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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

of

**RENNICK DEVELOPMENT LIMITED**

**(Company number SC551620)**

(as adopted by Special Resolution passed on 19 April 2022)



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**Rennick Development Limited**

**(Company number SC551620)**

**(the “Company”)**

(as adopted by Special Resolution passed on 19 April 2022 )

**1 INTERPRETATION**

In these Articles, unless the context requires otherwise:

**1.1 Defined Terms**

“**A Director**” means a director appointed by the A Shareholder(s) and holding office pursuant to Article 7.3.2;

“**A Ordinary Share**” means an A Ordinary share of £1 in the capital of the Company;

“**A Shareholder**” means a Holder of an A Ordinary Share;

“**Act**” means the Companies Act 2006;

“**acting in concert**” shall have the meaning given to it in and shall be construed in accordance with the City Code on Takeovers and Mergers as if it applied in the relevant case;

“**Articles**” means the Company’s articles of association as amended from time to time;

“**Associated Company**” means any holding company or subsidiary company of the Company or any company which is a subsidiary of a holding company of the Company;

“**B Director**” means a director appointed by the B Shareholder(s) and holding office pursuant to Article 7.3.2;

“**B Ordinary Share**” means a B Ordinary share of £1 in the capital of the Company;

“**B Shareholder**” means a Holder of a B Ordinary Share;

**“Bad Leaver”** means any Leaver who is not a Good Leaver, including for the avoidance of doubt a Leaver who:

- (a) is in breach of their restrictive covenants or obligations of confidentiality contained in their employment contract and/or service agreement; or
- (b) is summarily dismissed for fraud, gross misconduct, or criminality.

**“Bankruptcy”** includes individual insolvency proceedings in Scotland or in any other jurisdiction other than Scotland which have an effect similar to that of bankruptcy and **“Bankrupt”** shall be construed accordingly;

**“Beneficial Shareholder”** means the person beneficially entitled to Shares held by a nominee or bare trustee on its behalf;

**“Business”** means property development and development management consultancy;

**“Business Day”** means a day other than a Saturday or Sunday or 2 January when banks are open for normal banking business in Edinburgh;

**“Buyer”** means any person (whether or not a member of the Company) who is offered Shares for sale or transfer and shall include a Connected Person, or a Concert Party with, such person (but shall exclude any Permitted Transferee);

**“Capitalised Sum”** has the meaning given to it in Article 20.1.1(b);

**“Chair”** means the person appointed as chair of the board of Directors in accordance with Article 5.4 (Chairing of Directors’ meetings);

**“Chair of the meeting”** has the meaning given in Article 21.3.3;

**“company”** includes any body corporate;

**“Concert Party”** means any person with which any relevant person is acting in concert or would be so if the City Code on Takeovers and Mergers applied in the relevant case;

**“Connected Person”** shall have the meaning given by Sections 1122 and 1123 of the CTA 2010 and the words “connected with” shall be construed accordingly, save that in these Articles, the word “company” as defined in Section 1123 of the CTA 2010 shall include a limited liability partnership and the term Connected Person shall include any Family Members (as defined below) of those Connected Persons;

**“Controlling Interest”** means:

- (a) the ownership or control (directly or indirectly) of more than 50 per cent of the voting share capital of the relevant undertaking;
- (b) the ability to direct the casting of more than 50 per cent of the votes exercisable by the partners, members or shareholders of the relevant undertaking; or
- (c) the right to appoint or remove directors of the relevant undertaking holding a majority of the voting rights at meetings of the board on all, or substantially all, matters;

**“CTA 2010”** means the Corporation Tax Act 2010;

**“Default Transfer Notice”** has the meaning given in Article 15.2;

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

**“Distribution Recipient”** has the meaning given in Article 19.2.2;

**“Eligible Director”** means a Director eligible to be counted in a quorum for a Directors’ meeting in respect of a particular matter and to vote on such matter to be considered at a Directors’ meeting;

**“fair value”** has the meaning given in Article 14.7;

**“Family Member”** means in relation to an individual member or deceased or former individual member their spouse, civil partner (or widow, widower or surviving civil partner), grandparents, and/or any one or more of their children and grandchildren (including step, adopted children and grandchildren and their issue);

**“Family Trust”** means in relation to any individual member or deceased individual member a trust or settlement set up wholly for the benefit of that person and/or their Family Member(s);

**“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 or credited as paid to the Company;

**“Good Leaver”** means a person who is a Leaver as a result of one or more of the following:

- (a) death;
- (b) retirement with the agreement of the Board;
- (c) Serious Ill Health;

- (d) dismissal by reason of redundancy (in the case of an employee);
- (e) a B Shareholder becoming a Leaver after the second anniversary of the earliest date on which they acquired or subscribed for Shares;
- (f) the termination of a Shareholder's employment (in the case of an employee) in circumstances that are determined by a decision of an Employment Tribunal or Court, which decision is final and no longer appealable, to be or amount to unfair, constructive or wrongful dismissal where such Shareholder has commenced proceedings in respect of such claim within 3 months of such Shareholder becoming a Leaver; or
- (g) where the all the holders of the other class determine such person is a Good Leaver;

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

**"Issue Price"** means in respect of a Share, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium;

**"Leaver"** means a Shareholder who is an individual and who is or was previously a Director, consultant, worker or employee of the Company and who ceases to hold such office, engagement or employment unless all the Ordinary Shareholders of the other class notifies the Company in writing within 14 days that such person is not a Leaver;

**"Ordinary Resolution"** has the meaning given in Section 282 of the Act;

**"Ordinary Shareholder"** means a Holder of Ordinary Shares, together with any former Holder of Ordinary Shares who has transferred its Ordinary Shares pursuant to Article 12 (Permitted Transfers);

**"Ordinary Shares"** has the meaning given in Article 8.1 (Share Capital);

**"Permitted Transferee"** means a transferee permitted under Article 12 (Permitted Transfers);

**"Persons Entitled"** has the meaning given in Article 20.1.1(b);

**"Price"** means the price for the sale of Shares as established pursuant to Article 13.2 (Determination of the price) (but subject always to Article 15.4);

**"Proxy Notice"** has the meaning given in Article 22.4.1;

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

**“Relevant Agreement”** means any agreement to which the Ordinary Shareholders (in their capacity as shareholders in the Company) are party relating to the business and affairs of the Company or a director’s service agreement;

**“Relevant Shares”** means (so far as the same remain for the time being held by any Family Member or the trustees of any Family Trust or by any nominee or bare trustee) the Shares originally acquired by such Family Member or trustees or nominee or bare trustee and any additional Shares issued to such Family Member or trustees or nominee or bare trustee by way of capitalisation, sub-division or consolidation or acquired by such person in exercise of any right or option granted or arising by virtue of the holding of the Relevant Shares or any of them or the membership thereby conferred;

**“Serious Ill Health”** means an illness or disability certified by a general medical practitioner (nominated or approved by the Shareholder Majority) as rendering the person concerned permanently incapable of carrying out their role as an employee, worker, consultant or Director save where such incapacity has arisen as a result of the abuse of drugs (including alcohol);

**“Share”** means any share in the capital of the Company from time to time;

**“Shareholder”** means a person who is the Holder of a Share;

**“Shareholder Majority”** means the Shareholders who for the time being hold at least 50% of the Shares;

**“Special Resolution”** has the meaning given in Section 283 of the Act;

**“Taxes Act”** means the Income and Corporation Taxes Act 1988;

**“Transfer Notice”** has the meaning given in Article 13.1 (Transfer notice); and

**“Transmittee”** means a person entitled to a Share by reason of the death or Bankruptcy of a Shareholder or otherwise by operation of law.

## 1.2 Construction

1.2.1 References to a document being executed include references to its being executed under hand or under seal or by electronic signature or by any other method and references to a document or instrument include references to any information in visible form whether having physical substance or not.

1.2.2 References to writing include references to any visible substitute for writing, including by way of an electronic communication, and to anything partly in one visible form and partly in another visible form.

1.2.3 Words denoting the singular number include the plural number and *vice versa*; words importing a gender include every gender; and words denoting persons include any

company, corporate body, partnership, firm, government authority or society (whether incorporated or not).

- 1.2.4 Unless the context otherwise requires, words or expressions contained in these Articles which are not defined in Article 1.1 (Defined Terms) but are defined in the Act have the same meaning as in the Act (but excluding any modification of the Act not in force at the date of adoption of these Articles).
- 1.2.5 Subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation include any modification, replacement or re-enactment of that provision for the time being in force.
- 1.2.6 Headings are inserted for convenience only and do not affect the construction or interpretation of these Articles.
- 1.2.7 A subsidiary, holding company, subsidiary undertaking and parent undertaking shall have the meanings set out in Sections 1159 and 1162 of the Act, provided that for the purposes only of the membership requirement contained in these Sections a company shall be treated as a member of another company even if its shares in that other company are registered in the name of another person (or that person's nominee) whether by way of security or in connection with the taking of security or its nominee.
- 1.2.8 References to any Scottish legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any other legal concept shall, in respect of any jurisdiction other than Scotland, be deemed to include the legal concept which it most nearly approximates in that jurisdiction to the Scottish legal term.
- 1.3 If at any time and for so long as the Company has a single member, all the provisions of the Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to a company with a single member.
- 1.4 These Articles exclude the model articles prescribed by the Companies (Model Articles) Regulations 2008.

## **2 LIMITATION OF LIABILITY**

### **2.1 Liability of members**

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.



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

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

Subject to these Articles, the Directors are responsible for the management of the Company's business and the Directors may exercise all the powers of the Company.

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

3.2.1 The Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action or actions.

3.2.2 No Special Resolution directing the Directors to take or refrain from taking a specified action or specified actions shall invalidate anything done by the Directors, before the passing of the Special Resolution, which would have otherwise been valid.

#### **3.3 Directors may appoint agents**

Subject to these Articles, the Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company on such terms and conditions as the Directors determine, including authority for the agent to delegate all or any of their powers and the Directors may at any time revoke any appointment in whole or in part.

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

3.4.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under these Articles to any committee consisting of one or more Directors or to any Director holding any executive office.

3.4.2 Unless the Directors specify otherwise, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated to any employee or agent of the Company.

3.4.3 Any delegation may be made subject to such terms and conditions as the Directors may specify and the Directors may at any time revoke any delegation in whole or part, or alter its terms and conditions.

#### **3.5 Committees**

3.5.1 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 these Articles which govern the taking of decisions by Directors.

3.5.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

### **3.6 Offices including the title “Director”**

The Directors may appoint any person to any office or employment having a designation or title including the word “**Director**” or attach such a designation or title to any existing office or employment with the Company and may terminate any such appointment or the use of any such designation or title. The inclusion of the word “**Director**” in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, and the holder shall not thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles.

### **3.7 Borrowing powers**

The Directors may exercise all the powers of the Company to borrow money without limit as to amount, upon such terms and in such manner as they think fit, and to grant any mortgage, charge or standard security over the undertaking, property and uncalled capital of the Company or any part thereof.

## **4 DECISION MAKING BY DIRECTORS**

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

4.1.1 Any decision of the Directors must be either a majority decision at a meeting held in accordance with Article 5 (Directors’ Meetings) or a decision taken in accordance with Article 4.2 (Unanimous decisions).

4.1.2 If the Company only has one Director, Article 4.1.1 does not apply, and the sole Director may take decisions without regard to any of the provisions of these Articles relating to Directors’ decision-making.

### **4.2 Unanimous decisions**

4.2.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors unanimously agree on such a decision.

4.2.2 Such a decision shall take the form of a resolution in writing, a copy of which has been signed by each Eligible Director, or several copies of which have been signed by one or more Eligible Directors, or to which each Eligible Director has otherwise indicated agreement in writing.

4.2.3 References in these Articles to Eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors’ meeting.

4.2.4 A decision may not be taken in accordance with this Article 4.2 (Unanimous decisions) if the Eligible Directors would not have formed a quorum at a Directors’ meeting convened to consider the decision.

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

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the relevant date of all proceedings at Directors' meetings and of committees of Directors (including the names of the Directors present at each such meeting) and of all decisions otherwise made or considered by Directors.

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

Subject to these 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.

### **5 DIRECTORS' MEETINGS**

#### **5.1 Calling a Directors' meeting**

5.1.1 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.

5.1.2 Notice of any Directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place;
- (c) the agenda of the business to be transacted (together with, where practicable, all papers relating to the business to be considered); and
- (d) 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.

5.1.3 Save where urgent business arises and such period of notice is impracticable, and the consent of at least one A Director and at least one B Director is given to such shorter notice period, a minimum of seven days' notice of a Directors' meeting must be given to each Director and shall be in writing.

5.1.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice in writing of that meeting, by giving notice to that effect to the Company prior to the date of the meeting 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.

## **5.2 Participation in Directors' meetings**

5.2.1 Directors participate in a Directors' meeting, or a meeting of a committee of the Board or part of a Directors' meeting, when:

- (a) the meeting has been called and takes place in accordance with these 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.

5.2.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other, provided that all parties participating in the Directors' meeting can speak to and be heard by all those participating in the meeting simultaneously.

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

## **5.3 Quorum for Directors' meetings and Voting**

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

5.3.2 Subject to Articles 5.3.3 the minimum quorum necessary for the transaction of business at any Directors' meeting or of any committee of Directors shall be two Eligible Directors, of which one shall be an A Director and one shall be a B Director.

5.3.3 The Shareholders may agree by unanimous resolution (which for the avoidance of doubt shall be deemed to include the provisions of any Relevant Agreement which provide that in certain circumstances A Directors or Directors are not entitled to participate in Directors' meetings) to vary from time to time the quorum requirements set out in Article 5.3.2.

5.3.4 In the event that all the A Directors or B Directors holding office do not participate in a properly constituted Directors' meeting then the A Directors or B Directors participating shall be entitled, respectively to cast such number of votes as if all the A Directors or B Directors (as relevant) had been participating in such meeting.

## **5.4 Chairing of Directors' meetings**

5.4.1 The chair of meetings of the Directors will be an A Director.

5.4.2 If the A Director appointed as the chair is unable to attend any meeting of the board of Directors, the other Directors present shall be entitled to appoint a Director to chair the meeting of the Directors.

5.4.3 The person so appointed for the time being is known as the Chair.

5.4.4 If no Chair is at that time appointed, or the Chair is unwilling to preside at a meeting or the Chair is not present within ten minutes of the time at which a Directors' meeting was to start, the Directors present shall appoint one of themselves to be the chair of the meeting.

## **5.5 Chair's casting vote**

5.5.1 If the number of votes cast by Eligible Directors for and against a proposal at a Directors' meeting are equal, the Chair shall have an additional casting vote.

5.5.2 If the Chair is not an A Director, the Chair shall not have such a casting vote.

## **5.6 Frequency of meetings**

5.6.1 Unless the Directors agree otherwise, meetings of the Directors shall take place quarterly.

# **6 DIRECTOR'S INTERESTS**

## **6.1 Disclosure of Director's Interests**

6.1.1 Subject to the provisions of the Act and provided they have in accordance with the Act disclosed to the Directors the nature and extent of any of their direct or indirect interests, a Director notwithstanding their office:

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is any way interested;
- (b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) may (and any firm or company or limited liability partnership of which they are a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- (d) shall not by reason of their office be accountable to the Company for any benefit which they derive from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

- (c) shall be entitled to vote and be counted in the quorum on any matter set out in this Article.

## 6.2 Director's Conflict of Interest

6.2.1 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisations) authorise, to the fullest extent permitted by law:

- (a) any matter which would otherwise result in a Director infringing their duty to avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including conflict of interest and duty or conflict of duties);
- (b) a Director to accept or continue in any office, employment or position in addition to their office as a Director and without prejudice to Article 6.2.1(a) may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any Directors' meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

6.2.2 If a matter, or office, employment or position, has been authorised by the Directors in accordance with Article 6.2.1 then:

- (a) the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by them in relation to or in connection with that matter, or that office, employment or position;
- (b) the Director may absent themselves from Directors' meetings at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- (c) the Director may make such arrangement as such Director thinks fit for Directors' meeting and committee papers to be received and read by a professional adviser on behalf of that Director.

6.2.3 A Director shall not, by reason of their office, be accountable to the Company for any benefit which they derive from any matter, or from any office, employment or

position, which has been approved by the Directors under Article 6.2 (Director's Conflict of Interest) (subject always in any such case to any limits or conditions to which such approval was subject).

6.2.4 Article 6.2 (Director's Conflict of Interest) is without prejudice to the operation of Article 6.1 (Disclosure of Director's Interests).

## **7 APPOINTMENT OF DIRECTORS**

### **7.1 Number of Directors**

The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution. Subject to and in default of any such determination, there shall be no maximum number of Directors and the minimum number of Directors shall be not less than two of whom at least one shall be an A Director and at least one shall be a B Director.

### **7.2 Retirement by rotation**

The Directors shall not be required to retire by rotation.

### **7.3 Appointment and removal of a Director**

7.3.1 No person shall be appointed as a Director other than in accordance with this Article 7.3 (Appointment and removal of a Director).

7.3.2 The A Shareholders shall each be entitled, to appoint 1 A Director and to remove any Directors so appointed by them.

7.3.3 For so long as the B Shareholder holds shares in the capital of the Company, the B Shareholder shall be entitled to hold office as Director.

7.3.4 An A Director or a B Director shall continue to hold such office until they are either removed pursuant to this Article 7.3 (Appointment and removal of a Director) or vacates office pursuant to Article 7.4 (Termination of Director's appointment).

### **7.4 Termination of Director's appointment**

7.4.1 Notwithstanding the terms of Article 7.3 (Appointment and removal of a Director), 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) an arrangement or 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;
- (e) that person dies;
- (f) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- (g) that person ceases to hold Shares in the Company.

## **7.5 Directors' remuneration**

7.5.1 Directors may undertake any services for the Company that the Directors decide.

7.5.2 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.

7.5.3 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 and any member of their family (including a spouse and a former spouse).

7.5.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

7.5.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.



## 7.6 **Directors' expenses**

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

- (a) meetings of Directors or committees of 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.

## 8 **SHARES**

### 8.1 **Share Capital**

The share capital of the Company shall consist of A ordinary shares and B ordinary shares (together "**Ordinary Shares**"). Subject to any special rights which may be attached to any class of Shares issued on or after the date of adoption of these Articles, the rights attaching to the Ordinary Shares are as follows:

- 8.1.1 on a return of assets on liquidation or otherwise, the assets of the Company available for distribution among the members shall be applied first in paying to the Ordinary Shareholders a sum equal to the nominal amount of each Ordinary Share held by them and secondly the balance of such assets (if any) shall be distributed amongst the Ordinary Shareholders, pro rata (as nearly as may be) according to the nominal amounts paid up or credited as paid up on the Ordinary Shares held by them respectively;
- 8.1.2 the profits of the Company available for distribution and resolved to be distributed in respect of any financial year of the Company shall be distributed among the Ordinary Shareholders in accordance with Article 19; and
- 8.1.3 subject to any special rights, privileges or restrictions attached to any Ordinary Shares, at a general meeting of the Company on a show of hands every Ordinary Shareholder who (being an individual) is present in person or by proxy (not being themselves a member) or (being a corporation) is present by a representative duly authorised under Section 323 of the Act (not being itself a member) shall have one vote, and on a poll every Ordinary Shareholder present in person, by representative or by proxy shall have one vote for every Ordinary Share of which they are the Holder.

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

8.2.1 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.

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

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

8.3.1 Subject to these 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 Special Resolution.

8.3.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Holder, on such terms and in such manner as may be determined by these Articles or as the Company may by Special Resolution determine.

## **8.4 Trusts may be recognised**

Except as required by law, or as otherwise provided by these Articles, the Company shall not 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. The Company shall, however, be entitled to register trustees as such in respect of any Shares.

## **8.5 Share certificates**

8.5.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds and upon transferring a part of their holding of Shares of any class the Company shall issue to such Shareholder, free of charge, a certificate in respect of the balance of the Shares held.

8.5.2 Every certificate must specify:

- (a) in respect of how many Shares, of what class, it is issued;
- (b) the nominal value of those Shares; and
- (c) that the Shares are Fully Paid (with the exception of any Shares issued to the subscribers to the Company's memorandum as nil or partly paid).

8.5.3 No certificate may be issued in respect of Shares of more than one class.

8.5.4 If more than one person holds a Share, only one certificate shall be issued in respect of it.

8.5.5 Certificates must:

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

## 8.6 Replacement share certificates

8.6.1 If a certificate issued in respect of a Shareholder's Shares is:

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

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

8.6.2 A Shareholder 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.

## 9 CLASS RIGHTS

### 9.1 Separate Classes

The A Ordinary Shares and the B Ordinary Shares shall constitute separate classes of Shares for the purposes of these Articles and the Act and shall entitle the Holders thereof to the respective rights and privileges and subject them to the respective restrictions and obligations set out in these Articles. The A Ordinary Shares and the B Ordinary Shares shall, except where otherwise provided herein, confer upon the Holders thereof the same rights and shall rank *pari passu* in all respects.

### 9.2 Variation of rights

Whenever the capital of the Company is divided into different classes of Shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going

concern or during or in contemplation of a winding up, only with the consent in writing of the Holders of 75 per cent of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the Holders of the Shares of that class.

### 9.3 **Class meetings**

Except as otherwise provided by these Articles, the provisions of these Articles relating to general meetings shall apply, to any meeting of the Holders of Shares of a class held except that the necessary quorum shall be one person present or by proxy or, in the case of a corporate member, by a duly authorised representative (whenever there is only one Holder of Shares of that class) but where there are two or more Holders of Shares of that class the quorum shall be two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation (subject to Section 318(2) of the Act), together at least holding three quarters of the issued Shares of the class (but so that, if at any adjourned meeting of such Holders a quorum as above defined is not present, the member who is present shall be a quorum) and that any Holder of Shares of the class present in person or by proxy or, in the case of a corporate member, by a duly authorised representative may demand a poll.

## 10 **ISSUE OF SHARES**

### 10.1 **Allotment of Shares**

Subject to any Relevant Agreement, the Directors are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to offer, allot, grant options over Ordinary Shares and/or rights to subscribe for or convert securities into Ordinary Shares or otherwise dispose of any Ordinary Shares to such persons, at such times and for such consideration as the Directors may determine (subject to the terms of these Articles) but so that no Ordinary Share shall be issued in contravention of Section 553 of the Act. This authority shall, unless revoked or varied in accordance with Section 551 of the Act, expire five years from the date of the adoption of these Articles, but without prejudice to any offer or agreement made before that anniversary which would or might require the exercise by the Directors after such anniversary of their powers in pursuance of the said authority. Section 550 of the Act shall not apply to the Company.

### 10.2 **Procedure for Allotment of Shares**

Shares shall only be allotted, whether for cash or otherwise, in accordance with the provisions of this Article (and any other relevant provisions of these Articles and any Relevant Agreement) or on such other terms as may be specified by Special Resolution:

- 10.2.1 all Shares to be allotted (the **“Offer Shares”**) shall first be offered to the members of the Company in proportion, as nearly as may be, to their existing holdings of Shares of the class being allotted or, if Shares of such class have not previously been allotted, to their existing holdings of Ordinary Shares (the **“Initial Offer”**);

- 10.2.2 the Initial Offer shall be made by written notice (the “**Offer Notice**”) from the Directors specifying the number and price of the Offer Shares and the proportionate entitlement of the relevant member and shall invite each member to state in writing within a period not being less than 14 days whether they are willing to accept any Offer Shares and if so what the maximum number of the Offer Shares they are willing to accept is. In the event that a member does not so respond to the Offer Notice within the period prescribed in it, the Initial Offer shall be deemed to be declined by that member;
- 10.2.3 after the expiration of the time specified for acceptance in the Offer Notice, the Directors shall offer the Offer Shares which have been declined or are deemed to be declined to each of the members who shall have within the period specified in the Offer Notice expressed their willingness to purchase all of the Offer Shares offered to them (the “**Further Offer**”). Such Further Offer shall be made on the same terms as the Initial Offer and shall invite each such member to state in writing within a period not being less than 14 days whether they are willing to accept any, and if so what maximum number, of the Offer Shares so offered;
- 10.2.4 at the expiration of the time specified for acceptance in the Offer Notice or Further Offer (as applicable) and upon payment of the subscription price in respect of the Offer Shares (which shall be paid by way of electronic transfer to an account notified to the relevant members by the Directors) the Directors shall allot the Offer Shares to or amongst the members who shall have notified to the Directors their willingness to take any of the Offer Shares but so that no member shall be obliged to take more than the maximum number of Shares notified by them under Article 10.2.2 and 10.2.3;
- 10.2.5 in the event of competition for any Offer Shares to which Article 10.2.3 applies then such Shares shall be allocated amongst the competing members pro rata to their holdings of the relevant Shares prior to commencement of the Initial Offer;
- 10.2.6 the Directors shall make such arrangements as they in their discretion shall think fit concerning entitlement to fractions of shares, overseas members and members unable by law or regulation to receive or accept any offer pursuant to this Article 10.2 (Procedure for Allotment of Shares); and
- 10.2.7 no Shares shall be allotted or issued to any person who is not immediately prior to such allotment or issue an Ordinary Shareholder.

### 10.3 **Disapplication of Section 561**

In accordance with Section 570 of the Act, the provisions of Section 561 of the Act shall not apply to the Company.

#### 10.4 **No Renunciation of Allotment**

Other than as set out in these Articles, no Shares shall be allotted on terms that the right to take up the Shares allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a Share may direct that such Share may be allotted or issued to any other person.

#### 10.5 **Designation of Shares**

Any Ordinary Share issued pursuant to this Article 10 (Issue of Shares) to a member by reference to their holding of Ordinary Shares shall on issue be designated an Ordinary Share of the same class as the holding by reference to which such Ordinary Share is issued.

### 11 **TRANSFER OF SHARES**

#### 11.1 **Share transfers**

11.1.1 Subject to the provisions of these Articles, Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor and when lodged for registration shall be accompanied by the relevant share certificate and such other evidence (if any) as the Directors may require to prove the title of the intending transferor.

11.1.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.

11.1.3 The Company may retain any instrument of transfer which is registered.

11.1.4 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.

#### 11.2 **Transmission of Shares**

11.2.1 Subject to the provisions of these Articles, if title to a Share passes to a Transmittor, the Company may only recognise the Transmittor as having any title to that Share.

11.2.2 Subject to the provisions of these Articles, a Transmittor who produces such evidence of entitlement to Shares as the Directors may properly require:

(a) may choose either to become the Holder of those Shares or to have them transferred to another person; and

(b) pending any transfer of the Shares to another person and subject to Article 11.2.3, has the same rights as the Holder had.

- 11.2.3 Transmittes 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.

**11.3 Exercise of Transmittes' rights**

- 11.3.1 Subject to the provisions of these Articles, Transmittes who wish to become the Holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 11.3.2 If the Transmittes wishes to have a Share transferred to another person or is required to transfer a Share to another person pursuant to the terms of these Articles, the Transmittes must execute an instrument of transfer in respect of it.
- 11.3.3 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 Transmittes has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

**11.4 Transmission of Shares subject to these Articles**

For the avoidance of doubt the provisions of this Article 11 (Transfer of Shares) are subject to the provisions of these Articles including (without limitation) Article 12 (Permitted Transfers), Article 15 (Compulsory Transfers) and Article 17 (Drag Along Rights) which shall apply notwithstanding, and in preference to, any transmission of Shares to a Transmittes.

**11.5 Transmittes bound by prior notices**

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

**11.6 Refusal to register**

The Directors shall refuse to register any transfer of Shares in contravention of the provisions of these Articles but shall not otherwise be entitled to refuse to register any transfer of Shares, unless they have substantial reasons for believing that a transfer purportedly made in accordance with any such provision is not in fact in a material respect in accordance therewith, in which event they shall decline to register such transfer.

**11.7 Disposal of whole interest only**

Save as permitted pursuant to these Articles, no transfer, disposal, charge, mortgage, assignation or other dealing in any Share or any interest or right therein shall occur other than the transfer of the whole legal and beneficial interest in and to such Share, free from all liens,

charges and encumbrances and with all rights, title and interest in existence at the date of transfer together with all rights which may arise in respect thereof thereafter.

#### **11.8 Attempted disposal of interest in Shares**

If a member at any time attempts to deal with, or dispose of, a Share or any interest therein or right attaching thereto otherwise than in accordance with the provisions of these Articles or if a circumstance arises where a Transmittor (who is not a person to whom Shares may be transferred in accordance with Article 12 (Permitted Transfers)) becomes entitled to a Share or any interest therein or right attaching thereto, they and any Permitted Transferee shall be deemed immediately prior to such attempt or on the circumstance arising (as relevant) to have given a Default Transfer Notice in respect of all Shares held by them and their Permitted Transferees and the provisions of Article 15 (Compulsory Transfers) shall apply accordingly.

#### **11.9 Provision of information**

For the purposes of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles and duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given or a Default Transfer Notice is or may be deemed to have been given hereunder or for the purposes of ascertaining whether any relevant provisions of these Articles apply, the Directors may require any member, the representative of any member appointed pursuant to Section 323 of the Act, the receiver, administrator, administrative receiver or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration, to furnish the Directors with such information and evidence as the Directors think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 21 days after such request the Directors shall be entitled to refuse to register the transfer in question or (in a case where no transfer is in question) shall by notice in writing deem that a Default Transfer Notice be given in respect of the Shares concerned.

#### **11.10 Transfers in security**

A member may not enter into a deed of charge or similar arrangement involving or which may involve the transfer of Shares in security, without prior written consent of the other members. In the event of the member entering into such arrangement, without such approval, the member shall be deemed to have given a Default Transfer Notice immediately prior to such action and the provisions of Articles 14 (Expert Determination of Fair Value) and 15 (Compulsory Transfers) shall apply accordingly.

#### **11.11 Member to notify**

If a member becomes aware of any event which is deemed to give rise, or may on determination by the Directors give rise, to an obligation to serve a Transfer Notice or circumstances whereupon a Default Transfer Notice shall be deemed to be given they shall forthwith give notice thereof to the Directors.



#### **11.12 Receipt of deemed Default Transfer Notice**

Where a Default Transfer Notice in respect of any Share is deemed or required to have been given under any provision of these Articles and the circumstances are such that the Directors are unaware of the facts giving rise to the same, such Default Transfer Notice shall be deemed to have been received by the Directors on the date on which the Directors actually became aware of such facts and the provisions of Article 15 (Compulsory Transfers) shall apply accordingly.

#### **11.13 Suspension of voting rights**

The voting rights attached to any Share in respect of which a Transfer Notice shall be deemed or required to have been given (including a Default Transfer Notice) pursuant to these Articles shall forthwith be suspended until such time as the relevant Share shall have been transferred in accordance with these Articles or such time as the Directors shall have notified the member pursuant to Article 13 (Pre-emption Rights) that they have no prospect of finding purchasers therefor. Any such suspension shall be ignored for the purpose of any calculation required for the determination of a Controlling Interest or for the calculation of the percentage shareholding of the Dragging Shareholder(s) pursuant to Article 17.1 (Drag Along Option).

#### **11.14 Re-designation of Ordinary Shares**

Whenever an A Ordinary Share or a B Ordinary Share is transferred to a member holding only Shares of another class of Ordinary Shares such transferred share shall upon registration of the transfer be converted into and re-designated as a Share of the other class and any share certificate issued to the transferee shall take account of such conversion and re-designation.

### **12 PERMITTED TRANSFERS**

#### **12.1 Permitted transfers**

Shares held by a member may at any time be transferred without the giving of a Transfer Notice under Article 13 (Pre-emption Rights) where the transfer is demonstrated to the reasonable satisfaction of the Directors, to be:

- 12.1.1 by any individual member (not being, in relation to the Shares concerned, a Holder thereof as a trustee of any Family Trust or a nominee or bare trustee) to a Family Member (over the age of 18) of such member;
- 12.1.2 by any individual member (not being, in relation to the Shares concerned, a Holder thereof as a trustee of any Family Trust or a nominee or bare trustee) to be held upon a Family Trust related to such individual member;
- 12.1.3 by any individual member (not being, in relation to the Shares concerned, a Holder thereof as a trustee of any Family Trust or a nominee or bare trustee) to a Qualifying Company; or

- 12.1.4 by a Beneficial Shareholder to a person as the nominee of, or bare trustee for, that Beneficial Shareholder and by any such nominee or bare trustee to such Beneficial Shareholder or to another nominee or bare trustee for such Beneficial Shareholder.

## **12.2 Family Trusts**

Where Shares are held by trustees of a Family Trust, the trustee and their successors in office may (subject to the provisions of Article 12 (Permitted Transfers)) transfer all or any of the Relevant Shares without the giving of a notice under Article 13.1 (Transfer notice) as follows:

- 12.2.1 to the trustees for the time being of the Family Trust concerned on any change of trustees;
- 12.2.2 to the trustees for the time being of any other trust being a Family Trust in relation to the same individual member or deceased or former member; and
- 12.2.3 to the relevant member or former member who made the original transfer permitted pursuant to Article 12.1 (Permitted transfers) or any Family Member of such relevant member or deceased or former member.

## **12.3 Cessation of permitted transfer relationship**

If following any transfer of Shares permitted pursuant to this Article 12 (Permitted Transfers):

- 12.3.1 any person to whom Shares are transferred as a Family Member ceases to be a Family Member of the relevant member or former or deceased member;
- 12.3.2 any of the Relevant Shares come to be held otherwise than upon a Family Trust related to the relevant member or former or deceased member;
- 12.3.3 a Qualifying Company ceases to be a Qualifying Company of the relevant member or former or deceased member;
- 12.3.4 any person to whom Shares are transferred as a nominee or bare trustee ceases to hold any of the Relevant Shares absolutely on behalf of the relevant Beneficial Shareholder,

in each case other than as permitted by or in accordance with the provisions of these Articles it shall be the duty of the relevant member and the former Holder(s) of the Relevant Shares to notify the Directors in writing that such event has occurred. If the Relevant Shares are not transferred within 30 days of the occurrence of such event to the original transferor of the Shares or some other person to whom that original transferor would be entitled to transfer the Shares pursuant to this Article 12 (Permitted Transfers) if it still held them then the Permitted Transferee shall be deemed to have given a Default Transfer Notice in respect of the Relevant Shares and the provisions of Article 14 (Expert Determination of Fair Value) and Article 15 (Compulsory Transfers) shall have effect, mutatis mutandis, to such Default Transfer Notice.

## 12.4 **Original Shareholder as attorney**

Where any Shareholder (in this Article 12.4 (Original Shareholder as attorney) the **“transferor”**) transfers Shares to a Permitted Transferee the transferor shall procure, before the transfer is presented for registration, that they are appointed, on terms reasonably satisfactory to the Shareholder Majority, as the attorney of the Permitted Transferee to exercise, in the name of and on behalf of the transferee, all or any of the rights in relation to the Shares transferred to them with full (unconditional and irrevocable) authority to sell those Shares on behalf of the transferee. For that purpose the transferee authorises the Company to send any written resolutions, notices or other communications required in respect of the Shares registered in the name of the Permitted Transferee to the transferor.

## 13 **PRE-EMPTION RIGHTS**

### 13.1 **Transfer notice**

Save as otherwise provided in these Articles, any member wishing to transfer part or all of the Shares held by them (the **“Transferor”**) shall first give a notice in writing (a **“Transfer Notice”**) to the Company specifying the number of Shares which the Transferor wishes to sell (the **“Sale Shares”**) and (if the Transferor wishes) the price per Share which the Transferor is willing to accept for the Sale Shares and, in the event that the Transferor shall have reached an agreement or an arrangement with a third party for a sale of the Sale Shares to such third party, the Transferor shall state in the notice the name of such third party, the price per Share at which the Sale Shares are proposed to be sold to such third party and all other material terms of the proposed transfer. A Transfer Notice which is deemed to be given or required to be given under the terms of these Articles (including a Default Transfer Notice) shall be in respect of all Shares held by the relevant Shareholder who is the Transferor, together with all Shares held by their Permitted Transferees and any Connected Person or their nominee or bare trustee. A Transfer Notice and/or a Default Transfer Notice shall constitute the Company (acting through the Directors) as the agent of the Transferor for the sale of the Sale Shares at the Price (such price to be determined in accordance with the provisions of Article 13.2 (Determination of the price)) (but subject to the terms of Article 15 (Compulsory Transfers)).

### 13.2 **Determination of the price**

The expression **“Price”** shall mean in respect of each Sale Share:

13.2.1 the price per Share (if any) specified in the Transfer Notice in accordance with the foregoing provisions; or

13.2.2 if:

(a) the relevant Transfer Notice does not name a purchaser and set out a price per Share at which the Sale Shares are proposed to be sold to them;

- (b) a Transfer Notice is deemed or is required to be given (including a Default Transfer Notice);
- (c) such named purchaser is a Connected Person of or Concert Party with the Transferor; or
- (d) the terms on which such Sale Shares are to be sold to the named purchaser do not fully reflect the terms of the proposed transaction or are otherwise than a fixed cash sum payable in full on completion of the sale (for example, because the consideration is to be satisfied otherwise than in cash or because some deduction, consideration, rebate, allowance or arrangement is being made or is passing between the Transferor and the named purchaser in addition to the price per Share set out in the Transfer Notice),

such sum per Share as shall be agreed between the Transferor and the Directors or, failing agreement, within 21 days of the Transfer Notice being given or the Transfer Notice or Default Transfer Notice being deemed to be given, as shall be determined by an independent share valuation expert (“**Expert**”) in accordance with Article 14 (Expert Determination of Fair Value).

### 13.3 **Total transfer provision**

A Transfer Notice once given shall not be revocable but, save for Shares sold pursuant to a Transfer Notice deemed or required to be given under these Articles (including a Default Transfer Notice), the Transfer Notice may contain a provision (a “**Total Transfer Provision**”) that unless all or a specified number of the Sale Shares are sold by the Company pursuant to this Article none shall be sold and the Transfer Notice shall in such circumstances be treated as withdrawn. Any such provision shall be binding on the Company.

### 13.4 **Withdrawal of Transfer Notice**

If an Expert is asked to certify the fair value under Article 14 (Expert Determination of Fair Value) their certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall provide a certified copy of it to the Transferor and save for Shares sold pursuant to a Transfer Notice deemed or required to be given under these Articles (including a Default Transfer Notice) the Transferor shall be entitled, by notice in writing to the Company within seven days of the service upon them of the certified copy, to cancel the Company’s authority to sell the Sale Shares. In such circumstances the cost of obtaining the certificate from the Expert shall be borne by the Transferor.

### 13.5 **More than one Transfer Notice**

In the event that more than one Transfer Notice is served, or deemed to be served (including a Default Transfer Notice), by a Transferor, an offer made pursuant to this Article 13 (Pre-emption Rights) (if not accepted in respect of all Shares to which all of the Transfer Notices

relate) may only be accepted in respect of the Shares comprised in each Transfer Notice according to the ratio which the aggregate number of Shares so accepted bears to the aggregate number of Shares comprised in all the Transfer Notices.

### 13.6 Offer of Sale Shares

Within 14 days of the date that the Transfer Notice is received by the Company or the date the Transfer Notice is deemed to have been given (including a Default Transfer Notice) or within 14 days after the Price of the Shares is determined pursuant to Article 13.2 (Determination of the price), whichever is the later, (and provided the Transfer Notice has not been withdrawn pursuant to Article 13.4 (Withdrawal of Transfer Notice)) the Sale Shares shall be offered to the Company and the members of the Company (other than the Transferor) and the following provisions shall apply:

- 13.6.1 Notwithstanding any other provision contained herein, the Company shall be entitled to elect to purchase itself the Sale Shares at the Price or any higher price and otherwise on the terms set out in the Transfer Notice. If the Sale Shares were the subject of a Total Transfer Provision, such a buyback may only comprise of all of the Sale Shares and not part only. If the Sale Shares were the subject of a Default Transfer Notice, notwithstanding any other Article, the Company shall be entitled to elect to purchase the Sale Shares at any time after the Default Transfer Notice is deemed to have been given.
- 13.6.2 If the Company has elected to purchase itself any of the Sale Shares, it shall provide a Sale Notice on the same terms as noted in Article 13.7. The purchase shall be completed within 14 days of the date of the Sale Notice (or at such later date as the Directors may determine) at a place and time to be appointed by the Directors when, against payment of the Price and any relevant stamp duties, the Transferor shall deliver (and if relevant shall procure the delivery by Connected Persons and/or by nominees or bare trustees of) such transfers in favour of the Company as it may require together with the share certificates in respect of the relevant Sale Shares or an indemnity in respect of a lost share certificate in favour of the Company on terms acceptable to the Directors. In the event that the Company has completed a purchase of the Sale Shares itself in accordance with this Article, the Sale Shares shall be cancelled and the register of members of the Company shall be updated accordingly.
- 13.6.3 If the Company has not elected to purchase itself all or any part of the Sale Shares in accordance with Article 13.6.1, the Sale Shares shall be offered to the members (other than the Transferor) in a proportion which is as nearly as practicable equal to their existing holdings of Shares of the class being offered or, if no members hold such Shares, to their holdings of Ordinary Shares (calculated as at the date immediately prior to the date of the Members' Offer Notice, as defined below), without involving fractions. Such offer shall be made by notice in writing (the "**Members' Offer Notice**") which shall:

- (a) state the Price;

- (b) state the number of Sale Shares, the proportionate entitlement of each member and the method of calculating such entitlement;
- (c) state whether the Sale Shares are subject to a Total Transfer Provision and whether the Transfer Notice (including a Default Transfer Notice) relating to the Sale Shares was required or deemed to be given; and
- (d) invite each member to state in writing within 21 days after the date of the Members' Offer Notice whether they are willing to accept the Sale Shares offered to them and if so what the maximum number of such Sale Shares they are willing to take is. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company and an offer shall to the extent that the same is not accepted within the aforementioned time limit be deemed to have been declined by any members who have not replied in writing and the offer to that particular member shall be treated as withdrawn by the Company.

13.6.4 Any Sale Shares which have not been accepted within the time period specified in Article 13.6.3(d) shall, within seven days of the expiry of the time period specified in Article 13.6.3(d), be offered by notice in writing at the Price to each of the members who have accepted all the Sale Shares initially offered to them (the **"Further Offer Members"**). Such notice shall invite the Further Offer Members to state in writing within a period of seven days whether they are willing to accept any Sale Shares and if so what the maximum number of Sale Shares they are willing to take is. In the event of competition among the Further Offer Members for Sale Shares to which this Article 13.6.4 applies then such Shares shall be allocated amongst the competing Further Offer Members pro rata to their holdings of the relevant Shares calculated as at the date immediately prior to the date of the Members' Offer Notice.

### 13.7 Notification of Purchasers

If the Company shall find purchasers in respect of any of the Sale Shares, within the relevant offer periods set out in Article 13.6 (Offer of Sale Shares), it shall not later than seven days after the expiry of the relevant offer periods set out in Article 13.6 (Offer of Sale Shares) give notice in writing thereof (the **"Sale Notice"**) to the Transferor which notice shall provide:

- 13.7.1 the number of Sale Shares accepted and the name(s) and address(es) of the purchasers, together with the number of Shares purchased by each purchaser;
- 13.7.2 if the Transfer Notice contains a Total Transfer Provision, that the Transfer Notice is revocable by written notice to the Company being received within seven days of receipt of the Sale Notice (if not all the Sale Shares have been accepted); and
- 13.7.3 if the Transferor is entitled to do so and does not revoke their Transfer Notice in writing within the period specified Article 13.7.2 or if the Transferor is not entitled

to revoke the Transfer Notice, that they shall be bound upon payment of the Price due in respect of all the Sale Shares to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to the purchaser or purchasers.

### **13.8 Completion of Purchase**

Completion of the sale and purchase of Sale Shares pursuant to the Sale Notice shall take place on the fifth Business Day after the date of the Sale Notice, or on such other date and place as the Transferor and the purchaser(s) may agree. At completion:

- 13.8.1 the Transferor shall deliver to the person(s) purchasing the Sale Shares duly executed stock transfer form(s) together with the relative share certificates and a power of attorney in such form and in favour of such person as the person(s) purchasing may reasonably require to enable such person to exercise all rights of ownership in respect of the relevant Sale Shares including, without limitation, the voting rights attaching thereto;
- 13.8.2 against such delivery, the person(s) purchasing Sale Shares shall pay the Price per Sale Share by electronic transfer for value on the day of completion to an account notified to the purchaser(s) by the Transferor;
- 13.8.3 the Transferor shall do all such other things and execute all such other documents as the person(s) buying may reasonably require in order to give effect to the sale and purchase of the relevant Sale Shares;
- 13.8.4 any Sale Shares sold pursuant to this Article shall be transferred free from any claims, liens, charges and encumbrances and with all rights, title and interest in existence at the date of transfer together with all rights which may arise in respect thereof; and
- 13.8.5 subject to compliance with the provisions of this Article 13.8 (Completion of Purchase) and payment of any relevant stamp duties, the purchaser(s) shall be registered as the Holder(s) of the relevant Sale Shares in the register of members of the Company and a share certificate in the name of such purchaser(s) and in respect of the relevant Sale Shares shall be delivered to the relevant purchaser(s).

### **13.9 Purchasers not found for the Sale Shares**

- 13.9.1 Subject to the further terms of this Article 13.9 (Purchasers not found for the Sale Shares), if the Company shall not find purchasing member(s) for all of the Sale Shares within the relevant time periods specified in Article 13.6 (Offer of Sale Shares), or if through no default of the Transferor the purchase of any of the Sale Shares is not completed within the time period specified in Article 13.8 (Completion of Purchase), the Transferor shall, with the prior written consent of all the Ordinary Shareholders of the other class, be entitled at any time within three months after the

expiry of such relevant time period to transfer such of the Sale Shares as were not sold or in respect of which the sale was not completed as aforesaid or, in any case where the Transfer Notice contained a Total Transfer Provision which is not revoked, all of the Sale Shares to any person by way of a bona fide sale at the Price or any higher price and otherwise on the terms set out in the Sale Notice. If the Sale Shares were the subject of a Total Transfer Provision, such a sale may only comprise all of the Sale Shares and not part only.

- 13.9.2 The provisions of this Article 13.9 (Purchasers not found for the Sale Shares) shall not apply in the case of a Transfer Notice deemed or required to be given under the terms of these Articles, including a Default Transfer Notice.

#### 13.10 **Failure to transfer**

If the Transferor, after becoming bound to transfer any Sale Shares to a purchaser(s), shall make default in so doing or shall fail to deliver a share certificate(s) in respect thereof (or, if applicable, an indemnity in respect of a lost share certificate(s)) within the time limit referred to in Article 13.8 (Completion of Purchase) the Directors shall authorise some person to execute and deliver on the Transferor's behalf transfer(s) of the Sale Shares in favour of the purchaser(s) and shall receive the purchase money and thereupon shall, subject to such transfer(s) being duly stamped, enter the names of the purchaser(s) in the register of members as the Holder(s) of the relevant Sale Shares. The Transferor shall in such case be bound to deliver up their certificate for the Sale Shares to the Directors whereupon the Transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Transferor but without interest. If such certificate(s) shall comprise any Share which the Transferor has not become bound to transfer as aforesaid the Company shall issue to the Transferor a certificate for the balance of such Shares. The receipt by the Company of the purchase money shall be a good discharge to the purchaser(s) who shall not be bound to see the application thereof and after the name of the purchaser(s) has been entered on the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

#### 14 **EXPERT DETERMINATION OF FAIR VALUE**

- 14.1 The Expert shall be appointed by agreement between the Transferor and the Directors (the “parties”) or, failing agreement within 21 days of the Transfer Notice being given or being deemed to be given, by the President for the time being of the Institute of Chartered Accountants for Scotland (or any successor body) on the application of any of the parties.
- 14.2 The Transferor hereby irrevocably appoints any Director as its agent to agree on their behalf the terms of the Expert's engagement in respect of their appointment as independent share valuation expert and to execute and deliver on their behalf all documentation necessary to effect the Expert's engagement including without prejudice to that generality any letter of engagement to be entered into with the Expert or the Expert's firm.



- 14.3 The Expert shall be required to state in writing their opinion of the fair value of the Sale Shares, as determined in accordance with this Article. In so stating their opinion the Expert shall be deemed to act as an expert and not as an arbitrator and, save in the case of fraud or manifest error, their determination shall be final and binding on the parties.
- 14.4 For the purposes of this Article the Expert shall be given by the Directors, all information which a prudent prospective purchaser might reasonably require if they were proposing to purchase the Sale Shares from a willing Seller by private agreement and at arm's length, together with such information as any member of the Company may wish to provide to them and such other information as they may reasonably require.
- 14.5 The Expert shall be entitled to determine the procedure to be followed in arriving at their decision and to appoint legal or other advisers. Subject to any terms of these Articles, the costs involved in the Expert's determination of the Price (including the Expert's expenses and the costs of any advisers to the Expert) shall, in the absence of any determination by the Expert, be borne as to one half by the Transferor and as to the other half by the purchaser(s) (and as between the purchaser(s) pro rata to the number of Sale Shares purchased) and in the case of a Transfer Notice being required to be given or deemed to have been given (including a Default Transfer Notice) such costs shall be borne by the Transferor.
- 14.6 The Expert shall be required to determine the Price within 30 days of their appointment and shall notify the Directors of their determination in writing without giving written reasons therefor.
- 14.7 The Expert shall value the Shares of the class being offered for sale at their "**fair value**". For these purposes, "**fair value**" is an estimate of the price a party would have received if it had sold all the Shares of the class being offered for sale on the date of the Transfer Notice in an arm's length exchange motivated by normal business considerations. The Expert shall determine the "**fair value**" as follows:
- 1 The fair value shall not be adjusted to reflect expected costs that will be incurred in transferring the Sale Shares.
  - 2 The Expert shall rely on the following assumptions:
    - 2.1 the sale is between a willing seller and a willing purchaser;
    - 2.2 the Sale Shares are sold free of all restrictions, liens, charges and other encumbrances;
    - 2.3 the sale is taking place on the date of the Transfer Notice or deemed Transfer Notice.

If any difficulty arises in determining the fair value then the Expert shall resolve that difficulty in such manner as they shall in their absolute discretion think fit.

## 15 COMPULSORY TRANSFERS

### 15.1 A “Transfer Event” means:

- 15.1.1 where the Shareholder is an individual, the death of that person;
- 15.1.2 where the Shareholder is an individual, a Bankruptcy order is made against that person or an arrangement or composition is made with that person’s creditors generally in satisfaction of that person’s debts;
- 15.1.3 a Shareholder becoming a Leaver;
- 15.1.4 a Shareholder committing a material breach of these Articles and/or a Relevant Agreement which breach has not been remedied to the reasonable satisfaction of a Shareholder Majority within ten Business Days of a notice from a Shareholder Majority to the Shareholder requesting such remedy;
- 15.1.5 a Shareholder attempting to deal with or dispose of any Share or any interest in it or purporting to make a transfer otherwise than in accordance with these Articles; or
- 15.1.6 any of the Transfer Events in Articles 15.1.1 to 15.1.5 referable to or in respect of a person who was a Shareholder as at the date of adoption of these Articles but is not, at the time of occurrence of that event, a Shareholder, on account of having transferred its Shares pursuant to Article 12 (Permitted Transfers),

unless in any of the above events all the Ordinary Shareholders of the other class consent to such event not being treated as a Transfer Event.

- 15.2 Upon the happening of any Transfer Event, the Shareholder in question and any Permitted Transferee of such Shareholder who has derived title to Shares from them shall be deemed to have given a Transfer Notice in respect of all the Shares then held by them (a “**Default Transfer Notice**”) 14 days following the date of the Transfer Event. A Default Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.

- 15.3 The Shares the subject of any Default Transfer Notice shall be offered for sale in accordance with Article 13 (Pre-emption Rights) as if they were Sale Shares in respect of which a Transfer Notice had been given and the provisions of Article 13 (Pre-emption Rights), including the provisions relating to the failure to transfer shares under Article 13.10 (Failure to transfer), shall apply *mutatis mutandis* to the Shares which are the subject of any Default Transfer Notice save that:

- 15.3.1 a Default Transfer Notice shall be deemed to have been given 14 days following the date of the Transfer Event or, if later, the date upon which the Shareholder Majority

becomes aware that the relevant event is a Transfer Event and has notified the Company that the relevant event is a Transfer Event;

- 15.3.2 subject to Article 15.4, the Price shall be a price per Sale Share agreed between the Seller (or their executors or representatives), the Board and the Shareholder Majority or, in default of agreement, within 30 Business Days after the date of the Transfer Event, the fair value (as determined in accordance with Article 14 (Expert Determination of Fair Value));
  - 15.3.3 the provisions of Article 13.3 (Total transfer provision) shall not apply to a Default Transfer Notice;
  - 15.3.4 a Default Transfer Notice shall not be revocable; and
  - 15.3.5 the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event.
- 15.4 The Price for any Sale Shares which are the subject of a Default Transfer Notice given as a consequence of a Transfer Event arising due to a shareholder being a Leaver shall:
- 15.4.1 if the shareholder is a Good Leaver be their fair value; and
  - 15.4.2 if the shareholder is a Bad Leaver be the lower of their fair value and their Issue Price.
- 15.5 In the event that prior to the transfer of their Shares but after ceasing to be an employee or Director of or consultant to the Company, a Good Leaver is in breach of their restrictive covenants or obligations of confidentiality contained in their employment contract and/or service agreement (“**Employment Breach**”), the Shareholder shall automatically be deemed to be a Bad Leaver and accordingly the Price for any of their Sale Shares shall be the lower of the fair value and their Issue Price.
- 15.6 If in respect of a former shareholder whose Shares were the subject of a Default Transfer Notice by virtue of them being a Good Leaver and who is found, after the transfer of Shares, to have committed an Employment Breach, such former shareholder shall be deemed instead to have been a Bad Leaver and accordingly the Sale Price for the Shares formerly held by such shareholder shall be retrospectively adjusted to the lower of the fair value and Issue Price in respect of their Sale Shares. In such circumstances, the former shareholder shall pay the Company on demand such sum as represents the difference between the amount paid to them in respect of their former Shares as a Good Leaver and the amount which would have been paid to them as a Bad Leaver. Where the Company has not been the transferee of the former shareholder’s Shares, it shall act as agent for, and reimburse (upon receipt from the former shareholder) to, the transferee shareholder, the difference in the price paid by such transferee shareholder to the former shareholder in respect of the Sale Shares as appropriate.

15.7 In the event of a dispute as to whether a Leaver is a Good Leaver or a Bad Leaver, such dispute shall not affect the validity of a Default Transfer Notice but any person who acquires Sale Shares (the **"Purchaser"**) pursuant to a Default Transfer Notice while such a dispute is ongoing shall pay to the Seller a sum equal to their Issue Price (or fair value, if lower) and, at the discretion of the Board, shall pay such amount representing the difference between the fair value of the Shares as determined pursuant to Article 14 (Expert Determination of Fair Value) and the Issue Price in respect of such Shares to the Company. The Company shall hold that amount in a separate bank deposit account as trustee to pay it, and all interest earned thereon, upon final determination of the dispute as to whether or not the relevant shareholder is a Good Leaver or a Bad Leaver as follows:

15.7.1 to the Purchaser in the case of the relevant shareholder being a Bad Leaver; and

15.7.2 to the Seller in the case of the relevant shareholder being a Good Leaver,

subject always to the Seller and the Purchaser agreeing otherwise prior to the determination of whether the Leaver is a Good Leaver or a Bad Leaver being finalised.

## 16 TAG ALONG RIGHTS

### 16.1 Offer to be made to minority shareholders

Notwithstanding any other Article, no sale or transfer of any Shares (the **"Specified Shares"**) to any Buyer which would result in that Buyer obtaining a Controlling Interest shall be made or registered without the previous written consent of a Shareholder Majority unless before the transfer is lodged for registration the Buyer (or their nominees) makes an irrevocable offer to the other members to purchase all their Shares (together with any Shares which may be issued to option holders if the requisite number of members accept the offer) at the Specified Price (as defined in Article 18.1, Calculation of the specified price for Tag Along and Drag Along) (a **"Tag Along Offer"**).

### 16.2 Tag Along Notice

The Buyer shall serve written notice on the Company requiring the Company (by the Directors) as agent for the Buyer to serve notices on the other members setting out such offer. The Company shall serve notice of such offer (the **"Tag Along Notice"**) in writing forthwith and such offer shall state it is capable of written acceptance for a period of 28 days from the service of the Tag Along Notice or if later within 28 days of the determination of the Specified Price by an expert pursuant to Article 18.2 (Expert determination of Specified Price) (the **"Offer Period"**). A member who fails to accept any such offer within the Offer Period shall be deemed to have rejected it.

16.3 If the Tag Along Offer is accepted by any Shareholder within the Offer Period, the completion of the proposed transfer shall be conditional upon the purchase of all the Shares held by such accepting Shareholders.

#### 16.4 **Completion of Tag Along Offer**

The Buyer shall complete the purchase of all Shares in respect of which such offer is accepted before or at the same time as the Buyer completes the purchase of the Shares the proposed transfer of which required a written offer to be made pursuant to this Article 16 (Tag Along Rights). Any transfer pursuant to such written offer shall not require the proposing transferor to give a Transfer Notice under Article 13 (Pre-emption Rights). The Directors shall not register any transfer to the Buyer and the Buyer shall not be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred to the Buyer pursuant to Article 16.1 (Offer to be made to minority shareholders) until, in each case, the Buyer has, in the Directors' opinion, fulfilled all their obligations pursuant to this Article 16 (Tag Along Rights). The consideration shall be payable in cash or otherwise (as set out in the Tag Along Offer) in full without any set off within 14 days of completion of the purchase.

### 17 **DRAG ALONG RIGHTS**

#### 17.1 **Drag Along Option**

Notwithstanding any other provisions of these Articles (including, without limitation, Article 13 (Pre-emption Rights)), if Shareholders holding at least 50 per cent of the Shares (together the **"Dragging Shareholders"**) wish to transfer all their Shares (the **"Dragging Shares"**) to a Buyer, then the Dragging Shareholders can require all of the other Shareholders (and any persons who would become Shareholders upon exercise of any options or other rights to subscribe for Shares which exist at the date of the Drag Along Notice (defined below)) (the **"Called Shareholders"**) to sell and transfer all of their Shares in the Company to the Buyer (or as the Buyer directs) by giving notice to that effect (the **"Drag Along Notice"**) to the Company requiring the Company (by the Directors) as agent for the Dragging Shareholders to serve notice on such Called Shareholders, such Drag Along Notice to be served at any time before the completion of the transfer of the Shares held by the Dragging Shareholders.

#### 17.2 **Drag Along Notice**

A Drag Along Notice shall specify:

- 17.2.1 that the Called Shareholders are required to transfer all their Shares free from all liens, charges and encumbrances;
- 17.2.2 the price per Share (being the Specified Price) to be offered by the Buyer to the Dragging Shareholders in accordance with Article 18.1 (Calculation of the specified price for Tag Along and Drag Along) (the **"Drag Along Price"**);
- 17.2.3 the identity of the Buyer; and
- 17.2.4 the proposed date of the transfer.

- 17.3 A Drag Along Notice may be revoked at any time prior to completion of the sale of the Called Shares by written notice to the Called Shareholders from the Dragging Shareholders. A Drag Along Notice shall lapse if, for any reason, the Dragging Shareholders have not sold their Shares to the Buyer within 30 Business Days of serving the Drag Along Notice. The Dragging Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 17.4 The Called Shareholders shall be bound, on payment of the Drag Along Price (whether satisfied in cash or otherwise) to transfer the Called Shares in accordance with the Drag Along Notice at the time and place specified therein (or as otherwise confirmed by the Dragging Shareholders) free from any lien, charge or encumbrance.
- 17.5 Completion of the sale of the Called Shares shall take place on the same date as the date of actual completion of the sale of the Dragging Shareholder(s)' Shares unless all of the Called Shareholders and the Dragging Shareholder(s) agree otherwise.
- 17.6 **Failure to comply with Drag Along Notice**

If in any case a Called Shareholder shall have not transferred their Shares to the person notified by the Buyer against payment of the price therefor in accordance with this Article 17 (Drag Along Rights) (whether satisfied in cash or otherwise), the Directors may authorise some person to execute and deliver on the Called Shareholders' behalf any necessary transfer in favour of the Buyer or the person notified by the Buyer and shall receive the purchase money in respect of such Share(s) and shall thereupon (subject to the transfer being duly stamped) cause the name of the Buyer (or the person identified by the Buyer) to be entered into the register of members as the Holder of the relevant Shares.

The Company shall hold the purchase money in trust for the Called Shareholder but shall not be bound to earn or pay interest thereon. The receipt by the Company of the purchase money shall be a good receipt for the price for the relevant Shares but the Buyer shall not be discharged from procuring that the Company applies the money in payment to the relevant Called Shareholder which shall be made against delivery by the Called Shareholder of the certificate in respect of the relevant Shares or an indemnity in respect of the same. After the name of the Buyer or the person identified by the Buyer has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

17.7 **Pre-emption superseded by Drag Along Rights**

The rights of pre-emption contained in Article 13 (Pre-emption Rights) shall not apply on any sale and transfer of Shares by the Dragging Shareholder(s) or the Called Shareholders to the Buyer named in a Drag Along Notice in connection with the transfer contemplated by this Article 17 (Drag Along Rights) and the Drag Along Notice.

**17.8 Transfer Notice or Deemed Transfer Notice superseded by Drag Along Rights**

Any Transfer Notice or Deemed Transfer Notice served in respect of any Share which has not been allocated in accordance with these Articles shall automatically be revoked by the service of a Drag Along Notice.

**18 SPECIFIED PRICE**

**18.1 Calculation of the specified price for Tag Along and Drag Along**

In Articles 16 (Tag Along Rights) and 17 (Drag Along Rights), the expression the “**Specified Price**” shall mean a price per Share at least equal to the value of the consideration offered by the Buyer or transferees or any third party (as the case may be) or their nominees for the Specified Shares or Dragging Shares (defined above) (as the case may be) to the holder(s) thereof (and/or any Connected Person or Concert Party) together with an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder(s) of the Specified Shares or Dragging Shares (as the case may be) or any Connected Person or Concert Party of the said holder(s) which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the consideration for the Specified Shares or Dragging Shares (as the case may be) including, without limitation, any increase in salary, any bonus or any termination payment or any issue of shares in another party or similar.

**18.2 Expert determination of Specified Price**

In the event of a disagreement between the parties as to the Specified Price notified by any member in writing to the Directors within the period of ten Business Days from the service of the Tag Along Notice or Drag Along Notice, the calculation of the Specified Price shall be referred by the Directors to an independent expert of at least five years standing nominated by the Directors (the “**Expert**”). The Expert shall state in writing their opinion of the Specified Price. In so stating their opinion the Expert shall be deemed to act as an expert and not as an arbitrator and, save in the case of fraud or manifest error, their determination shall be final and binding on all concerned. For this purpose the Expert shall be given by the Directors, all information they may reasonably require (in so far as it is available to the Directors), together with such information as any member of the Company may wish to provide to them. The Expert shall be entitled to determine the procedure to be followed in arriving at this decision and to appoint legal or other advisers. The costs involved in the Expert’s determination of the Specified Price (including the Expert’s expenses and the costs of any advisers to the Expert) shall, be borne by the Company.

**19 DIVIDENDS AND OTHER DISTRIBUTIONS**

**19.1 Procedure for declaring dividends**

19.1.1 Subject to the provisions of the Act, the Company may by Ordinary Resolution declare dividends, and the Directors may decide to pay interim

dividends/distributions if it appears to them that they are justified by the profits of the Company available for distribution.

- 19.1.2 Where a dividend is declared in respect of more than one class of shares the Company may, by ordinary resolution, differentiate between such classes as to the amount or percentage of dividend payable, but in default the shares in each such class shall be deemed to rank *pari passu* in all respects as if they constituted one class of shares.
- 19.1.3 A dividend and/or other distribution must not be declared unless the A Director has made a recommendation as to its amount. Such a dividend/distribution must not exceed the amount recommended by the A Director.
- 19.1.4 Subject to Article 19.1.2 and 19.1.3, dividends and/or other distributions must be paid by reference to each Shareholder's holding of Shares in respect of which a dividend or distribution has been declared on the date of the resolution or decision to declare or pay it.
- 19.1.5 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 arrears.
- 19.1.6 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.
- 19.1.7 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.

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

- 19.2.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:
  - (a) transfer to a bank or building society account specified by the Distribution Recipient in writing;
  - (b) 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 in writing;
  - (c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified in writing; or



- (d) any other means of payment as the Directors agree with the Distribution Recipient in writing.

19.2.2 In these Articles, “**Distribution Recipient**” means, in respect of 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 Transmittor.

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

The Company shall not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by the terms on which the Share was issued.

### 19.4 **Unclaimed distributions**

19.4.1 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.

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

19.4.3 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.

## **19.5 Non-cash distributions**

19.5.1 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).

19.5.2 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.

## **19.6 Waiver of distributions**

19.6.1 Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if:

- (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 signed, by all the Holders or persons otherwise entitled to the Share.

## **20 CAPITALISATION OF PROFITS**

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

20.1.1 Subject to these Articles and the provisions of the Act, 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; 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 (the “**Persons Entitled**”) and in the same proportions.
- 20.1.2 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.
- 20.1.3 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.
- 20.1.4 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.
- 20.1.5 Subject to these Articles, the Directors may:
  - (a) apply Capitalised Sums in accordance with Articles 20.1.3 and 20.1.4 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.

## 21 ORGANISATION OF GENERAL MEETINGS

### 21.1 Attendance and speaking at general meetings

- 21.1.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting and such person can speak to and be heard by all those attending the meeting simultaneously.
- 21.1.2 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.

21.1.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

21.1.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

21.1.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

## 21.2 **Quorum for general meetings**

21.2.1 No business other than the appointment of the Chair of the meeting shall be transacted at any general meeting unless a quorum is present. Subject to Section 318(1) of the Act, two qualifying persons entitled to vote upon the business to be transacted, each being a qualifying person not excluded from counting towards a quorum under Section 318(2) of the Act, shall be a quorum provided that (other than in circumstances where under any Relevant Agreement any Ordinary Shareholder is not entitled to attend a general meeting of the Company) at least one such person is an A Shareholder and one such person is a B Shareholder (or, in either case, a proxy or representative of such Ordinary Shareholder, respectively).

21.2.2 If a quorum is not present within half an hour from the time appointed for a general meeting, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine. At an adjourned general meeting a quorum shall be one A Shareholder and one B Shareholder.

## 21.3 **Chairing general meetings**

21.3.1 If the Directors have appointed a Chair pursuant to Article 5.4 (Chairing of Directors' meetings), the Chair shall chair general meetings if present and willing to do so.

21.3.2 If the Directors have not appointed a Chair, or if the Chair 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) the Directors present; or
- (b) if no Directors are present, the Shareholders present,

shall appoint a Director or Shareholder to chair the meeting, and the appointment of the Chair of the meeting shall be the first business of the meeting.

21.3.3 The person chairing a meeting in accordance with this Article is referred to as the **“Chair of the meeting”**.

**21.4 Attendance and speaking by Directors and non-Shareholders**

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

21.4.2 The Chair of the meeting may permit other persons who are not:

- (a) Shareholders of the Company; or
- (b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings,

to attend and speak at a general meeting.

**21.5 Adjournment**

21.5.1 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 Chair of the meeting must adjourn it.

21.5.2 The Chair 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 Chair 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.

21.5.3 The Chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

21.5.4 When adjourning a general meeting, the Chair 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.

21.5.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same persons to whom notice of the Company's general meetings is required to be given; and
- (b) containing the same information which such notice is required to contain.

21.5.6 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.

## **21.6 Frequency of Shareholder meetings**

21.6.1 Unless the Shareholders agree otherwise, meetings of the Shareholders shall be held quarterly.

## **22 VOTING AT GENERAL MEETINGS**

### **22.1 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 these Articles.

### **22.2 Errors and disputes**

22.2.1 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.

22.2.2 Any such objection must be referred to the Chair of the meeting, whose decision is final.

### **22.3 Poll votes**

22.3.1 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.

22.3.2 A poll may be demanded by:

- (a) the Chair of the meeting;
- (b) the Directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote on the resolution.

22.3.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the Chair of the meeting consents to the withdrawal.

22.3.4 Polls must be taken immediately and in such manner as the Chair of the meeting directs.

## 22.4 **Content of Proxy Notices**

22.4.1 Proxies may only validly be appointed by a notice in writing (a **“Proxy Notice”**) which:

- (a) states the name and address of the Shareholder appointing the proxy;
- (b) identifies the person appointed to be that Shareholder’s proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
- (d) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.

22.4.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

22.4.3 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.

22.4.4 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 amendment to a resolution and on 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.

## 22.5 **Delivery of Proxy Notices**

22.5.1 A Proxy Notice must be delivered to the Company not less than 48 hours before the general meeting or adjourned meeting to which it relates.

22.5.2 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.

22.5.3 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.

22.5.4 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.

22.5.5 If a Proxy Notice or a notice revoking a proxy appointment 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.

## 22.6 **Amendments to resolutions**

22.6.1 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 Chair of the meeting may determine); and
- (b) the proposed amendment does not, in the reasonable opinion of the Chair of the meeting, materially alter the scope of the resolution.



22.6.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:

- (a) the Chair 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.

22.6.3 If the Chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chair's error does not invalidate the vote on that resolution.

## 22.7 **Records of members**

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the relevant date of all proceedings at general meetings of the Company.

## 23 **ADMINISTRATIVE ARRANGEMENTS**

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

23.1.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles 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.

23.1.2 Subject to these Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

23.1.3 The times of deemed delivery of documents and information specified in Sections 1147(2) and 1147(3) of the Act shall be amended as follows:

- (a) subject to the other requirements of Section 1147(2) of the Act, documents or information sent by first class post to an address in the UK shall be deemed to have been received by the intended recipient 24 hours after it was posted;
- (b) subject to the other requirements of Section 1147(2) of the Act, documents or information sent by second class post to an address in the UK shall be deemed to have been received by the intended recipient 48 hours after it was posted; and

- (c) subject to the other requirements of Section 1147(3) of the Act, documents or information sent or supplied by electronic means shall be deemed to have been received 24 hours after it was sent.

## **23.2 Company seals**

- 23.2.1 Any common seal may only be used by the authority of the Directors.
- 23.2.2 The Directors may decide by what means and in what form any common seal is to be used.
- 23.2.3 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.
- 23.2.4 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.

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

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

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

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

## **24 INSURANCE AND INDEMNITY**

### **24.1 Insurance**

Without prejudice to the provisions of Article 24.2 (Indemnity), the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was:

- 24.1.1 a Director, officer or employee of the Company or any Associated Company; or

- 24.1.2 a trustee of any pension fund in which employees of the Company or any other body referred to in Article 24.1.1 is or has been interested,

including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the relevant body or fund.

## 24.2 Indemnity

- 24.2.1 Every Director or other officer or auditor of the Company or any Associated Company shall be entitled, if determined by the Directors and to the extent so determined by the Directors, to be indemnified out of the assets of the Company to the fullest extent permitted by Sections 232, 233, 234 and 532 of the Act against all losses or liabilities which they may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto, including any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application under Section 661 or Section 1157 of the Act in which relief is granted to them by the court and such indemnity shall extend (if so determined) to former directors, other officers and auditors of the Company or of any Associated Company. Subject to Article 24.2.4 no Director, former director or other officer or former officer shall be liable for any loss, damage or misfortune which shall happen to or be incurred by the Company in the execution of the duties of their office or in relation thereto.
- 24.2.2 The Directors shall have power in accordance with Section 233 of the Act to purchase and maintain for any Director or former director or other officer or former officer of the Company or of any Associated Company insurance against any such liability as is referred to in Section 232 of the Act.
- 24.2.3 The Company is authorised to enter into a loan arrangement with a Director, former director or other officer or former officer of the Company or of any Associated Company, but only on terms that comply in full with Section 205 of the Act, to enable that Director, former director or other officer or former officer to meet any liability incurred in defending such proceedings or making such application for relief as that liability is incurred.
- 24.2.4 This Article 24 (Insurance and Indemnity) shall only have effect to the extent that its provisions are not avoided by Sections 232, 233, 234 and 532 of the Act.