

**Company number 13403283**

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

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**ARTICLES OF ASSOCIATION  
of  
MEGA ADVANCED LTD**

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**THE COMPANIES ACT 2006**  
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**of**

**MEGA ADVANCED LTD**

**(adopted by special resolution passed on 22-Sep-22  
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**PART 1 Interpretation and limitation of liability**

**1 Preliminary**

- 1.1 The articles of association of the Company comprise the provisions set out in this document, as amended from time to time. No other regulations for the management of a company set out in any schedule to any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company.
- 1.2 Words and expressions used in the Articles are defined in Article 2. Unless defined in Article 2 (and unless the context requires otherwise) other words or expressions contained in the Articles bear the same meaning as in the Act.
- 1.3 A reference in the Articles to any statute or statutory provision includes a reference to any subordinate legislation made under it from time to time and shall, unless the context requires otherwise, include any statutory modification or re-enactment of any statute or statutory provision for the time being in force.
- 1.4 Any phrase in the Articles introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.5 Where for any purpose in the Articles an ordinary resolution of the Company is required, a special resolution shall also be effective.

**2 Defined terms**

In the Articles, unless the context requires otherwise:

**Act** means the Companies Act 2006;

**Articles** means the Company's articles of association as described in Article 1.1 (and a reference to an **Article** is a reference to a provision of the Articles);

**Auditor** means the auditors of the Company from time to time (or if no auditor is appointed, the Company's statutory accountants);

**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 48;

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

**Conflict Matter** means a matter authorised as provided in Article 15 or permitted under Article 16;

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

**distribution recipient** means, as regards a share in respect of which a dividend or other sum is payable:

- (a) the holder of the share;
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree;

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

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

**Eligible Director** means a director who is or would be entitled to vote on the matter at a directors' meeting (but excluding any director whose vote is not to be counted in respect of the particular matter);

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

**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 Act;

**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;

**member** has the meaning given in section 112 of the Act;

**member of the same Group** means as regards to any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

**Option Shares** means the Ordinary Shares with no voting rights resulting from the exercise of options in the option pool reserved for issuance to employees and advisors to the Company;

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

**Ordinary Shares** means the class of ordinary shares of £0.10 each in the capital of the Company;

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

**Parent Company** means a company which is the holder of more than 75% of the issued share capital in the Company;

**Permitted Transferee** means;

- a) in relation to a Shareholder who is an individual, any of their Privileged Relations, Trustees or Qualifying Companies;
- b) in relation to a Shareholder who is a Family Trust or its Trustees, the beneficiaries of such Family Trust;
- c) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act), any Member of the same Group;
- d) in relation to a Shareholder which is an Investment Fund, any Member of the same Fund Group;
- e) in relation to a Shareholder who is a member of a funding syndicate, another member of that syndicate;
- f) in relation to a Shareholder who is a nominee for an individual, to the beneficial owner of such Shares or to the beneficial owner's Privileged Relations, Trustees, or Qualifying Companies;

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

**Privileged Relations** means, in relation to a Shareholder who is an individual member or deceased or former member, a spouse, Civil Partner, parent, sibling, child or grandchild (including step or adopted or illegitimate child and their issue);

**Proposed Purchaser** means a bona fide independent third party proposed purchaser who at the relevant time has made an offer on arm's length terms;

**proxy notice** has the meaning given in Article 54;

**Qualifying Company** means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);

**relevant officer** means any director or other officer of the Company but excluding any person engaged by the Company as auditor;

**shares** means shares in the Company;

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

**Transmittee** means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law;

**Trustee** in relation to a Shareholder means the trustee or the trustees of a Family Trust;

**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.

### 3 **Liability of members**

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**

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

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.

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

5.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:

- (a) to such person or to a committee of such persons;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions,

as they think fit.

5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

5.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

#### 6 **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.

6.2 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**

**7 Directors to take decisions collectively**

- 7.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 8.
- 7.2 If and for so long as the Company only has one director, the general rule does not apply and the director may take decisions (provided he is an Eligible Director in relation to the matter in question) and may exercise all of the other powers and discretions given to the directors by the Articles and the Companies Acts which are capable in law of being exercised by a sole director.

**8 Unanimous decisions**

- 8.1 A decision of the directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 8.2 Such a decision may take the form of a resolution in writing, signed by each Eligible Director (whether on the same or one of several copies) or to which each Eligible Director has otherwise indicated agreement in writing.
- 8.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a directors' meeting.

**9 Calling a directors' meeting**

- 9.1 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.
- 9.2 Notice of any directors' meeting must indicate:
- (a) its proposed date and time;
  - (b) where it is proposed to take place; and
  - (c) 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.
- 9.3 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 9.4 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 before or not more than seven 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.

**10 Participation in directors' meetings**

- 10.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
- (a) the meeting has been called and takes place in accordance with the Articles; and



- (b) 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, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, at the place where the chairman (or other director chairing the meeting) is.

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

11.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

11.2 The quorum for directors' meetings shall be one Eligible Director if the Company has only one director and two Eligible Directors if the Company has more than one director.

## 12 **Chairing directors' meetings**

12.1 The Parent Company may appoint a director to chair meetings of the directors by notice in writing to the Company.

12.2 If and for so long as no Parent Company appointment has been made pursuant to Article 12.1, the directors may appoint a director to chair their meetings and may terminate any appointment made by them.

12.3 The person appointed for the time being pursuant to Article 12.1 or Article 12.2 (as the case may be) is known as the **chairman**.

12.4 The Parent Company (if there is one) may terminate the appointment of the chairman (however appointed) at any time by notice in writing to the Company.

12.5 If:

- (a) a chairman has not been appointed pursuant to this Article;
- (b) the chairman is unwilling to chair the meeting or is not participating in a directors' meeting within ten minutes of the time at which it was to start; or
- (c) the chairman is not an Eligible Director in respect of any matter to be discussed at the meeting,

the directors participating in the meeting must appoint one of themselves (who is an Eligible Director in respect of the matters to be discussed at the meeting) to chair it.

## 13 **Voting at directors' meetings: general rules**

13.1 Subject to the Articles, a decision is taken at a directors' meeting by a majority of the votes of the Eligible Directors who are participating and each Eligible Director participating in a directors' meeting has one vote.

13.2 Subject to Article 13.3, if a question arises at a meeting of directors (or of a committee established by the directors) as to the right of a director

(or committee member) to participate in the meeting (or part of the meeting) for voting or quorum purposes or otherwise in accordance with the Articles, the question may, before the conclusion of the meeting, be referred to the chairman (or other person chairing the meeting) whose ruling in relation to any person other than himself is to be final and conclusive.

- 13.3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman (or other person chairing the meeting), the question is to be decided by a decision of the directors (or committee members) at that meeting, for which purpose the chairman (or other person chairing the meeting) is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

**14 Chairman's casting vote at directors' meetings**

- 14.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- 14.2 Article 14.1 does not apply in respect of a particular matter if, in accordance with the Articles, the chairman or other director is not an Eligible Director for the purposes of that matter.

**15 Directors' conflicts: situational conflicts**

- 15.1 The directors may, in accordance with this Article and the Act, authorise any matter which would or might, if not authorised, involve a director breaching the duty to avoid conflicts of interest in section 175 of the Act.
- 15.2 Any such matter shall be proposed in writing for consideration by the directors in accordance with any procedures for the time being established for the purpose by the directors or in such other manner as the directors may approve.
- 15.3 An authorisation pursuant to Article 15.1:
- (a) will be subject to any restrictions or conditions expressly imposed by the directors at the time of authorisation or subsequently; and
  - (b) may be varied or terminated by the directors at any time.

Nothing in this Article will affect anything done by a director in accordance with the terms of an authorisation prior to any such variation or termination.

- 15.4 No authority under this Article is required in respect of a conflict of interest arising in relation to a transaction or arrangement with the Company, but this is without prejudice to a director's obligation to declare any interest pursuant to the Act and the Articles.
- 15.5 Nothing in this Article affects any power of the Company to authorise any matter which would or might, if not authorised, involve a director breaching the duty to avoid conflicts of interest in section 175 of the Act.

**16 Directors' conflicts: transactions or arrangements with the Company**

Provided that he has disclosed to the directors the nature and extent of any direct or indirect interest, to the extent required by section 177 or section 182 of the Act (as appropriate), a director:

- (a) may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may hold any other office or employment with the Company (except that of auditor) in conjunction with the office of director, and may act by himself or through his firm in a professional capacity for the Company, in any such case on such terms as to remuneration and otherwise as the directors may decide, either in addition to or instead of any remuneration provided for by any other Article; and
- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

**17 Directors' conflicts: general provisions**

- 17.1 Subject to the Articles (and to the terms of any authorisation given as provided in Article 15), a director shall not by reason of his office be liable to account to the Company for any remuneration, profit or other benefit derived as a result of a Conflict Matter. No transaction or arrangement shall be liable to be avoided on the grounds of a director having an interest or benefit authorised or permitted as provided in the Articles.
- 17.2 In relation to any Conflict Matter, the general duties that a director owes to the Company under the Act will not be infringed by anything done (or omitted to be done) by the director concerned in accordance with the Articles.
- 17.3 The director may, for as long as he reasonably believes a Conflict Matter subsists:
  - (a) absent himself from meetings of the directors or from the discussion of any matter at a meeting or in respect of any other proposed decision of the directors; and
  - (b) make such arrangements as he sees fit for relevant board papers and other information not to be sent to him.
- 17.4 Where the director obtains (otherwise than as a director or employee of the Company) in relation to a Conflict Matter information in respect of which he owes a duty of confidentiality to another person he shall not be obliged to disclose such information or use it for the benefit of the Company (in circumstances in which he would otherwise be so obliged).
- 17.5 Subject to the Articles, a director may vote at any meeting of the directors (or committee established by the directors) and take part in any other decision of the directors despite the fact that the decision concerns or relates to a matter in which he has, directly or indirectly, an interest or duty which conflicts, or possibly may conflict, with the interests of the Company provided that the director has, as appropriate and to the extent required:
  - (a) received an authorisation as provided in Article 15 (and the terms of the authorisation do not provide otherwise); or
  - (b) made a disclosure in accordance with Article 16.

**18 Records of decisions to be kept**

The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded:

- (a) of every unanimous or majority decision in whatever form taken by the directors; and
- (b) in the case of a sole director, of every decision in whatever form that would have been taken by unanimous or majority decision if the Company had more than one director.

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

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 and removal of directors****20 Methods of appointing directors**

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:

- (a) by ordinary resolution; or
- (b) by a decision of the directors.

**21 Termination of director's appointment**

A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) 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; or
- (e) notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.

**22 Parent Company: power to appoint and remove directors**

- 22.1 Without prejudice to Article 20 and Article 21, the Parent Company (if there is one) may by notice in writing to the Company appoint any person to be a director and remove any director from office, however they were appointed.

**23 Directors' remuneration**

- 23.1 Directors may undertake any services for the Company that the directors decide and on such terms and conditions as the directors think fit.
- 23.2 Directors are entitled to such remuneration as the directors determine:

- (a) for their services to the Company as directors; and
- (b) for any other service which they undertake for the Company.

23.3 Subject to the Articles, a director's remuneration may:

- (a) take any form; and
- (b) 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.

23.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

#### **24 Directors' expenses**

The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- (a) meetings of directors or committees established by the directors;
- (b) general meetings; or
- (c) 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**

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

25.1 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.

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

#### **Issue of shares**

#### **26 Power to issue and allot shares**

26.1 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.

26.2 For so long as the Company satisfies the conditions of section 550 of the Act and with the approval of the Parent Company (if there is one), the directors may exercise any power of the Company to allot shares or to grant rights to subscribe for or to convert any security into shares.

26.2.1 In accordance with section 567 of the Act, all of the requirements of sections 561 and 562 of the Act are excluded generally in relation to the allotment of, or grant of rights to subscribe for or to convert any securities into, shares in the Company.

#### **Interests in shares**

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

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

**Share certificates**

**28 Certificates to be issued except in certain cases**

28.1 The Company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds.

28.2 Every certificate must specify:

- (a) in respect of how many shares, and of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

28.3 No certificate may be issued in respect of shares of more than one class.

28.4 If more than one person holds a share, only one certificate may be issued in respect of it.

28.5 Certificates must:

- (a) have affixed to them the Company's common seal; or
- (b) be otherwise executed in accordance with the Companies Acts.

**29 Replacement share certificates**

29.1 If a certificate issued in respect of a member's shares is:

- (a) damaged or defaced; or
- (b) said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares.

29.2 A member exercising the right to be issued with such a replacement certificate:

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

**Transfer and transmission of shares**

**30 Share transfers**

- 30.1 In these Articles, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 30.2 No Share may be transferred unless the transfer is made in accordance with these Articles.
- 30.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles they will be deemed immediately to have served a Transfer Notice in respect of all Shares held by them.
- 30.4 Any transfer of a Share by way of sale which is required to be made under these Articles will be deemed to include a warranty that the transferor sells with full title guarantee.
- 30.5 The Directors may refuse to register a transfer if:
- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
  - (b) the transfer is to an Employee, Director or prospective employee or Director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered in a joint section 431 ITEPA election with the Company;
  - (c) it is a transfer of a Share:
    - (i) which is not fully paid;
    - (ii) to a person of whom the Directors, acting reasonably, do not approve or believe to be in competition with the business of the Company; or
    - (iii) on which Share the Company has a lien;
  - (d) the transfer is not lodged at the registered office or at such other place as the Directors may appoint;
  - (e) the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
  - (f) the transfer is in respect of more than one class of Shares;
  - (g) the transfer is in favour of more than four transferees; or
  - (h) these Articles otherwise provide that such transfer will not be registered.
- 30.6 If the Directors refuse to register a transfer, 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.
- 30.7 The Directors 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 Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 30.7 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

- 30.8 To enable the Directors to determine whether or not there has been any disposal of Shares (or any interest in Shares) in breach of these Articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company such information and evidence as the Directors 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 the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors will immediately notify the holder of such Shares in writing of that fact and the following will occur:
- (a) the relevant shares will cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:
  - (b) 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) provided that such rights will not cease if as a result of such cessation the Company will become a Subsidiary of an Investor; or
  - (c) to receive dividends or other distributions otherwise attaching to those shares or to any further shares issued in respect of those shares, but no dividend rights will be suspended within Period B under sections 173 and 257AC ITA 2007 or any re-enactment of them which causes any Share in the Company to lose SEIS Relief or EIS Relief, and that this article will apply in any other case; and
  - (d) the holder may be required at any time following receipt of the notice to transfer some or all of their Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.
- 30.9 The rights referred to in 30.8(a) above may be reinstated by the Board and will in any event be reinstated upon the completion of any transfer referred to in 30.8(d) above.
- 30.10 In relation to Article 30.8 where the Board may require a Transfer Notice to be given in respect of any Shares (in accordance with the provisions of these Articles) if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice will be deemed to have been given at the expiration of that period.



30.11 If a Transfer Notice is required to be given by the Board in accordance with Article 30.10 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:

- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any Director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within 5 Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;
- (b) it does not include a Minimum Transfer Condition;
- (c) the Seller wishes to transfer all of the Shares held by it.

30.12 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:

- (a) the transferor; and
- (b) (if any of the shares is partly or nil paid) the transferee.

### 31 **Transmission of shares**

31.1 If title to a share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that share.

31.2 A Transmitttee who produces such evidence of entitlement to shares as the directors may properly require:

- (a) may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
- (b) subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

31.3 Transmitttees 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.

### 32 **Exercise of Transmitttees' rights**

32.1 Transmitttees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

32.2 If the Transmitttee wishes to have a share transferred to another person, the Transmitttee must execute an instrument of transfer in respect of it.

32.3 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 Transmitttee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### 33 **Transmitttees bound by prior notices**

If a notice is given to a member in respect of shares and a Transmitttee is entitled to those shares, the Transmitttee (or other person to whom the shares are transferred pursuant to Article 31.2) is bound by the

notice if it was given to the member before the name of the Transmittor (or such other person) has been entered in the register of members.

#### 34 **Permitted Transfers**

- 34.1 Subject always to Article 34.2, a Shareholder other than a holder of Option Shares (and who is not a Permitted Transferee) (the "Original Shareholder") may transfer all or any of their Shares (but not their Option Shares) to a Permitted Transferee without restriction as to price or otherwise save that no Restricted Shares will be transferred to a Permitted Transferee without the prior written consent of the Parent Company.
- 34.2 Shares previously transferred as permitted by Article 34.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 34.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 34.4 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than 15 Business Days after 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 it will be deemed to have given a Transfer Notice in respect of those Shares.
- 34.5 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than 15 Business Days after 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 Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.
- 34.6 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 34.7 No transfer of Shares may be made to Trustees unless the Board is satisfied:
- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
  - (b) with the identity of the proposed trustees;
  - (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

- (d) 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.

- 34.8 If a company to which a Share has been transferred under Article 34.6 ceases to be a Qualifying Company it must within 5 Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (and may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 34.9 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise they must, within 15 Business Days of so transfer their Shares to the Original Shareholder.
- 34.10 On the death (subject to Article 34.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) their personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within 5 Business Days after 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 restriction as to price or otherwise. The transfer will be 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 the Original Shareholder. If the transfer is not executed and delivered within 5 Business Days of such 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.

### **35 Transfers of Shares subject to Pre-emption Rights**

- 35.1 Save where the provisions of Articles 34 (Permitted Transfers), 38 (Option Shares), or 37 (Drag Along) apply, any transfer of Shares by a Shareholder will be subject to the pre-emption rights contained in this Article 35.
- 35.2 A Shareholder who wishes to transfer Shares (a "Seller") will, 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:
  - (a) the number and the class of Shares which they wish to transfer (the "Sale Shares");
  - (b) if they wish to sell the Sale Shares to a third party, the name of the proposed transferee;
  - (c) the price (in cash) at which they wish to transfer the Sale Shares; and
  - (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares (the "Minimum Number of Sale Shares") being sold to Shareholders (a "Minimum Transfer Condition").

35.3 If no cash price is specified by the Seller in accordance with Article 35.2(c), the price at which the Sale Shares are to be transferred (the "Transfer Price") must be agreed by the Board and the Seller. In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board. In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within 5 Business Days of the Company receiving the Transfer Notice.

35.4 Except with the written consent of the Board, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

35.5 A Transfer Notice constitutes appointment of the Company as the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

35.6 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice; and
- (b) in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 15,

the Board will offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 35.7 and 35.8. Each offer must be in writing and give details of the number, class and Transfer Price of the Sale Shares offered.

Priority Rights for offer of Sale Shares

35.7 The Sale Shares will be offered in the following priority:

- (a) to all other holders of Shares (excluding the Seller); and
- (b) thereafter, to the Company;

in each case on the basis set out in Article 35.8.

Transfers: Offer

35.8 The Board will offer the Sale Shares pursuant to the Priority Rights to all Shareholders specified in the offer and in accordance with Article 35.7 above other than the Seller (the "Continuing Shareholders") inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (the "First Offer Period") for the maximum number of Sale Shares they wish to buy.

35.9 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under this Article will be conditional on the fulfilment of the Minimum Transfer Condition.

35.10 If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board will 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) which their 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 which procedure will be repeated until all Sale Shares have been allocated but no allocation will be made to a

Shareholder of more than the maximum number of Sale Shares which they have stated they are willing to buy.

- 35.11 If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board will allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be offered pursuant to the Priority Rights in accordance with Article 35.7 inviting them to apply.
- 35.12 The process in Article 35.8 will be repeated mutatis mutandis until such time as the total number of Shares applied for is equal to or exceeds the number of Sale Shares and the Board has allocated all such Sale Shares to the relevant Continuing Shareholders or the Sale Shares have been offered to all Shareholders with Priority Rights in accordance with Article 35.7 and the process in Article 35.8 has been exhausted. If at that time, the number of Sale Shares applied for is less than the number of Sale Shares, the Board will allocate the Sale Shares to the relevant Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 35.10.

#### Completion of transfer of Unallocated Sale Shares

- 35.13 If an Allocation Notice does not relate to all the Sale Shares then the Seller may, within sixty (60) days after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price (provided that if there was a Minimum Transfer Condition in the Transfer Notice, the Seller may only sell all (but not some) of the Sale Shares).
- 35.14 The right of the Seller to transfer Shares under Article 35.13 does not apply if the Board is of the opinion on reasonable grounds that:
- (a) 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 or with a Subsidiary Undertaking of the Company;
  - (b) 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
  - (c) the Seller has failed or refused to provide promptly information available to it or them and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

#### Completion of transfer of Sale Shares

- 35.15 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for and/or allocated is less than the Minimum Number of Sale Shares the Board will notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 35.10 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 35.16 If:
- (a) the Transfer Notice does not include a Minimum Transfer Condition; or

- (b) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the Minimum Number of Sale Shares,

the Board will, when no further offers are required to be made under Article 35.10, give written notice of allocation (an "Allocation Notice") to the Seller and 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 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

35.17 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.

35.18 If the Seller fails to comply with the provisions of Article 35.17:

- (a) the chairperson of the Company or, failing them, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
- (b) complete, execute and deliver in their name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- (c) receive the Transfer Price and give a good discharge for it; and
- (d) (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
- (e) the Company will pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until such Seller has delivered to the Company their certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).

## 36 **Valuation Of Shares**

36.1 If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served (and the Transfer Price cannot be agreed between the Seller and the Board in accordance with the foregoing provisions) then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board will either (if required):

- (a) appoint an expert valuer in accordance with Article 36.2 (the "Expert Valuer") to certify the Fair Value of the Sale Shares; or
- (b) specify, if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks, that such Fair value will be the Fair Value of the Sale Shares to which the Transfer Notice relates.

36.2 The Expert Valuer will be either:

- (a) the Auditors; or
- (b) (if otherwise agreed by the Board and the Seller) an independent firm of Chartered Accountants to be agreed between the Board and

the Seller or failing agreement not later than the date 10 Business Days after the date of service or deemed service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either the Board or the Seller and approved by the Company.

- 36.3 The "Fair Value" of the Sale Shares will be determined by the Expert Valuer on the following assumptions and bases:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction;
  - (d) reflecting any other factors which the Expert Valuer reasonably believes should be taken into account.
- 36.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer will resolve that difficulty in whatever manner they will in their absolute discretion think fit.
- 36.5 The Expert Valuer will be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 36.6 The Expert Valuer will act as experts and not as arbitrators and their determination will be final and binding on the parties (in the absence of fraud or manifest error).
- 36.7 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.
- 36.8 The Expert Valuer will deliver their certificate to the Company. As soon as the Company receives the certificate it will 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 5 Business Days of the service on them of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 36.9 The cost of obtaining the certificate will be paid by the Company unless:
- (a) the Seller cancels the Company's authority to sell; or
  - (b) the price of the Sale Shares certified by the Expert Valuer is less than the price (if any) offered by the Directors to the Seller for the Sale Shares before the Expert Valuer was instructed,

in which case the Seller will bear the cost.

### 37 **Drag Along**

- 37.1 If the holders of 75% or more of all Shares (excluding any Treasury Shares) (the "Selling Shareholders") wish, to transfer all their interest in such Shares (the "Selling Shareholders' Shares") to a Proposed Purchaser, the Selling Shareholders will have the option (the "Drag

Along Option”) to require all the other holders of Shares (the “Called Shareholders”) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser will direct in accordance with the provisions of this Article.

- 37.2 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 will forthwith copy to the Called Shareholders at any time before the transfer of the Selling Shareholders' Shares to the Proposed Purchaser. A Drag Along Notice will specify that:
- (a) the Called Shareholders are required to transfer all their Shares (the “Called Shares”) under this Article;
  - (b) the person to whom they are to be transferred;
  - (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);
  - (d) the proposed date of transfer, and
  - (e) the form of any sale and purchase 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.
- 37.3 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.
- 37.4 Drag Along Notices will be irrevocable but will lapse if for any reason there is not a sale of the Selling Shareholders' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders will be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice save if the lapse is in the circumstances set out in Article 37.9.
- 37.5 Where the consideration is non-cash consideration, any valuation of such consideration applicable to the consideration payable to the Selling Shareholders will also be applicable to the consideration payable to the Called Shareholders.
- 37.6 Within 5 Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice), the Called Shareholders will deliver:
- (a) duly executed stock transfer form(s) for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser will direct;
  - (b) the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company; and
  - (c) a duly executed sale and purchase agreement, if applicable, specified in the Drag Along Notice or as otherwise specified by the Company,
- (together the “Drag Documents”).
- 37.7 On the expiration of that 5 Business Day period the Company will pay the Called Shareholders, on behalf of the Proposed Purchaser, the Drag Consideration that is due to the extent the Proposed Purchaser has paid such consideration to the Company or, if the consideration is non-cash



consideration, the Proposed Purchaser has satisfied the consideration due to the Called Shareholders through the issue of Shares or securities or the payment or transfer of any other non-cash consideration which forms the non-cash consideration due to be issued, paid or transferred to that Called Shareholder. The Company's receipt of the Drag Consideration will be a good discharge to the Proposed Purchaser. The Company will hold the Drag Consideration in trust for the Called Shareholders without any obligation to pay interest.

- 37.8 To the extent that the Proposed Purchaser has not, on the expiration of such 5 Business Day period, paid the Drag Consideration (for their cash and if relevant non-cash portion) or satisfied the Board that the Proposed Purchaser is in a position to issue, pay, transfer or otherwise satisfy such Drag Consideration, the Called Shareholders will be entitled to the return of the Drag Documents for the relevant Shares and the Called Shareholders will have no further rights or obligations under this Article 20 in respect of their Shares.
- 37.9 If a Called Shareholder fails to deliver the Drag Documents for the relevant Shares to the Company upon the expiration of that 5 Business Day period, the Company and each Director shall 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 necessary to effect the transfer of the Called Shareholder's shares pursuant to this article 37 and the Directors will, if requested by the Proposed Purchaser, authorise any Director to execute and deliver the Drag Documents on behalf of the Called Shareholder and to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or their nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that 5 Business Day period, paid the Drag Consideration (for their cash and if relevant non-cash portion) or has satisfied the Board that the Proposed Purchaser is in a position to issue, pay, transfer or otherwise satisfy such Drag Consideration as is payable for such Called Shareholders' Shares offered to them. The Board will then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder will surrender their share certificate for their Shares (or provide a suitable indemnity) to the Company. On surrender, they will be entitled to the Drag Consideration (in cash or otherwise) due to them.
- 37.10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice will be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who will then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article will apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares will take place immediately on the Drag Along Notice being deemed served on the New Shareholder.
- 37.11 In the event that an Asset Sale is approved by the Board, and Majority Consent, such consenting Shareholders will have the right, by notice in writing to all other Shareholders, to require such Shareholders to take any and all such actions as it may be necessary for Shareholders to take in order to give effect to or otherwise implement such Asset Sale.

### 38 **Option Shares**

- 38.1 If a person subscribes for Option Shares and, at the date of subscription, that person is no longer employed or engaged by a Group Company or such subscription is in connection with that person's cessation of employment or engagement with any Group Company the Board shall be entitled to resolve within the period of 12 months following the date of issue of Option Shares to him that, notwithstanding any other provision of these Articles, upon such resolution the person in question shall be deemed immediately to have given a Transfer Notice in accordance with Article 35 in respect of all the Option Shares then held by such person (such notice being an "Option Share Transfer Notice").
- 38.2 The Option Shares the subject of any Option Share Transfer Notice shall be offered for sale in accordance with Article 35 as if they are Sale Shares in respect of which a Transfer Notice has been given (and references in Article 35 to Sale Shares shall be construed accordingly as references to such Shares) save that an Option Share Transfer Notice shall:
- (a) be deemed not to contain a Minimum Transfer Condition and shall be irrevocable; and
  - (b) provide that the Transfer Price of the Option Shares the subject of the notice shall be their Fair Value as at the date on which the relevant Option Shareholder ceased to be employed or engaged by a Group Company and as determined by the Board (acting reasonably and after applying the principles set out in Article 36.3). The Board shall notify the relevant Option Shareholder of the Transfer Price in writing and the Option Shareholder may, within five Business Days of the service on him of the Transfer Price, notify the Company in writing that he requires that an Expert Valuer be appointed in accordance with Article 37 to determine the Fair Value of the Option Shares as at the date on which the Option Shareholder ceased to be employed or engaged by a Group Company. If the Option Shareholder serves notice under this Article 38.2(b), the provisions of Article 36 shall apply for the purposes of determining the Transfer Price of the Option Shares.

### **Distributions**

#### 39 **Procedure for declaring dividends**

- 39.1 The Company may by ordinary resolution declare dividends, and the directors may, with the approval of the Parent Company, decide to pay interim dividends.
- 39.2 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.
- 39.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 39.4 Unless the members' 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 member's holding of shares on the date of the resolution or decision to declare or pay it.

- 39.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 39.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 39.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

**40 Payment of dividends and other distributions**

Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by such means of payment as the directors agree with the distribution recipient and, failing agreement, by 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.

**41 No interest on distributions**

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

- (a) the terms on which the share was issued; or
- (b) the provisions of another agreement between the holder of that share and the Company.

**42 Unclaimed distributions**

**42.1 All dividends or other sums which are:**

- (a) payable in respect of shares; and
  - (b) 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.

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

**42.3 If:**

- (a) 12 years have passed from the date on which a dividend or other sum became due for payment; and
  - (b) 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.

**43 Non-cash distributions**

**43.1 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).

43.2 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:

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

#### 44 **Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share in whole or in part by giving the Company notice in writing to that effect (executed as a deed, unless the waiver is made for valuable consideration), but if:

- (a) the share has more than one holder; or
- (b) 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 executed, by all the holders or persons otherwise entitled to the share.

### **Capitalisation of profits**

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

45.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:

- (a) 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 or any other reserve; and
- (b) appropriate any sum which they so decide to capitalise (**capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (**persons entitled**) and in the same proportions.

45.2 Capitalised sums must be applied:

- (a) on behalf of the persons entitled; and
- (b) in the same proportions as a dividend would have been distributed to them.

45.3 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.

- 45.4 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.
- 45.5 Subject to the Articles, the directors may:
- (a) apply capitalised sums in accordance with Articles 45.3 and 45.4 partly in one way and partly in another;
  - (b) 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
  - (c) 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 members**

##### **Organisation of general meetings**

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

- 46.1 The Option Shares will not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 46.2 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.
- 46.3 A person is able to exercise the right to vote at a general meeting when:
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - (b) 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.
- 46.4 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.
- 46.5 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.
- 46.6 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.

47      **Quorum for general meetings**

- 47.1      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.
- 47.2      If and for so long as there is a Parent Company, its representative or proxy shall be the only person necessary to constitute a quorum at general meetings.

48      **Chairing general meetings**

- 48.1      If a chairman has been appointed pursuant to Article 12, he shall chair general meetings if present and willing to do so.
- 48.2      If a chairman has not been appointed pursuant to Article 12, 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:
- (a)      if there is a Parent Company, its representative or proxy may appoint a director or member to chair the meeting; or
  - (b)      failing this, the directors present, or if no directors are present, the meeting, must appoint a director or member to chair the meeting.

The appointment of the chairman of the meeting must be the first business of the meeting.

- 48.3      The person chairing a meeting in accordance with this Article is referred to as the **chairman of the meeting**.

49      **Attendance and speaking by directors and non-members**

- 49.1      Directors may attend and speak at general meetings, whether or not they are members.
- 49.2      The chairman of the meeting may permit other persons who are not:
- (a)      members of the Company; or
  - (b)      otherwise entitled to exercise the rights of members in relation to general meetings,
- to attend and speak at a general meeting.

50      **Adjournment**

- 50.1      If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it. If a quorum is not present within half an hour from the time appointed for resumption of the meeting, the meeting shall be deemed dissolved.
- 50.2      The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- (a)      the meeting consents to an adjournment; or
  - (b)      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.

- 50.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 50.4 When adjourning a general meeting, the chairman of the meeting must:
  - (a) 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
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 50.5 It shall not be necessary to give any notice of an adjourned general meeting or of any business to be transacted at an adjourned meeting.
- 50.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

### **Voting at general meetings**

#### **51 Voting: general**

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

#### **52 Errors and disputes**

- 52.1 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.
- 52.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

#### **53 Demanding a poll**

- 53.1 A poll on a resolution may be demanded:
  - (a) in advance of the general meeting where it is to be put to the vote; or
  - (b) 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.
- 53.2 A poll may be demanded by the chairman of the meeting or any person having the right to vote on the resolution.
- 53.3 A demand for a poll may be withdrawn if:
  - (a) the poll has not yet been taken; and
  - (b) the chairman of the meeting consents to the withdrawal.

A demand which is withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

53.4 Polls must be taken at the general meeting at or in respect of which they are demanded and in such manner as the chairman of the meeting directs.

53.5 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

**54 Content and delivery of proxy notices**

54.1 Proxies may only validly be appointed by a notice in writing (**proxy notice**) which:

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) 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.

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

54.3 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.

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

- (a) 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
- (b) 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.

**55 Effect of proxy notice**

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

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

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

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



**56 Amendments to resolutions**

- 56.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- (a) 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
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 56.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 56.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that resolution.

**PART 5 Miscellaneous provisions**

**57 Company communications**

- 57.1 Subject to the Articles, any document or information sent or supplied by or to the Company under the Articles or pursuant to the Companies Acts may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.
- 57.2 References in the Articles to documents or information being sent or supplied by or to the Company include references to documents or information being sent or supplied by or to the directors acting on behalf of the Company.
- 57.3 Subject to the Articles, any notice or other 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.
- 57.4 A director may agree with the Company that notices or other 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 secretary**

**58 Secretary**

The directors may appoint a person to act as the secretary of the Company 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 (with or without replacement).

## **Administrative arrangements**

### **59 Company seals**

- 59.1 Any common seal may only be used by the authority of the directors.
- 59.2 The directors may decide by what means and in what form any common seal is to be used.
- 59.3 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.
- 59.4 For the purposes of this Article, an authorised person is:
  - (a) any director of the Company;
  - (b) the company secretary (if any); or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.
- 59.5 The Company may execute deeds and other documents otherwise than under the common seal provided that execution is in accordance with the Companies Acts.

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

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person (other than the Parent Company (if there is one)) is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member.

## **Directors' indemnity, funding and insurance**

### **61 Indemnity and funding**

- 61.1 Subject to Article 61.2, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the directors may with the approval of the Parent Company exercise the power of the Company to:
  - (a) indemnify any relevant officer out of the assets of the Company against:
    - (i) any liability incurred by that relevant officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;
    - (ii) any liability incurred by that relevant officer in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
    - (iii) any other liability incurred by that relevant officer as an officer of the Company;
  - (b) provide any relevant officer with funds to meet expenditure incurred or to be incurred by such relevant officer:

(i) in defending any criminal or civil proceedings or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company; or

(ii) in connection with any application for relief (within the meaning of section 205(5) of the Act),

or to do anything to enable a relevant officer to avoid incurring such expenditure.

61.2 This Article does not authorise any indemnity, provision of funds or other matter which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

## 62 **Insurance**

The directors may with the approval of the Parent Company (if there is one) decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by a relevant officer in connection with their duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.

