

# lindsays

The Companies Act 2006

Company Limited by Shares

ARTICLES OF ASSOCIATION

of

ECHOES ECOLOGY LIMITED

Company Number SC296432

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Ref: JYC

## TABLE OF CONTENTS

1. Interpretation.....	1
2. Decisions of directors.....	3
3. Calling a directors' meeting .....	3
4. Quorum for directors' meetings .....	3
5. Casting vote.....	4
6. Transactions or other arrangements with the Company .....	4
7. Directors' conflicts of interest .....	4
8. Records of decisions to be kept .....	7
9. Number of directors .....	7
10. Appointment of directors .....	7
11. Appointment and removal of alternate directors .....	7
12. Rights and responsibilities of alternate directors .....	7
13. Termination of alternate directorship .....	8
14. Secretary .....	8
15. Classes of Shares.....	9
16. Procedure for declaring dividends.....	9
17. Transfer of Shares .....	9
18. Completion of share purchase .....	10
19. Fair value.....	11
20. Issue of further Shares.....	12
21. Drag along .....	13
22. Tag along rights on a change of control.....	15
23. Purchase of own Shares .....	15
24. Quorum at general meeting .....	16
25. Poll votes .....	16
26. Proxies.....	16
27. Means of communication to be used.....	16
28. Indemnity .....	17
29. Insurance.....	18

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
ECHOES ECOLOGY LIMITED  
(the "Company")

Adopted by Special Resolution of the Company on 31 January 2024

## INTRODUCTION

### 1. Interpretation

1.1 In these Articles, unless the context otherwise requires:

**A ordinary shares:** means the A ordinary shares of £1.00 each in the capital of the Company.

**Act:** means the Companies Act 2006;

**Available Profits:** means the profits of the Company available for distribution within the meaning of part 23 of the Act.

**appointor:** has the meaning given in article 11.1;

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

**B ordinary shares:** means the B ordinary shares of £1.00 each in the capital of the Company.

**business day:** means any day (other than a Saturday, Sunday or public holiday in the Scotland) on which clearing banks in Perth are generally open for business;

**Conflict:** has the meaning given in article 7.1;

**Continuing Shareholders:** has the meaning given in article 17.4 and Continuing Shareholder means any of them;

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

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

**Fair Value:** has the meaning given in article 19;

**Model Articles:** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (S/2008/3229) as amended prior to the date of adoption of these Articles;

**Original Shareholder:** means a shareholder who holds shares in the Company on the date of adoption of these Articles;

**Price Notice:** has the meaning given in article 17.5;

**Seller:** has the meaning given in article 17.2;

**Shareholder:** means a holder for the time being of any Share or Shares;

**Shares:** means the A ordinary shares, the B ordinary shares and shares (of any class) in the capital of the Company from time to time, and Share shall be construed accordingly; and

**Valuers:** means the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed by the Seller and by the Continuing Shareholders or, in the absence of agreement between them on the identity of the expert within ten business days of the expiry of the ten business day period following service of a Price Notice, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of Scotland (in each case acting as an expert and not as an arbiter).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.5.1 any subordinate legislation from time to time made under it; and
  - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.

- 1.8 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and 17(2), 30, 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 of the Model Articles shall be amended by:
  - 1.9.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
  - 1.9.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.11 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words subject to article 10," after the word "But".
- 1.13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.14 Articles 31 (l)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31 (d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **DIRECTORS**

### **2. Decisions of directors**

- 2.1 A decision of the directors is taken in accordance with this article when a majority of eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **3. Calling a directors' meeting**

- 3.1 Any director may call a directors' meeting by giving not less than thirty days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the Company secretary (if any) to give such notice.
- 3.2 Notice of a directors' meeting shall be given to each director in writing.

### **4. Quorum for directors' meetings**

4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is two eligible directors, unless the number of directors in office is one, in which case the quorum shall be one.

4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a directors conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

**5. Casting vote**

5.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall have a casting vote.

**6. Transactions or other arrangements with the Company**

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

6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

6.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

6.1.3 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;

6.1.4 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;

6.1.5 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

6.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

**7. Directors' conflicts of interest**

7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised,

involve a director (an "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest ("Conflict").

7.2 Any authorisation under this article 7 will be effective only if:

7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;

7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and

7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Directors and any other interested director's vote had not been counted.

7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):

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

7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;

7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

- 7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.



**8. Records of decisions to be kept**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

**9. Number of directors**

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

**10. Appointment of directors**

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

**11. Appointment and removal of alternate directors**

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

11.1.1 exercise that director's powers; and

11.1.2 carry out that director's responsibilities,

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

11.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

11.3 The notice must:

11.3.1 identify the proposed alternate; and

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

**12. Rights and responsibilities of alternate directors**

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

12.2 Except as the Articles specify otherwise, alternate directors:

12.2.1 are deemed for all purposes to be directors;

12.2.2 are liable for their own acts and omissions;

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

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

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

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

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

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

12.3.3 shall not be counted as more than one director for the purposes of articles 12.3.1 and 12.3.2.

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

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

### **13. Termination of alternate directorship**

13.1 An alternate director's appointment as an alternate terminates:

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

13.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

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

13.1.4 when the alternate's appointors appointment as a director terminates.

### **14. Secretary**

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

## **SHARES**

### **15. Classes of Shares**

- 1) The share capital in the Company is divided into A ordinary shares and B ordinary shares, each of which shall be separate classes of shares having the rights set out in these Articles.
- 2) Save as provided otherwise in these Articles, the A shares and the B shares shall rank *pari passu* in all respects as regards the right to income, voting rights and the right to a return of capital on a winding up.
- 3) The A shares and the B shares shall confer on its holders the right to (i) vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise); (ii) receive dividends and other distributions; and (iii) receive notice of and to attend to general meetings.

### **16. Procedure for declaring dividends**

- 1) Subject to the provisions of the Act and provided that the Available Profits of the Company justify the payment, the Company may by ordinary resolution of its members, upon the recommendation of the directors, declare a dividend.
- 2) Subject to article 16.4 below, each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365-day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.
- 3) Subject to the Act and any other agreement between the Shareholders, the directors may pay interim dividends provided that:
  - a. the Available Profits of the Company justify the payment; and
  - b. the Company obtains consent of all Shareholders.
- 4) No dividend shall be declared to any class of shares in circumstances where the directors recommend that no dividend should be declared, nor shall any dividend be declared to any class which exceeds the amount recommended by the directors in respect of that class.

### **17. Transfer of Shares**

- 17.1 No Shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any Share or any interest in any Share in the capital of the Company, except as permitted by these Articles or with the prior written consent of all other Shareholders.
- 17.2 Save as aforesaid, a Shareholder ("Seller") wishing to transfer Shares in the capital of the Company ("Sale Shares") shall in the first instance offer the Shares for sale to the Company at the Fair Value price determined in accordance with article 19.
- 17.3 The Company shall then have a period of 14 days (or such longer period as all of the Shareholders agree) within which to purchase all of the shares or the maximum number it is able legally to purchase.

- 17.4 Where the Company cannot, or chooses not to, purchase all the Sale Shares, the Seller shall give notice in writing ("Transfer Notice") to the other Shareholders ("Continuing Shareholders") specifying the details of the proposed transfer, including the number of Sale Shares comprised within the Transfer Notice, the identity of the proposed buyer(s), the proposed price for each Sale Share ("Proposed Sale Price") and each Continuing Shareholders proportionate entitlement to the Sale Shares, being the same proportion of the Sale Shares as the proportion that the number of Shares held by him bears to the total number of Shares held by the Continuing Shareholders (in respect of each Continuing Shareholder, his "Entitlement").
- 17.5 The Continuing Shareholders (or any of them) may, by giving notice in writing ("Price Notice") to the Seller at any time within ten business days of receipt of a Transfer Notice, notify the Seller that the Proposed Sale Price is too high. Following service of a Price Notice, the parties shall endeavour to agree a price for each of the Sale Shares. If the parties have not agreed such a price within ten business days of the Seller's receipt of a Price Notice, the Sale Price shall be the Fair Value of each Sale Share determined in accordance with article 19.
- 17.6 If, following determination of the Fair Value in accordance with article 19, the Seller does not wish to proceed with the sale of Shares, he shall be entitled to revoke the Transfer Notice by giving notice in writing to the Continuing Shareholders within five business days of the determination of Fair Value.
- 17.7 Within twenty business days of receipt (or deemed receipt) of a Transfer Notice or, if later, within twenty business days of the determination of the Fair Value (and provided the Seller has not withdrawn the Transfer Notice in accordance with article 17.6), a Continuing Shareholder shall be entitled (but not obliged) to give notice in writing ("Acceptance") to the Seller stating that he wishes to purchase his Entitlement to the Sale Shares at the Sale Price. A Continuing Shareholder may, in his Acceptance, indicate that he would be willing to purchase a particular number of Sale Shares in excess of his Entitlement ("Extra Shares").
- 17.8 If, on the expiry of the relevant twenty business day period referred to in article 17.7, the total number of Sale Shares applied for is greater than the available number of Sale Shares, each accepting Continuing Shareholder shall be allocated his Entitlement (or such lesser number of Sale Shares for which he has applied) and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Continuing Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) the proportions of all the Shares of the same class held by such Continuing Shareholders.
- 17.9 Completion of those Sale Shares accepted by Continuing Shareholders under article 17.7 (and, where, relevant, article 16.8) shall take place in accordance with article 18.
- 17.10 In relation to any Sale Shares not accepted by Continuing Shareholders under article 17.7 (and, where relevant, article 17.8) the Seller shall be entitled to transfer those Sale Shares to the third party buyer identified in the Transfer Notice at a price per Sale Share not less than the Sale Price.
- 18. Completion of share purchase**
- 18.1 Completion of the sale and purchase of Shares under article 16 shall take place ten business days after:

- 18.1.1 the date of delivery (or deemed date of delivery) of the Transfer Notice to the Continuing Shareholders, unless the Continuing Shareholders (or any of them) have served a Price Notice under article 17.5; or
- 18.1.2 the date of delivery of determination of the Sale Price in accordance with article 17.5.
- 18.2 At such completion:
  - 18.2.1 the Seller shall deliver, or procure that there is delivered to the Company or to each Continuing Shareholder who is to purchase Sale Shares, a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Sale Shares to the Company or the Continuing Shareholder, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Continuing Shareholders or the Company may reasonably require to show good title to the Shares, or to enable him to be registered as the holder of the Shares; and
  - 18.2.2 each relevant Continuing Shareholder shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to his order for the Sale Price for the Sale Shares being transferred to him (or such other method of payment agreed between a Continuing Shareholder and the Seller).
- 18.3 Any transfer of Shares by way of a sale under these Articles shall be deemed to include a warranty that the Seller has good title to such Shares.
- 18.4 If the Company or any Continuing Shareholder fails to pay the Sale Price payable on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Sale Price shall accrue interest at a rate equal to 5% per annum above the base rate of The Royal Bank of Scotland plc from time to time.
- 18.5 Each of the Continuing Shareholders shall use his reasonable endeavours to procure (so far as is lawfully possible in the exercise of his rights and powers as a Shareholder of the Company) the registration (subject to due stamping by the Continuing Shareholders) of the transfers of the Sale Shares under this article 18 and each of them consents to such transfers and registrations.

**19. Fair value**

- 19.1 The Fair Value shall be the price per Sale Share determined by the Valuers on the following bases and assumptions:
  - 19.1.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
  - 19.1.2 if the Company or any of its subsidiaries is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 19.1.3 that the Sale Shares are capable of being transferred without restriction;
  - 19.1.4 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares; and

- 19.1.5 reflecting any other factors which the Valuers reasonably believes should be taken into account
- 19.2 If any difficulty arises in applying any of these assumptions or bases then the Valuers shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 19.3 The directors will give the Valuers access to all accounting records or other relevant documents of the Company.
- 19.4 The parties are entitled to make submissions to the Valuers and shall provide (or procure that others provide) the Valuers with such assistance and documents as the Valuers may reasonably require for the purpose of reaching a decision.
- 19.5 The Valuers shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 19.6 The Valuers shall be requested to determine the Fair Value within 20 business days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 19.7 The cost of obtaining the Valuers certificate shall be borne by the parties equally or in such other proportions as the Valuers direct unless the Seller withdraws the relevant Transfer Notice in accordance with article 17.6 in which case the Seller shall bear the cost.

## **20. Issue of further Shares**

- 20.1 Save with the consent of all Shareholders, if the Company proposes to allot any further Shares ("Further Shares"), those Further Shares shall not be allotted to any person unless the Company has first offered them to the existing Shareholders (on the date of the offer) ("Offeree") on a pari passu basis and in the respective proportions that the number of Shares held by each such Shareholder bears to the total number of Shares held by all such Shareholders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Further Shares are being, or are to be, offered to any other person.
- 20.2 An offer made under article 20.1 shall:
- 20.2.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Further Shares being offered;
- 20.2.2 remain open for a period of ten business days from the date of service of the offer; and
- 20.2.3 stipulate that any Offeree who wishes to subscribe for a number of Further Shares in excess of the number to which he is entitled under article 20.1 shall, in his acceptance, state the number of excess Shares ("Excess Shares") for which he wishes to subscribe.
- 20.3 If, on the expiry of an offer made in accordance with article 20.1 the total number of Further Shares applied for is less than the total number of Further Shares so offered, the Directors shall allot the Further Shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.

- 20.4 Any Further Shares not accepted by Offerees pursuant to an offer made in accordance with article 20.1 shall be used to satisfy any requests for Excess Shares made pursuant to article 20.2.3. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Shares shall be offered to any other person(s) as the Directors may, with the consent of the Shareholders, determine, at the same price and on the same terms as the offer to the Shareholders.
- 20.5 If, after completion of the allotments referred to in articles 20.3 and 20.4 not all of the Further Shares have been allotted, the balance of such Further Shares shall be offered to any other person(s) as the Directors may, with the consent of the Shareholders, determine at the same price and on the same terms as the offer to the Shareholders.

**21. Drag along**

- 21.1 If the holders of 60% of the Shares in issue for the time being ("Selling Shareholders") wish to transfer all (but not some only) of their Shares ("Sellers' Shares") to a bona fide purchaser on arm's length terms ("Proposed Buyer"), the Selling Shareholders may require all other Shareholders ("Called Shareholders") to sell and transfer all their Shares ("Called Shares") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article ("Drag Along Option").
- 21.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders ("Drag Along Notice") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 21.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 21;
- 21.2.2 the person to whom the Called Shares are to be transferred;
- 21.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be not less than the Fair Value and, in any event, at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
- 21.2.4 the proposed date of the transfer.
- 21.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within twenty business days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 21.
- 21.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:

- 21.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
- 21.5.2 that date is less than twenty business days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the twentieth business day after service of the Drag Along Notice.
- 21.6 The sale of the Called Shares by the Called Shareholders shall not be subject to the pre-emption provisions in these Articles.
- 21.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 21.2.3 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 21.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 21 in respect of their Shares.
- 21.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 21.7) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this article 21.

**22. Taq along rights on a change of control**

- 22.1 The provisions of article 22.1 to article 22.6 shall apply if in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares ("Proposed Transfer") which would, if carried out, result in any person ("Buyer"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 22.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer ("Offer") to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer ("Specified Price").



22.3 The Offer shall be made by written notice ("Offer Notice"), at least twenty business days before the proposed sale date ("Sale Date"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

22.3.1 the identity of the Buyer;

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

22.3.3 the Sale Date; and

22.3.4 the number of Shares proposed to be purchased by the Buyer ("Offer Shares").

22.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with article 22.2 and article 22.3, 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.

22.5 If the Offer is accepted by any Shareholder ("Accepting Shareholder") in writing within ten business days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

22.6 The purchase of Offer Shares from Accepting Shareholders shall not be subject to the pre-emption provisions in these Articles.

## **23. Purchase of own Shares**

23.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own Shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:

23.1.1 £15,000; and

23.1.2 the value of 5% of the Company's share capital.

## **DECISION MAKING BY SHAREHOLDERS**

### **24. Quorum at general meeting**

24.1 No business shall be transacted at any general meeting unless a quorum is present.

24.2 If a quorum is not present a chairman of the meeting can still be chosen and this will not be treated as part of the business of the meeting.

24.3 Two Shareholders (one of which must be the majority shareholder) entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

### **25. Poll votes**

- 25.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 25.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

**26. Proxies**

- 26.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 26.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

**ADMINISTRATIVE ARRANGEMENTS**

**27. Means of communication to be used**

- 27.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
  - 27.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - 27.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 27.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - 27.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a business day.

- 27.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

**28. Indemnity**

28.1 Subject to article 28.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

28.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

28.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 28.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

28.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

28.3 In this article:

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

28.3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) , but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

## **29. Insurance**

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

29.2 In this article:

29.2.1 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

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

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