

Company Number: 03880628

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

**of**

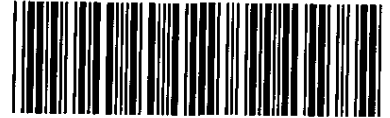
**CONFLICT MANAGEMENT PLUS LIMITED**

**(the Company)**

**Circulation Date:** 5 October 2017

**Passed on:** 20 October 2017

THURSDAY



A30 \*A6IDCXTC\* 02/11/2017 #111  
COMPANIES HOUSE

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions be passed as ordinary and special resolutions (as indicated) (the **Resolutions**).

**ORDINARY RESOLUTION**

1. **THAT** the directors be generally and unconditionally authorised, for the purposes of section 551 of the Companies Act 2006, to exercise all the powers of the Company to allot shares in the Company, up to a maximum aggregate nominal amount of £43.00, provided that:
  - a. this authority shall, unless renewed, varied or revoked by the Company, expire five years after the passing of this resolution; and
  - b. the Company may, before such expiry under paragraph (a) above, make an offer or agreement which would or might require shares to be allotted after such expiry and the directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all subsisting authorities to allot shares in the Company to the extent unused.

### SPECIAL RESOLUTIONS

2. **THAT** subject to the passing of resolution 1 above, all and any rights of pre-emption arising under the articles of association of the Company, the Companies Act 2006 or otherwise, be and hereby are waived in respect of the allotment and issue of up to 29 B ordinary shares of £1.00 each in the capital of the Company and up to 14 C ordinary shares of £1.00 each in the capital of the Company.
3. **THAT** the articles of association in the document attached to this written resolution be and hereby are approved and adopted as the new articles of association of the Company (**New Articles**) in substitution for and to the entire exclusion of the existing articles of association.
4. **THAT** subject to the passing of resolution 3 above, the 100 ordinary shares held by Katherine Graham be re-designated as 100 A ordinary shares of £1.00 each in the capital of the Company.

### AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions.

The undersigned, being the sole shareholder of the Company, hereby irrevocably agrees to the Resolutions.

Signed

  
.....  
**KATHERINE GRAHAM**

Date

20 OCTOBER 2017  
.....

## NOTES

- 1 If you wish to vote in favour of the Resolutions, please sign and date this document where indicated above and return it to the Company using one of the following delivery methods:

- **By hand:** delivering the signed copy to Katharine Bush at Penningtons Manches LLP, Clarendon House, Clarendon Road, Cambridge CB2 8FH.
- **By post:** returning the signed copy by post to Katharine Bush at Penningtons Manches LLP, Clarendon House, Clarendon Road, Cambridge CB2 8FH.
- **By e-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [katharine.bush@penningtons.co.uk](mailto:katharine.bush@penningtons.co.uk). Please enter "Written resolutions – Conflict Management Plus Limited" in the e-mail subject box.

If you do not agree to the Resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.

- 2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
- 3 These Resolutions will lapse if they have not passed before the end of 28 days beginning with the Circulation Date. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
- 4 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION  
OF  
CONFLICT MANAGEMENT PLUS LIMITED**

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**ADOPTED BY WRITTEN RESOLUTION PASSED** *20 October* **2017**



**PENNINGTONS  
MANCHES**

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## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### 1. DEFINED TERMS

1.1 In the articles, unless the context requires otherwise:

**A Director** means any director appointed by the A Shareholder pursuant to article 18.4;

**Accepting Shareholder** has the meaning given in article 36.5;

**Act** means the Companies Act 2006 (but so that, unless the context otherwise requires, any reference in these articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force);

**Acting in Concert** has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

**Allocation Notice** has the meaning given in article 31.8;

**Applicant** has the meaning given in article 31.8;

**articles** means these articles of association;

**A Shares** means the A ordinary shares of £1.00 each in the capital of the Company, having the rights and being subject to the limitations set out in these articles;

**A Shareholder** means a holder of A Shares;

**Associate** in relation to any person means any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);

**Available Profits** means profits available for distribution within the meaning of part 23 of the Act;

**B Shares** means the B ordinary shares of £1.00 each in the capital of the Company, having the rights and being subject to the limitations set out in these articles;

**B Shareholder** means a holder of B Shares;

**Bad Leaver** means a Leaver, where he becomes a Leaver by reason of:

- (a) the Company terminating his contract of employment or of services in circumstances of misconduct; or

- (b) the Leaver breaching any restrictive covenants (whether applicable during or after his engagement) contained in his contract of employment or of services or otherwise; or
- (c) in any other circumstances in which he would not be deemed to be a Good Leaver;

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

**Board** means the board of directors of the Company from time to time;

**Business Day** means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

**Business Sale** means completion of an agreement for the sale of the whole, or substantially the whole of the business and assets of the Company other than to another member of the Company's group;

**C Shares** means the C ordinary shares of £1.00 each in the capital of the Company, having the rights and being subject to the limitations set out in these articles;

**C Shareholder** means a holder of C Shares;

**Called Shares** has the meaning given in article 35.2;

**Called Shareholder** has the meaning given in article 35.1;

**capitalised sum** has the meaning given in article 48.1;

**chairman of the meeting** has the meaning given in article 51;

**chairman** has the meaning given in article 13;

**Civil Partner** means in relation to a shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the shareholder;

**Company** means Conflict Management Plus Limited (company number: 03880628);

**Continuing Shareholders** has the meaning given in article 31.7;

**Controlling Interest** means an interest in shares giving to the holder (or holders) control of the Company within the meaning of Section 1124 of the Corporation Tax Act 2010;

**Drag Along Notice** has the meaning given in article 35.2;

**Drag Along Option** has the meaning given in article 35.1;

**Drag Completion Date** has the meaning given in article 35.6;



**Drag Consideration** has the meaning given in article 35.4;

**Drag Documents** has the meaning given in article 35.6;

**Drag Purchaser** has the meaning given in article 35.1;

**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 43;

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

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

**Effective Termination Date** means the date on which the employment or consultancy of a B Shareholder or C Shareholder (as the case may be) terminates;

**Exit** means Share Sale, Business Sale or Listing;

**Expert Valuer** is as determined in accordance with article 32.1;

**Fair Value** is as determined in accordance with article 32;

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

**Good Leaver** means a Leaver, where he becomes a Leaver by reason of:

- (a) his death; or
- (b) his permanent incapacity through ill-health or injury which results in him, in the reasonable opinion of the Board, being incapable of properly performing his duties as an employee or director (as the case may be); or
- (c) his redundancy; or
- (d) the Company terminating his contract of employment or of services by serving notice (in accordance with the terms of that contract) in circumstances where the Leaver is not in breach, nor has been in breach, of his contract; or
- (e) any other reason with the approval of the Board;

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

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

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

**IPO** means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ or

the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

**Leaver** means, in respect of a B Shareholder or a C Shareholder, the B Shareholder or C Shareholder (as applicable) ceasing to be a director, employee or consultant of the Company or any of its subsidiaries (and who does not thereafter continue as either a director, employee or consultant of the Company or any of its subsidiaries) for any reason whatsoever;

**Leaver Shares** has the meaning given in article 34.1;

**Listing** means the first occasion on which ordinary shares in the capital of the Company are admitted to the Official List of the United Kingdom or to be traded and becoming effective pursuant to rule 6 of the AIM Rules or dealt in on AIM or on any Recognised Investment Exchange;

**Minimum Transfer Condition** has the meaning given in article 31.2;

**New Shares** has the meaning given in article 40.1;

**New Shareholder** has the meaning given in article 35.11;

**Offer** has the meaning given in article 36.2;

**Offer Period** has the meaning given in article 31.7;

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

**Original Shareholder** has the meaning given in article 30.1;

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

**participate** in relation to a directors' meeting, has the meaning given in article 11;

**Permitted Transfer** means a transfer of shares in accordance with article 30;

**Permitted Transferee** means, in relation to a shareholder, his spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);

**persons entitled** has the meaning given in article 48.1;

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

**Proposed Sale Date** has the meaning given in article 36.3;

**Proposed Sale Notice** has the meaning given in article 36.3;

**Proposed Sale Shares** has the meaning given in article 36.3;

**Proposed Seller** means any person proposing to transfer any shares in the capital of the Company;

**Proposed Transfer** has the meaning given in article 36.1;

**proxy notice** has the meaning given in article 57;

**Restricted Shares** has the meaning set out in article 34.5;

**Sale Agreement** has the meaning given in article 35.2;

**Sale Shares** has the meaning set out in article 31.2;

**Seller** has the meaning set out in article 31.2;

**Selling Shareholder** has the meaning given in article 35.1;

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

**shares** means shares (of any class) in the capital of the Company from time to time;

**Share Sale** means the sale of any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares and persons Acting in Concert with him together acquiring a Controlling Interest in the Company;

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

**Subscribers** has the meaning given in article 40.1;

**Subscription Period** has the meaning given in article 40.1;

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

**Transfer Notice** will have the meaning given in article 31.2;

**Transfer Price** will have the meaning given in article 31.2;

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

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

## **2. MODEL ARTICLES**

The provisions of Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) are hereby excluded.

## **3. LIABILITY OF MEMBERS**

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

# **PART 2**

## **DIRECTORS**

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

#### **4. DIRECTORS' GENERAL AUTHORITY**

The directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

#### **5. SHAREHOLDERS' RESERVE POWER**

- 5.1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 5.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

#### **6. DIRECTORS MAY DELEGATE**

- 6.1 The directors may delegate any of the powers which are conferred on them under these articles:
- (a) to such person or committee;
  - (b) by such means (including by power of attorney);
  - (c) to such an extent;
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions,
- as they think fit.
- 6.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 6.3 The directors may revoke any delegation or authorisation in whole or part, or alter its terms and conditions.

#### **7. COMMITTEES**

- 7.1 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.
- 7.2 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.

### **DECISION-MAKING BY DIRECTORS**

#### **8. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 8.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 9.
- 8.2 If:
- (a) the Company only has one director; and

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

## **9. UNANIMOUS DECISIONS**

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

## **10. CALLING A DIRECTORS' MEETING**

- 10.1 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.
- 10.2 Notice of any directors' meeting must indicate:
- (a) its proposed date and time;
  - (b) where it is to take place; and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 10.3 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 10.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **11. PARTICIPATION IN DIRECTORS' MEETINGS**

- 11.1 Directors participate in a directors' meeting, or part of a directors' meeting, when:
- (a) the meeting has been called and takes place in accordance with 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.

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

11.3 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.

## **12. QUORUM FOR DIRECTORS' MEETINGS**

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

12.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two, and must include the A Director.

12.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:

- (a) to appoint further directors; or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

## **13. CHAIRING OF DIRECTORS' MEETINGS**

13.1 The directors may appoint a director to chair their meetings.

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

13.3 The directors may terminate the chairman's appointment at any time.

13.4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

## **14. CASTING VOTE**

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

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

## **15. CONFLICTS OF INTEREST**

Subject to the provisions of the Act and these articles and provided that he has previously disclosed the nature and extent of such duty or interest to the directors in accordance with the provisions of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) may vote at a meeting of the directors, and form part of a quorum present at that meeting, or participate in any decision making of the directors in relation to such transaction or arrangement with the Company;
- (b) may be a party to, or otherwise interested in, any such transaction or arrangement; and
- (c) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest nor shall the receipt of any remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **16. 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 date of the decision recorded, of every unanimous or majority decision taken by the directors.

## **17. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

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

# **APPOINTMENT OF DIRECTORS**

## **18. METHODS OF APPOINTING DIRECTORS**

- 18.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:
  - (a) by ordinary resolution; or
  - (b) by a decision of the directors.
- 18.2 In any case where, as a result of death, the Company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- 18.3 For the purposes of article 18.2, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.
- 18.4 In addition to the powers of appointment under article 18.1, the A Shareholder, for so long as she and her Permitted Transferees hold shares in the capital of the Company, shall have the right to appoint and maintain in office such natural person as she may from time to time nominate as the A Director (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his removal, to appoint another director in his place, and Katherine Graham will be deemed to be the first A Director appointed pursuant to this article 18.4.

- 18.5 Appointment and removal of an A Director in accordance with article 18.5 must be by written notice from the A Shareholder to the Company which must take effect on delivery at the Company's registered office or at any meeting of the Board or committee thereof.

## **19. TERMINATION OF DIRECTOR'S APPOINTMENT**

A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) 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.

## **20. DIRECTORS' REMUNERATION**

- 20.1 Directors may undertake any services for the Company that the directors decide.

- 20.2 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.

- 20.3 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.

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

- 20.5 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.



## **21. DIRECTORS' EXPENSES**

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

- (a) meetings of directors or committees 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.

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

## **22. SHARE CAPITAL**

22.1 In these articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the date of adoption of these articles and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.

22.2 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent. in nominal value of the issued shares of that class.

22.3 Notwithstanding any other provision of these articles, the special rights conferred upon the holders of each class of share capital of the Company shall be deemed to be varied by:

- (a) any increase or reduction in the issued share capital of the Company;
- (b) the creation of a new class of shares which has preferential rights to one or more existing classes of shares;
- (c) any guarantee or other assumption by the Company of any liability of any other person firm or company; and
- (d) any alteration to these articles.

## **23. SHARE RIGHTS**

23.1 Except as otherwise provided in these articles, the A Shares, B Shares and C Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

23.2 The A Shares and the B Shares will confer on each holder of shares the right to receive notice of and to attend, speak and vote at all general meetings of the

Company and to receive and vote on proposed written resolutions of the Company.

- 23.3 The C Shares will not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meetings of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 23.4 Where shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy will have one vote and on a poll each such holder so present will have one vote for each share held by him.
- 23.5 On a distribution of assets on a liquidation or a return of capital or an Exit or otherwise (other than a conversion, redemption or purchase of shares), the surplus assets of the Company remaining after payment of its liabilities shall be (to the extent the Company is lawfully permitted to do so) distributed among the holders of the shares pro rata in proportion to the number of shares held.
- 23.6 The holders of shares shall have the right to participate in a dividend in proportion to the number of shares held.
- 23.7 The shares shall be non-redeemable.

#### **24. ALL SHARES TO BE FULLY PAID UP**

- 24.1 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.
- 24.2 This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

#### **25. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 25.1 Without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 25.2 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, and the directors may determine the terms, conditions and manner of redemption of any such shares.

#### **26. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

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

## **27. SHARE CERTIFICATES**

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

27.2 Every certificate must specify:

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

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

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

27.5 Certificates must:

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

## **28. REPLACEMENT SHARE CERTIFICATES**

28.1 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.

28.2 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.

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

29.1 In articles 14 to 22 inclusive, reference to the transfer of a share includes the transfer or assignment of a beneficial or other interest in that share or the creation of a trust or encumbrance over that share and reference to a share includes a beneficial or other interest in a share.

29.2 No share may be transferred unless the transfer is made in accordance with these articles.

- 29.3 Any transfer of a share by way of sale which is required to be made under articles 16 to 22 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 29.4 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.
- 29.5 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 29.6 The Company may retain any instrument of transfer which is registered.
- 29.7 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 29.8 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 29.9 In any case where the Board requires a Transfer Notice to be given in respect of any shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice will be deemed to have been given at the end of that period.
- 29.10 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these articles, the Transfer Notice, unless otherwise specified in the articles, will be treated as having specified that:
- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;
  - (b) it does not include a Minimum Transfer Condition (as defined in Article 31.2(d)); and
  - (c) the Seller wishes to transfer all of the shares held by it.

### **30. PERMITTED TRANSFERS**

- 30.1 A shareholder (who is not a Permitted Transferee) (the **Original Shareholder**) may transfer all or any of his or its shares to a Permitted Transferee without restriction as to price or otherwise.
- 30.2 Shares previously transferred as permitted by Article 30.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 30.3 Where under the provision of a deceased shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any shares, whether

immediately or contingently, are Permitted Transferees of the deceased shareholder, the legal representative of the deceased shareholder may transfer any share to those Permitted Transferees, in each case without restriction as to price or otherwise.

30.4 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:

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

(b) give a Transfer Notice to the Company in accordance with Article 31.2,

failing which he will be deemed to have given a Transfer Notice.

30.5 On the death (subject to Article 30.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer will be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

30.6 A transfer of any shares approved by the Board may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer will be registered by the directors.

## 31. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

31.1 Except where the provisions of articles 30, 35 and 36 apply, any transfer of shares by a shareholder will be subject to the pre-emption rights contained in this article 31.

31.2 A shareholder who wishes to transfer shares (a **Seller**) will, except as otherwise provided in these articles, before transferring or agreeing to transfer any shares give notice in writing (a **Transfer Notice**) to the Company specifying:

(a) the number of shares which he wishes to transfer (the **Sale Shares**);

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

- (c) the price at which he wishes to transfer the Sale Shares; and
- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to shareholders (a **Minimum Transfer Condition**).

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

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

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

31.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice; and
- (b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under article 32,

the Board will offer the Sale Shares for sale to the shareholders in the manner set out in articles 31.6 and 31.7. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

31.6 *Priority for offer of Sale Shares*

If the Sale Shares are A Shares, the Company will offer them to the holders of A Shares on the basis as set out in article 31.7.

31.7 *Transfers: Offer*

- (a) The Board will offer the Sale Shares to all shareholders specified in the offer other than the Seller (the **Continuing Shareholders**) inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under article 31.7 will be conditional on the fulfilment of the Minimum Transfer Condition.
- (c) If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board will allocate the Sale Shares to each Continuing Shareholder who have applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares which procedure will be repeated until all Sale Shares have

been allocated but no allocation will be made to a shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

- (d) If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board will allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 31.8(e).

### 31.8 *Completion of transfer of Sale Shares*

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board will notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 31.7 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- (b) If:
  - (i) the Transfer Notice does not include a Minimum Transfer Condition; or
  - (ii) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board will, when no further offers are required to be made under article 31.7, give written notice of allocation (an **Allocation Notice**) to the Seller and each shareholder to whom Sale Shares have been allocated (an **Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of article (c):
  - (i) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
    - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (B) receive the Transfer Price and give a good discharge for it; and
    - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

- (ii) the Company will pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 31.8(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.
- (f) The right of the Seller to transfer Shares under Article 31.8(e) does not apply if the Board is of the opinion on reasonable grounds that:
  - (i) the transferee is a person (or a nominee for a person) who the Board determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or any subsidiary of the Company;
  - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
  - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

## 32. VALUATION OF SHARES

- 32.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of articles 29.10, 31.2 or 34.1 or otherwise then, on the date of failing agreement, the Board must either:
- (a) appoint an expert valuer in accordance with article 32.2 (the **Expert Valuer**) to certify the Fair Value of the Sale Shares; or
  - (b) (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.
- 32.2 The Expert Valuer shall be an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.
- 32.3 The **Fair Value** of the Sale Shares must be determined by the Expert Valuer on the following assumptions and bases:



- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued shares, applying any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent and taking account of the rights attaching to the Sale Shares; and
- (e) reflect any other factors which the Expert Valuer reasonably believes should be taken into account.

32.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer will resolve that difficulty in whatever manner they will in their absolute discretion think fit.

32.5 The Expert Valuer will be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.

32.6 The Expert Valuer will act as experts and not as arbitrators and their determination will be final and binding on the parties (in the absence of fraud or manifest error).

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

32.8 The Expert Valuer will deliver their certificate to the Company. As soon as the Company receives the certificate it will deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.

32.9 The cost of obtaining the certificate will be paid by the Company unless:

- (a) the Seller cancels the Company's authority to sell; or
- (b) the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller will bear the cost.

### **33. COMPULSORY TRANSFERS – GENERAL**

33.1 A person entitled to a share in consequence of the bankruptcy of a shareholder will be deemed to have given a Transfer Notice in respect of that share at a time determined by the Board.

33.2 If a share remains registered in the name of a deceased shareholder for longer than one year after the date of his death the Board may require the legal personal representatives of that deceased shareholder either:

- (a) to effect a Permitted Transfer of such shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
- (b) to show to the satisfaction of the Board that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased shareholder.

If either requirement in this Article 33.2 will not be fulfilled to the satisfaction of the Board a Transfer Notice will be deemed to have been given in respect of each such share except to the extent that, the Board may otherwise determine.

#### **34. DEPARTING EMPLOYEES**

34.1 Unless the Board determine that this Article 34.1 will not apply, if a B Shareholder or a C Shareholder becomes a Leaver, the relevant shareholder will be deemed to have given a Transfer Notice in respect of all shares held by the relevant shareholder (or any Permitted Transferee of that relevant shareholder) (**Leaver Shares**) on the Effective Termination Date.

In such circumstances the Transfer Price will be as follows:

- (a) where the relevant shareholder becomes a Leaver by reason of being a Bad Leaver, the lower of Fair Value and the original subscription price of the shares;
- (b) where the relevant shareholder becomes a Leaver by reason of being a Good Leaver, the Fair Value.

For the purposes of this Article, Fair Value will be as agreed between the Board and the relevant shareholder, or failing agreement within five Business Days of seeking to agree such price, will be as determined in accordance with Article 32.

34.2 For the purposes of this Article 34, the Leaver Shares shall be offered in the following order of priority:

- (a) to any person(s) approved by the Board (other than the departing shareholder); and/or
- (b) to the Company (subject always to the provisions of the Act).

34.3 Where a Leaver becomes a Good Leaver and subsequently breaches the terms of any confidentiality, non-competition or non-solicitation obligations due by him to the Company, whether under his contract of employment or engagement or otherwise, he shall be obliged, within five Business Days, to reimburse the transferee of his shares by electronic funds transfer to such bank account as the transferee shall specify such amount as is equal to the Transfer Price received for his shares less the Transfer Price he would have received for his shares had he been a Bad Leaver at the Effective Termination Date.

### *Suspension of voting rights*

- 34.4 All voting rights attached to the Leaver Shares (as applicable) will at the time he becomes a Leaver be suspended unless the Board notifies him otherwise.
- 34.5 Any Leaver Shares whose voting rights are suspended pursuant to Article 34.4 (**Restricted Shares**) will confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but will have no right to vote either in person or by proxy or to vote on any proposed written resolution. Voting rights suspended pursuant to Article 34.4 will be automatically restored immediately before an IPO. If a Restricted Member transfers any Restricted Shares in accordance with these Articles all voting rights attached to the Restricted Shares so transferred will upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

### **35. DRAG-ALONG**

- 35.1 If the holders of 75 per cent of the issued (the **Selling Shareholders**) wish to transfer all their interest in shares (the **Sellers' Shares**) to a Proposed Purchaser, the Selling Shareholders will have the option (the **Drag Along Option**) to compel each other holder of shares (each a **Called Shareholder** and together the **Called Shareholders**) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser will direct (the **Drag Purchaser**) in accordance with the provisions of this article 35.
- 35.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **Drag Along Notice**) to the Company which the Company will forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice will specify that:
- (a) the Called Shareholders are required to transfer all their shares (the **Called Shares**) under this article;
  - (b) the person to whom they are to be transferred;
  - (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this article);
  - (d) the proposed date of transfer, and
  - (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the **Sale Agreement**),
- (and, in the case of paragraphs (b) to (d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this article.

- 35.3 Drag Along Notices will be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders will be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 35.4 The consideration (in cash or otherwise) for which the Called Shareholders will be obliged to sell each of the Called Shares will be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of article 23 (the **Drag Consideration**).
- 35.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder will only be obliged to undertake to transfer his shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and will not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee of the Shares held by such Called Shareholder.
- 35.6 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the **Drag Completion Date**), each Called Shareholder will deliver:
- (a) duly executed stock transfer form(s) for its shares in favour of the Drag Purchaser;
  - (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
  - (c) duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,
- (together the **Drag Documents**).
- 35.7 On the Drag Completion Date, the Company will pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag Consideration will be a good discharge to the Drag Purchaser. The Company will hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 35.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders will be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders will have no further rights or obligations under this article 35 in respect of their shares.
- 35.9 If a Called Shareholder fails to deliver the Drag Documents for its shares to the Company by the Drag Completion Date, the Company and each director will be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are

necessary to effect the transfer of the Called Shareholder's shares pursuant to this article 35 and the directors will, if requested by the Drag Purchaser, authorise any director to transfer the Called Shareholder's shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration to the Company for the Called Shareholder's shares offered to him. The Board will then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder will surrender his share certificate for his shares (or suitable executed indemnity) to the Company. On surrender, he will be entitled to the Drag Consideration due to him.

35.10 Any transfer of shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served will not be subject to the provisions of article 31.

35.11 On any person, following the issue of a Drag Along Notice, becoming a shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice will be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who will then be bound to sell and transfer all shares so acquired to the Drag Purchaser and the provisions of this article will apply with the necessary changes to the New Shareholder except that completion of the sale of the shares will take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## **36. TAG-ALONG**

36.1 Except in the case of transfers pursuant to article 30, and after going through the pre-emption procedure in article 31, the provisions of this article 36 will apply if, in one or a series of related transactions, holders of 75 per cent of the issued shares (**Proposed Sellers**) wish to transfer all their interest in shares to a Proposed Purchaser which would, if carried out, result in the Proposed Purchaser, and any person Acting in Concert with the Proposed Purchaser, acquiring 80% or more of the issued shares (**Proposed Transfer**).

36.2 A Proposed Seller must, before making a Proposed Transfer, procure the making by the Proposed Purchaser of an offer (the **Offer**) to the other shareholders to acquire all of the shares.

36.3 The Offer must be given by written notice (a **Proposed Sale Notice**) at least 20 Business Days (the **Offer Period**) before the proposed sale date (**Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the **Proposed Sale Shares**).

- 36.4 If any other holder of shares is not given the rights accorded him by this article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 36.5 If the Offer is accepted by any Shareholder (an **Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the shares held by Accepting Shareholders.
- 36.6 The Proposed Transfer is subject to the pre-emption provisions of Article 31 but the purchase of the Accepting Shareholders' shares will not be subject to the provisions of Article 31.

### **37. TRANSMISSION OF SHARES**

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

### **38. EXERCISE OF TRANSMITTEES' RIGHTS**

- 38.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 38.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 38.3 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 transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **39. TRANSMITTEES BOUND BY PRIOR NOTICES**

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

#### **40. ALLOTMENT OF NEW SHARES: PRE-EMPTION**

40.1 Unless otherwise agreed by special resolution, if the Company proposes to allot any new shares in the capital of the Company (**New Shares**) those New Shares shall not be allotted to any person unless the Company has in the first instance offered them to all shareholders of the Company (**Subscribers**) on the same terms and at the same price as those New Shares are being offered to other persons on a pari passu and pro rata basis to the number of shares (as if the shares constituted one and the same class) held by those shareholders (as nearly as may be without involving fractions). The offer:

- (a) shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (**Subscription Period**) and give details of the number and subscription price of the New Shares; and
- (b) may stipulate that any Subscriber who wishes to subscribe for a number of New Shares in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Shares for which they wish to subscribe.

40.2 If, at the end of the Subscription Period, the number of New Shares applied for is equal to or exceeds the number of New Shares, the New Shares shall be allotted to the Subscribers who have applied for New Shares on a pro rata basis to the number of shares held by such Subscribers which procedure shall be repeated until all New Shares have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).

40.3 If, at the end of the Subscription Period, the number of New Shares applied for is less than the number of New Shares, the New Shares shall be allotted to the Subscribers in accordance with their applications and any remaining New Shares shall be offered to any other person as the directors may determine at the same price and on the same terms as the offer to the Subscribers.

40.4 Subject to the requirements of articles 40.1 to 40.3 (inclusive) and to the provisions of section 551 of the Act, any New Shares shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

#### **41. BUYBACK OF SHARES**

41.1 Subject to the Act, but without prejudice to any other provisions of these articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

41.1.1 £15,000; and

41.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **42. PROCEDURE FOR DECLARING DIVIDENDS**

- 42.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 42.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 42.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 42.4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 42.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 42.6 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.
- 42.7 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.

### **43. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

- 43.1 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 either in writing or as the directors may otherwise decide;
  - (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 either in writing or as the directors may otherwise decide;
  - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
  - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 43.2 In these articles, the **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; or
- (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
- (d) otherwise by operation of law, the transmittee.

#### **44. NO INTEREST ON DISTRIBUTIONS**

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

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

#### **45. UNCLAIMED DISTRIBUTIONS**

45.1 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.

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

45.3 If:

- (a) twelve 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.

#### **46. NON-CASH DISTRIBUTIONS**

46.1 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).

46.2 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.

#### **47. WAIVER OF DISTRIBUTIONS**

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.

### **CAPITALISATION OF PROFITS**

#### **48. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

48.1 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 (a **capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **persons entitled**) and in the same proportions.

48.2 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.

48.3 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.

48.4 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.

48.5 The directors may:

- (a) apply capitalised sums in accordance with articles 48.3 and 48.4 partly in one way and partly in another;

- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **PART 4**

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

#### **GENERAL**

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

#### **49. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

49.1 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.

49.2 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.

49.3 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.

49.4 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.

49.5 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.

#### **50. QUORUM FOR GENERAL MEETINGS**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. The A Shareholder must be present (in person or by proxy) for a quorum to be constituted.

## **51. CHAIRING GENERAL MEETINGS**

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

51.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

(a) the directors present; or

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

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

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

## **52. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

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

52.2 The chairman 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.

## **53. ADJOURNMENT**

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

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

(a) the meeting consents to an adjournment; or

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

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

53.4 When adjourning a general meeting, the chairman of the meeting must:

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and

- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 53.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
  - (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.
- 53.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **VOTING AT GENERAL MEETINGS**

### **54. VOTING: GENERAL**

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

### **55. ERRORS AND DISPUTES**

- 55.1 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.
- 55.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **56. POLL VOTES**

- 56.1 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.
- 56.2 A poll may be demanded by:
  - (a) the chairman 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.
- 56.3 A demand for a poll may be withdrawn if:

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

56.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## **57. CONTENT OF PROXY NOTICES**

57.1 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.

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

57.3 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.

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

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **58. DELIVERY OF PROXY NOTICES**

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

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

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

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

## **59. AMENDMENTS TO RESOLUTIONS**

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

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

## **60. MEANS OF COMMUNICATION TO BE USED**

- 60.1 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 that Act to be sent or supplied by or to the Company.
- 60.2 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.
- 60.3 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **61. COMPANY SEALS**

- 61.1 Any common seal may only be used by the authority of the directors.
- 61.2 The directors may decide by what means and in what form any common seal is to be used.

61.3 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.

61.4 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.

## **62. 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.

## **63. 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.

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **64. INDEMNITY**

64.1 Subject to article 64.2, a relevant director of the Company or an associated company shall be indemnified out of the Company's assets against:

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
- (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); or
- (c) any other liability incurred by that director as an officer of the Company or an associated company.

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

64.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a **relevant director** means any director or former director of the Company or an associated company.



**65. INSURANCE**

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

65.2 In this article:

- (a) a **relevant director** means any director or former director of the Company or an associated company;
- (b) a **relevant loss** means any loss or liability which has been or shall be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.