or allow to arise any charge, security, lien or Encumbrance over any of the Company's assets (other than charges arising by operation of law in the ordinary course of business).
10. Borrow any monies or incur any indebtedness or other liability other than:
  - a. in accordance with the Company's relevant Annual Budget; or
  - b. trade credit in the ordinary and usual course of business (up to a maximum £10,000 in any Financial Year unless specifically provided for in the Annual Budget).
11. Pay the Company's Employees (including pension contributions and the value of non-cash benefits) more than £10,000 annually.
12. Pay the Directors, other than the C Director (including pension contributions and the money value of non-cash benefits) more than £10,000 in aggregate annually.
13. Establish any, or vary any existing, bonus, profit sharing, share option or other incentive scheme for directors and/or Employees of the Group or grant any option over or in respect

of any Group Company shares pursuant to such a scheme, or grant any options over any Group Company shares to any Employee of a Group Company.

14. Enter into any transaction of whatsoever nature with or for the benefit of, or make any payment (other than bona fide remuneration for services rendered) to, any A Shareholder/B Shareholder or any person connected with any A Shareholder/B Shareholder or repay to any A Shareholder/B Shareholder or any such connected person any loan outstanding from time to time from any Group Company prior to its due date for repayment.
15. Amend, vary or waive any of the provisions of, or enter into, materially breach, fail to enforce or terminate (or give notice to terminate) any employment arrangements of any person where such person is, or is to be a A Shareholder or B Shareholder or where that person is remunerated (whether by salary, pension contributions or otherwise) more than £10,000 per year.
16. Establish or vary the terms of any pension or life insurance scheme.
17. Acquire or dispose of any freehold or leasehold property, grant or surrender a lease in respect of such property or take or omit to take any action which could prejudice the continuation of any such lease.
18. Commence, discontinue or settle any litigation or arbitration proceedings where the amount claimed (either by or against it) together with any costs incurred (or likely to be incurred) by it in connection therewith exceeds £10,000 (exclusive of VAT).
19. Establish or appoint any committee of the Board or vary the composition or remit of any such committee or disband any such committee.
20. Amend or waive any provision of these Articles or any Group Company's memorandum or articles of association.
21. Vary the rights attaching to any shares, loan notes or other securities of any Group Company.
22. Other than as required by these Articles, declare or pay any dividend or make any other distribution in respect of the profits, assets or reserves of any Group Company or in any other way reduce the reserves of any Group Company.
23. Make any increase or reduction or other alteration whatsoever (including by way of redemption, purchase, sub-division, consolidation or redesignation) of any Group Company's issued share capital or grant any option to subscribe for or acquire shares or issue any securities convertible into shares.
24. Give notice of, or propose, any resolution to wind up any Group Company, file or make any petition, application or notice for the appointment or intended appointment of an administrator, liquidator or provisional liquidator or invite any person to appoint an administrative receiver.
25. Except as required under Article 3, appoint or remove any person from the office of Director or chair.
26. Change any Group Company's accounting reference date or its accounting policies (unless necessary to comply with changes in statements of standard accounting practice); and/or

change any Group Company's auditors or not seek their re-appointment unless there is a bona fide resignation by the auditor.

## **SCHEDULE 2**

### **THE MODEL ARTICLES**

#### **MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES**

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## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### Defined terms

1. In the articles, unless the context requires otherwise:-

"**articles**" means the company's articles of association;

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"**chairman**" has the meaning given in article 12;

"**chairman of the meeting**" has the meaning given in article 39;

"**Companies Acts**" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

"**director**" means a director of the company, and includes any person occupying the position of director, by whatever name called;

"**distribution recipient**" has the meaning given in article 31;

"**document**" includes, unless otherwise specified, any document sent or supplied in electronic form;

"**electronic form**" has the meaning given in section 1168 of the Companies Act 2006;

"**fully paid**" in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

"**hard copy form**" has the meaning given in section 1168 of the Companies Act 2006;

"**holder**" in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

"**instrument**" means a document in hard copy form;

"**ordinary resolution**" has the meaning given in section 282 of the Companies Act 2006;

"**paid**" means paid or credited as paid;

"**participate**", in relation to a directors' meeting, has the meaning given in article 10;

"**proxy notice**" has the meaning given in article 45;

"**shareholder**" means a person who is the holder of a share;

"**shares**" means shares in the company;

"**special resolution**" has the meaning given in section 283 of the Companies Act 2006;

"**subsidiary**" has the meaning given in section 1159 of the Companies Act 2006;

"**transmittee**" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

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

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

### **Liability of members**

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

## **PART 2**

### **DIRECTORS**

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

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

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

##### **Shareholders' reserve power**

4. The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

No such special resolution invalidates anything which the directors have done before the passing of the resolution.

##### **Directors may delegate**

5. Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:-
  - 5.1 to such person or committee;
  - 5.2 by such means (including by power of attorney);
  - 5.3 to such an extent;
  - 5.4 in relation to such matters or territories; and
  - 5.5 on such terms and conditions,  
as they think fit.
  - 5.6 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
  - 5.7 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **Committees**

6. (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

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

## **DECISION-MAKING BY DIRECTORS**

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

7. 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 8.

7.1 If:-

7.1.1 the company only has one director, and

7.1.2 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.

### **Unanimous decisions**

8. 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.
- 8.1 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 8.2 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.
- 8.3 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.

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

9. 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.
- 9.1 Notice of any directors' meeting must indicate:-
- 9.1.1 its proposed date and time;
- 9.1.2 where it is to take place; and
- 9.1.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

- 9.2 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 9.3 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

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

10. Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:-
- 10.1.1 the meeting has been called and takes place in accordance with the articles, and
  - 10.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 10.3 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.

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

11. At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.1 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- 11.2 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:-
- 11.2.1 to appoint further directors, or
  - 11.2.2 to call a general meeting so as to enable the shareholders to appoint further directors.

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

12. The directors may appoint a director to chair their meetings.
- 12.1 The person so appointed for the time being is known as the chairman.
- 12.2 The directors may terminate the chairman's appointment at any time.
- 12.3 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

#### **Casting vote**

13. If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

13.1.1 But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

### **Conflicts of interest**

14. If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

14.1 But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

14.2 This paragraph applies when:-

14.2.1 the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;

14.2.2 the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

14.2.3 the director's conflict of interest arises from a permitted cause.

14.3 For the purposes of this article, the following are permitted causes:-

14.3.1 a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

14.3.2 subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

14.3.3 arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

14.4 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

14.5 Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

14.6 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors

at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

### **Records of decisions to be kept**

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

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

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

## **APPOINTMENT OF DIRECTORS**

### **Methods of appointing directors**

17. Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:-
  - 17.1 by ordinary resolution, or
  - 17.2 by a decision of the directors.
- 17.3 In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- 17.4 For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

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

18. A person ceases to be a director as soon as:-
  - 18.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
  - 18.2 a bankruptcy order is made against that person;
  - 18.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - 18.4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - 18.5 *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
  - 18.6 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.



### **Directors' remuneration**

- 19. Directors may undertake any services for the company that the directors decide.
- 19.1 Directors are entitled to such remuneration as the directors determine:-
  - 19.1.1 for their services to the company as directors, and
  - 19.1.2 for any other service which they undertake for the company.
- 19.2 Subject to the articles, a director's remuneration may:-
  - 19.2.1 take any form, and
  - 19.2.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 19.3 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 19.4 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

### **Directors' expenses**

- 20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:-
  - 20.1 meetings of directors or committees of directors,
  - 20.2 general meetings, or
  - 20.3 separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

#### **All shares to be fully paid up**

- 21. 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.

This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

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

22. Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

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

23. 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.

#### **Share certificates**

24. The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 24.1 Every certificate must specify:-
- 24.1.1 in respect of how many shares, of what class, it is issued;
  - 24.1.2 the nominal value of those shares;
  - 24.1.3 that the shares are fully paid; and
  - 24.1.4 any distinguishing numbers assigned to them.
- 24.2 No certificate may be issued in respect of shares of more than one class.
- 24.3 If more than one person holds a share, only one certificate may be issued in respect of it.
- 24.4 Certificates must:-
- 24.4.1 have affixed to them the company's common seal, or
  - 24.4.2 be otherwise executed in accordance with the Companies Acts.

#### **Replacement share certificates**

25. If a certificate issued in respect of a shareholder's shares is:-
- 25.1.1 damaged or defaced, or
  - 25.1.2 said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 25.2 A shareholder exercising the right to be issued with such a replacement certificate:-
- 25.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

- 25.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- 25.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

### **Share transfers**

- 26. 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.
- 26.1 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 26.2 The company may retain any instrument of transfer which is registered.
- 26.3 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 26.4 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

### **Transmission of shares**

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

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

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

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

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

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

30. The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 30.1 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 30.2 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 30.3 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 30.4 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.
- 30.5 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.
- 30.6 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.

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

31. 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:-
- 31.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- 31.1.2 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;
- 31.1.3 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
- 31.1.4 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.

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

31.2.1 the holder of the share; or

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

31.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or

otherwise by operation of law, the transmittee.

#### **No interest on distributions**

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

32.1 the terms on which the share was issued, or

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

#### **Unclaimed distributions**

33. All dividends or other sums which are:-

33.1 payable in respect of shares, and

33.2 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.

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

33.4 If:-

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

33.6 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.

#### **Non-cash distributions**

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

- 34.1 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:-
- 34.1.1 fixing the value of any assets;
  - 34.1.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - 34.1.3 vesting any assets in trustees.

#### **Waiver of distributions**

35. 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:-
- 35.1 the share has more than one holder, or
  - 35.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

### **CAPITALISATION OF PROFITS**

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

36. Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:-
- 36.1 decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
  - 36.2 appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.
  - 36.3 Capitalised sums must be applied:-
    - 36.3.1 on behalf of the persons entitled, and
    - 36.3.2 in the same proportions as a dividend would have been distributed to them.
  - 36.4 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
  - 36.5 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
  - 36.6 Subject to the articles the directors may:-

- 36.6.1 apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
- 36.6.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- 36.6.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **PART 4**

### **DECISION-MAKING BY SHAREHOLDERS**

#### **ORGANISATION OF GENERAL MEETINGS**

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

- 37. 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.
- 37.1 A person is able to exercise the right to vote at a general meeting when:-
  - 37.1.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 37.1.2 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.
- 37.2 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.
- 37.3 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.
- 37.4 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.

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

- 38. 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.

##### **Chairing general meetings**

- 39. If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 39.1 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:-

39.1.1 the directors present, or

39.1.2 (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.

39.2 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

#### **Attendance and speaking by directors and non-shareholders**

40. Directors may attend and speak at general meetings, whether or not they are shareholders.

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

40.1.1 shareholders of the company, or

40.1.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

#### **Adjournment**

41. 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.

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

41.1.1 the meeting consents to an adjournment, or

41.1.2 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.

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

41.3 When adjourning a general meeting, the chairman of the meeting must:-

41.3.1 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

41.3.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

41.4 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):-

41.4.1 to the same persons to whom notice of the company's general meetings is required to be given, and

41.4.2 containing the same information which such notice is required to contain.



- 41.5 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**

Voting: general

42. 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.

### **Errors and disputes**

43. (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.
- 43.1 Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **Poll votes**

44. (1) A poll on a resolution may be demanded:-
- 44.1.1 in advance of the general meeting where it is to be put to the vote, or
  - 44.1.2 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.
- 44.2 A poll may be demanded by:-
- 44.2.1 the chairman of the meeting;
  - 44.2.2 the directors;
  - 44.2.3 two or more persons having the right to vote on the resolution; or
  - 44.2.4 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.
- 44.3 A demand for a poll may be withdrawn if:-
- 44.3.1 the poll has not yet been taken, and
  - 44.3.2 the chairman of the meeting consents to the withdrawal.
- 44.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### **Content of proxy notices**

45. Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:-
- 45.1.1 states the name and address of the shareholder appointing the proxy;
  - 45.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

- 45.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- 45.1.4 is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 45.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 45.3 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.
- 45.4 Unless a proxy notice indicates otherwise, it must be treated as:-
  - 45.4.1 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
  - 45.4.2 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.

#### **Delivery of proxy notices**

- 46. 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.
- 46.1 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.
- 46.2 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.
- 46.3 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.

#### **Amendments to resolutions**

- 47. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-
  - 47.1.1 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
  - 47.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 47.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:-

- 47.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - 47.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 47.3 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.

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **Means of communication to be used**

- 48. Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- 48.1 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 48.2 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### **Company seals**

- 49. Any common seal may only be used by the authority of the directors.
- 49.1 The directors may decide by what means and in what form any common seal is to be used.
- 49.2 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 49.3 For the purposes of this article, an authorised person is:-
  - 49.3.1 any director of the company;
  - 49.3.2 the company secretary (if any); or
  - 49.3.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

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

50. 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.

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

51. 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.

### **DIRECTORS' INDEMNITY AND INSURANCE**

#### **Indemnity**

52. Subject to paragraph (52.1), a relevant director of the company or an associated company may be indemnified out of the company's assets against:-
- 52.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- 52.2 any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- 52.3 any other liability incurred by that director as an officer of the company or an associated company.
- 52.4 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.
- 52.5 In this article:-
- 52.5.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- 52.5.2 a "relevant director" means any director or former director of the company or an associated company.

#### **Insurance**

53. The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.
- 53.1 In this article:-
- 53.1.1 a "relevant director" means any director or former director of the company or an associated company,
- 53.1.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director'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

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