

Company Number: 03916731

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTION OF**  
**ALLAN CONTROLS & AUTOMATION LIMITED (Company)**

On *29 March* 2018 the following resolutions were passed by the members of the Company by written resolutions:

**SPECIAL RESOLUTION**

THAT the draft regulations attached to these resolutions (**New Articles**) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

**SPECIAL RESOLUTION**

The rights attaching to the Ordinary Shares of £1.00 each in the share capital of the Company be varied, such that the Ordinary Shares of £1.00 each shall have the rights and restrictions as set out in the New Articles.

.....*[Signature]*.....

Chairman

Date: *29<sup>th</sup> March* 2018

TUESDAY



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COMPANIES HOUSE

**Company Number 03916731**

**A Private Company Limited by Shares**

**Articles of Association of**

**ALLAN CONTROLS & AUTOMATION LIMITED**

**Company No. 03916731**

**A Private Company Limited by Shares**

Articles of Association of

**ALLAN CONTROLS & AUTOMATION LIMITED**

(Adopted by Special Resolution on *29 March 2018*)

**1. INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires:

<b>Act</b>	means the Companies Act 2006, as amended, extended, consolidated or re-enacted from time to time.
<b>Business Day</b>	means a day (other than a Saturday or Sunday) when clearing banks are open for general business in London.
<b>Controlling Interest</b>	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
<b>Disposal</b>	means the sale or other disposal (whether by one transaction or a series of related transactions) of the whole or a substantial part of the business and assets of the Company.
<b>electronic means</b>	has the meaning given in section 1168 of the Act.
<b>Exit</b>	means a Sale, a Disposal, a Liquidation, or a Listing.
<b>Founder</b>	means Colin Charles Allan.
<b>G Shares</b>	means the G shares of £1.00 each in the share capital of the Company.
<b>Growth Shares</b>	means the G Shares.
<b>Insolvency Event</b>	means the appointment of a liquidator, administrator, administrative receiver or receiver over a body corporate or any material part of its assets or any analogous event in any jurisdiction to which the body corporate is subject.
<b>Leaver</b>	has the meaning given in Article 11.3.
<b>Liquidation</b>	means the liquidation, dissolution or winding-up of the Company pursuant to the making of a winding-up order by the court, by the passing of a resolution by the members that the Company be wound up or dissolved (save for a solvent winding-up for the purpose of reconstruction or amalgamation).
<b>Listing</b>	means the becoming effective of a listing of the Company's securities on a Stock Exchange or the granting of permission for the Company's securities to be traded on a Stock Exchange and

the listing shall be treated as occurring on the day on which trading in the securities began.

**Majority Director**

for such time as he is a director, the Majority Shareholder, or any director appointed by the Majority Shareholder.

**Majority Shareholder**

means the holder for the time being of the majority of the Ordinary Shares.

**Model Articles**

*means the model articles for private companies limited by shares set out at Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as in force on the date when these Articles become binding on the Company, and reference to a numbered Model Article is to the relevant article of the Model Articles.*

**Ordinary Shares**

means the ordinary shares of £1.00 each in the share capital of the Company.

**Sale**

the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the shareholders and their respective shareholdings in the Company immediately before the sale.

**shares**

shares (of any class) in the capital of the Company and share: shall be construed accordingly.

**subsidiary**

has the meaning given in section 1159 of the Act.

**Stock Exchange**

means The London Stock Exchange plc (including the Alternative Investment Market operated by The London Stock Exchange plc), PLUS Markets plc (including the PLUS-listed market and PLUS-quoted market operated by PLUS Markets plc) or any other recognised investment exchange (as defined by section 285, Financial Services and Markets Act 2000) and their respective share dealing markets.

**Treasury Shares**

means shares in the capital of the Company held from time to time by the Company as treasury shares within the meaning given in section 724(5) of the Act.

**Transfer Notice**

has the meaning given in Article 13.1.

- 1.4 In these Articles, unless the contrary intention appears, any reference to the singular includes the plural and vice versa and reference to any gender includes the other genders.

## **2. APPLICABILITY OF MODEL ARTICLES**

- 2.1 The Model Articles apply to the Company save as inconsistent with these Articles.
- 2.2 Save as otherwise provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles.

## **3. CHANGE OF COMPANY NAME**

In accordance with section 77 of the Act, the name of the Company may be changed by an ordinary resolution of the shareholders.

## **4. DECISION-MAKING BY DIRECTORS**

- 4.1 Decisions of the directors must:
- (a) be a majority decision taken at a directors' meeting, such majority to include the Majority Director; or
  - (b) take the form of a resolution in writing, copies of which have been signed by a majority of eligible directors, such majority to include the Majority Director, or to which all eligible directors have otherwise indicated agreement in writing, provided that the eligible directors signing or indicating agreement to the resolution would have formed a quorum at a directors' meeting.
- 4.2 References in Article 4.1(b) to eligible directors are to directors that would have been entitled to vote on the matter and have their votes counted if it had been proposed as a resolution at a directors' meeting.
- 4.3 Model Articles 7(1) and 8 do not apply.
- 4.4 Notice of a directors' meeting must be given to each director in writing. Model Article 9(3) does not apply. Save where the Majority Director agrees otherwise in writing, not less than 2 clear Business Days' prior written notice must be given of any directors' meeting. Notice of a directors' meeting (or any adjournment thereof) given to a director by electronic means, if sent to an electronic address provided by the director for the purpose, is deemed to have been received by the director one hour after it was sent.
- 4.5 Entitlement to notice of a directors' meeting may be waived by a director by giving notice to that effect to the Company at any time before or after the meeting and such waiver does not affect the validity of the meeting or of any business conducted at it. Model Article 9(4) does not apply.
- 4.6 Directors may participate in a directors' meeting by means of a conference telephone, video conferencing facility or similar communications equipment which allows all persons participating in the meeting to hear each other. If all the directors participating in a meeting are not in the same place, the meeting is to be treated as taking place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is. Model Article 10 does not apply.
- 4.7 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting. The quorum for a directors' meeting is one director which must include the Majority Director.

- 4.8 The chairman shall be the Majority Director or any other director present at the meeting appointed by the Majority Shareholder.
- 4.9 If the numbers of votes for and against a proposal are equal, the chairman does have a casting vote. Model Article 13 does not apply.
- 4.10 Each director has one vote at a meeting of directors save that the Majority Director or his nominee shall be entitled to such number of votes as is equal to the aggregate of all the votes of the other directors plus one additional vote.

## **5. DIRECTORS' INTERESTS**

- 5.1 A director, notwithstanding his office and that in this situation he has, or can have, a direct or indirect interest or duty that conflicts, or possibly may conflict, with the interests of the Company, may be:
- (a) a shareholder or an employee or director or other officer of, or otherwise engaged by or interested in, any shareholder or any parent undertaking of any shareholder or any subsidiary undertaking of any parent undertaking of any shareholder;
  - (b) an employee or director or other officer of any undertaking in which the Company is interested.
- 5.2 The directors shall have power, in accordance with this Article 5, to authorise (an "**Authorisation**") any other matter which would or might give rise to any breach of the duty of a director under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. For this purpose any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 5.3 An Authorisation may be proposed to and resolved on by the directors in accordance with these Articles in the same way as any other matter but shall only be effective where:
- (a) reasonable details of the matter or situation to which the Authorisation relates were disclosed to the directors; and
  - (b) in accordance with section 175(6) of the 2006 Act, any requirement as to the quorum at the meeting at which the Authorisation is considered is met without counting the director in question or any other interested director and the Authorisation was agreed to without their voting or would have been agreed to if their votes had not been counted.
- 5.4 An Authorisation may be given subject to such terms and conditions as the directors may determine at their absolute discretion (including as to the period, extent and scope of the Authorisation, participation by the director in question in the decision making process where a decision of the directors is concerned with the matter to which the Authorisation relates and the disclosure and use of confidential information).
- 5.5 The directors may revoke or vary an Authorisation at any time, but this shall not affect anything previously done or omitted to be done by the relevant director in accordance with the terms of the Authorisation.

- 5.6 A director shall not be in breach of any duty he owes to the Company by virtue of the fact that pursuant to the terms of an Authorisation (for so long as he reasonably believes the matter to which the Authorisation relates subsists) he:
- (a) absents himself from meetings of the directors or other proceedings of the directors at which the matter to which the Authorisation relates will or may be discussed; or
  - (b) makes arrangements not to receive, or refrains from considering, any documents relating to the matter to which the Authorisation relates, or makes arrangements for a professional adviser to receive any such documents on his behalf.
- 5.7 A director is not required to disclose to the Company any confidential information he obtains in any capacity described in Article 5.1 or in relation to any matter to which an Authorisation relates, or to apply any such information in performing his duties as a director of the Company, if to do so would result in a breach of a duty or obligation of confidence owed by him.
- 5.8 A director shall not be liable to account to the Company for any remuneration, profit or other benefit he derives directly or indirectly as a result of any situation described in Article 5.1 or (save as provided by the Authorisation) resulting from any matter to which any Authorisation relates, and no contract shall be liable to be avoided on the grounds of any such remuneration, profit or benefit.
- 5.9 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company or any other matter in which a director is interested, or in relation to which he owes a duty to someone other than the Company, that director is not to be counted as participating in the decision-making process for quorum or voting purposes unless Article 5.10 applies.
- 5.10 This Article applies when:
- (a) the director's interest or duty cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (b) the director's interest or duty arises only out of any matter to which any Authorisation relates and the terms of the Authorisation permit him to participate in the decision-making process;
  - (c) the director's interest or duty arises only from a situation described in Article 5.1;
  - (d) the director has declared the nature and extent of his interest or duty to the other directors at a directors' meeting or by notice in writing in accordance with section 184 of the Act or by general notice in accordance with section 185 of the Act;
  - (e) the director's conflict of interest or duty arises from a permitted cause; or
  - (f) the company by ordinary resolution disapplies Article 5.9.
- 5.11 Model Articles 14(4) and 14(5) apply for the purposes of these Articles. Model Articles 14(1), (2) and (3) do not apply.
- 5.12 The Company may by ordinary resolution suspend or relax the provisions of this Article 5 to any extent.

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

- 6.1 The number of directors shall not be subject to any maximum.
- 6.2 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 by ordinary resolution. Model Article 17(1) does not apply.
- 6.3 In addition to the matters specified in Model Article 18, a person ceases to be a director as soon as:
- (a) *the directors resolve to remove him from office on the grounds that he has been convicted of a criminal offence (other than a minor motoring offence) and the directors resolve that he should cease to be a director; or*
  - (b) *the directors resolve to remove him from office on the grounds that they reasonably believe he has become mentally or physically incapable of acting as a director and may remain so for more than three months.*

Model Article 18(d) does not apply.

## **7. ALTERNATE DIRECTORS**

Articles 13(3), 15 and 25 to 27 (inclusive) of the model articles for public companies limited by shares, set out at Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as in force on the date when these Articles become binding on the Company apply to the Company.

## **8. SHARE CLASSES**

- 8.1 The Company's issued share capital at the date of adoption of these Articles is £200 divided into:
- 8.1.1 100 Ordinary Shares of £1.00 each; and
  - 8.1.2 100 Growth Shares of £1.00 each.

## **9. RIGHTS ATTACHING TO SHARES**

### **9.1 Income**

- 9.1.1 Any profits of the Company resolved to be distributed in any financial year or period shall be distributed amongst the holders of the Ordinary Shares pro rata according to the number of Ordinary Shares held.
- 9.1.2 The holders of Growth Shares shall not be entitled to receive payment of any dividend in respect of the Growth Shares of which they are the registered holder.

- 9.2 Model Articles 30 and 36 shall be modified accordingly.

### **9.3 Capital**



9.3.1 On an Exit or return of capital of the Company (other than a redemption of shares or the purchase by the Company of its own shares) then

- (a) the surplus assets and retained profits of the Company after payment of all liabilities; or
- (b) the proceeds of the Exit

(in either case "**Proceeds**") will be applied in the following order and priority (subject to the proviso contained below):

Priority	Class of Share	Amounts to be paid:
1	Ordinary Shares	<b>Proceeds are £6,000,000 or less</b> If the Proceeds are equal to £6,000,000 or less than £6,000,000 then the Proceeds shall be applied solely to the Ordinary Shares and the Growth Shares shall not be entitled to any amount.
2	Growth Shares	<b>Proceeds are more than £6,000,000</b> If the Proceeds are more than £6,000,000 then: (a) The Ordinary Shares shall be entitled to the first £6,000,000 of the Proceeds; (b) The Growth Shares shall be entitled to the balance of the Proceeds that are above £6,000,000.

#### **Proviso**

Provided always that the price payable for any Growth Shares held by a Leaver shall not exceed the amount determined pursuant to Article 13.2.1 for such Growth Shares.

9.3.2 Any return on a particular class of shares will be made amongst their holders pro rata as nearly as possible to their respective holdings of shares of that class.

#### **9.4 Voting**

9.4.1 Subject to any other provisions in these Articles concerning voting rights, the holders of Ordinary Shares shall have the right to receive notice of and attend and vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company.

9.4.2 Subject to any other provisions in these Articles concerning voting rights, the holders of Growth Shares shall have the right to receive notice of and attend and vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company.

9.4.3 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote.

9.4.4 At a general meeting, on a poll every shareholder present in person or by proxy shall have:

- (a) two votes for each Ordinary Share of which he is the holder;
- (b) one vote for each Growth Share of which he is the holder.

9.4.5 On a vote on a written resolution every shareholder has:

- (a) two votes for each Ordinary Share of which he is the holder;
- (b) one vote for each Growth Share of which he is the holder.

9.5 Whether or not the Company is being wound up, no variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares.

## 10. ALLOTMENT OF SHARES

10.1 For such time as the Company has only one class of shares, the directors may exercise any power of the Company to allot shares of that class or to grant rights to subscribe for, or convert any security into, such shares only if the directors are authorised to allot the shares or grant the rights in accordance with section 551 of the Act.

10.2 Sections 561 and 562 of the Act do not apply to an allotment of equity securities by the Company.

10.3 Subject to Article 10.6 below, if at any time the Company proposes to allot equity securities, the directors shall give notice to the holders of the Ordinary Shares (other than the Company as the holder of Treasury Shares) of the number of equity securities proposed to be allotted (the "**New Securities**") and the proposed subscription price (the "**Subscription Price**"), inviting each of them to apply to the Company within 30 Business Days of the date of receipt of the notice (the "**Pre-emption Period**") for the maximum number of New Securities for which he is willing to subscribe. A shareholder may not renounce his right to the allotment of any New Securities in favour of any person.

10.4 As soon as practicable following the expiry of the Pre-emption Period, the directors shall allot the New Securities among those holders of Ordinary Shares who have applied for them (the "**Subscribing Shareholders**") so far as practicable in proportion to the nominal amount of share capital held by the Subscribing Shareholders (and in relation only to fractions of New Securities as the directors think fit) but so that no Subscribing Shareholder shall be allotted more than the number of New Securities for which he has applied. The directors shall, as soon as practicable, give notice in writing of the allotment of New Securities to each Subscribing Shareholder.

10.5 If any of the New Securities are not allotted under Article 10.4, the directors may at any time within a period of 90 Business Days after the expiry of the Pre-emption Period allot that number of New Securities to any person (whether or not a shareholder) at a price equal to or more than the Subscription Price.

10.6 Articles 10.3 to 10.5 (inclusive) shall not apply to any allotment of equity securities:

- (a) which the Company by special resolution resolves shall not be subject to those Articles;
- (b) which are, or are to be, wholly or partly paid up otherwise than in cash;

- (c) which gives effect to a bonus issue; or
- (d) that would, apart from any renunciation or assignment of the right to their allotment, be held under or allotted or transferred pursuant to an employees' share scheme (as defined in section 1166 of the Act).

10.7 The interpretation provisions in section 560 of the Act apply to Articles 10.2 to 10.6.

10.8 For the purposes of (but subject to) section 685 of the Act, the directors may determine the terms, conditions and manner of redemption of any redeemable shares issued by the Company.

## **11. TRANSFER OF SHARES**

11.1 No shareholder or transmittee shall dispose of any interest in any of his shares, nor enter into any arrangement pursuant to which any other person may exercise control over any of his shares, except pursuant to a transfer made in accordance with these Articles of the whole legal and beneficial interest in that share. If a shareholder or transmittee disposes or purports to dispose of any interest in a share, or enters into any such arrangement, in breach of this Article 11.1, he shall be deemed to have given a Transfer Notice in respect of that share and the provisions of Article 13.10 shall apply.

11.2 The directors may from time to time request any shareholder or transmittee or any person named as transferee in any transfer submitted for registration to furnish to the Company within 10 Business Days such information and evidence as they think fit for the purpose of ensuring that a transfer of shares is made in accordance with these Articles or that no circumstances have arisen whereby a Transfer Notice is required to be given by any person in respect of any shares. If any person fails to comply with any such request, the directors may resolve that a Transfer Notice is deemed to have been given in respect of that share and the provisions of Article 13.10 shall apply.

11.3 If a shareholder, being an individual employed by the Company, ceases for any reason (including death) to be so employed ("**Leaver**"), he shall be deemed to have given a Transfer Notice in respect of those shares on the date of termination of his employment and the provisions of Article 13.10 shall apply. This Article 11.3 shall not apply in respect of the Founder or any shares held by the Founder, and under no circumstances shall the Founder be a Leaver.

11.4 If a Transfer Notice is deemed to have been given under any provision of these Articles, the deemed Transfer Notice shall supersede any earlier Transfer Notice given in relation to the same shares. Any such earlier Transfer Notice shall cease to be of any effect, except in relation to any sale of shares pursuant to Article 13.7 where the date for completion specified by the directors in accordance with that Article is on or before the date on which the deemed Transfer Notice is deemed to have been given.

11.5 The directors shall register the transfer of a share if they are satisfied that it has been made in accordance with these Articles and shall refuse to register any other transfer. Model Article 26(5) is modified accordingly.

11.6 Articles 11 to 15 do not apply to any transfer by the Company of Treasury Shares.

## **12. PERMITTED TRANSFERS**

12.1 Shares may be transferred by any shareholder or transmittee:

- 12.1.1 to any person with approval by special resolution; or
- 12.1.2 to any person with the prior written approval of the Majority Shareholder;
- 12.1.3 to any person by the Founder's will.

### **13. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

- 13.1 Before he transfers all or any of his shares (other than a transfer permitted by Article 12), a shareholder or transmittee (the "**Seller**") must give notice in writing (a "**Transfer Notice**") to the Company.
- 13.2 The Transfer Notice must specify the number of shares proposed to be transferred (the "**Offer Shares**") and shall constitute the Company the agent of the Seller for the sale of the whole legal and beneficial interest in the Offer Shares (together with all rights attached to them) with full title guarantee and free of encumbrances to the other shareholders (other than the Company as the holder of Treasury Shares) at:
  - 13.2.1 in respect of Growth Shares held by a Leaver subject to a Transfer Notice or deemed Transfer Notice arising pursuant to Article 11.3 above, £1.00 per share;
  - 13.2.2 in respect of Growth Shares subject to a Transfer Notice or deemed Transfer Notice arising pursuant to Article 14.2, £1.00 per share;
  - 13.2.3 in respect of Growth Shares subject to a deemed Transfer Notice, £1.00 per share;
  - 13.2.4 in any other case, the price agreed between the Seller and the directors or, failing agreement, the Fair Price ascertained in accordance with Article 13.11  
(the "**Offer Price**").
- 13.3 A Transfer Notice may not be revoked except with the agreement of the Majority Shareholder.
- 13.4 As soon as practicable after a Transfer Notice is received by the Company, the directors shall give notice to the holders of the Ordinary Shares (other than the Seller and the Company as the holder of Treasury Shares) of the number of Offer Shares and the Offer Price, inviting each of them to notify the Company within 30 Business Days of the date of receipt of the notice (the "**Offer Period**") whether he is willing to purchase any and, if so, what maximum number of Offer Shares. Such notification may not be revoked.
- 13.5 Subject to Article 13.6, as soon as practicable following the expiry of the Offer Period, the directors shall allocate the Offer Shares among those holders of Ordinary Shares who have indicated that they are willing to purchase them (the "**Buying Shareholders**") so far as practicable in proportion to the nominal amount of share capital held by the Buying Shareholders (and in relation only to fractions of shares as the directors think fit) but so that no Buying Shareholder shall be allocated more than the number of Offer Shares which he has indicated he is willing to purchase. A shareholder may not renounce his right to purchase any Offer Shares allocated to him in favour of any person.

13.6 No allocation of shares shall be made under Article 13.5 if:

- (a) the number of Offer Shares exceeds the number of shares which shareholders have indicated they are willing to purchase; and
- (b) the Transfer Notice contains a provision that, unless all the Offer Shares are allocated under Article 13.5, none shall be so allocated.

If this Article 13.6 applies, the directors shall, as soon as practicable, give notice in writing of that fact to the Seller and each of the other shareholders.

13.7 If Article 13.6 does not apply, the directors shall, as soon as practicable, give notice in writing of the allocation of Offer Shares made under Article 13.5 to the Seller and each Buying Shareholder. The notice shall specify a date, being not less than 10 Business Days and not more than 20 Business Days from the date of receipt of the notice, on which the sale and purchase of the Offer Shares shall be completed. On that date, each Buying Shareholder shall pay to the Seller the Offer Price for, and the Seller shall (subject to payment of the Offer Price) deliver a duly executed transfer to each Buying Shareholder of, the Offer Shares allocated to him. On that date, the Seller shall also deliver to the Company his certificate for the allocated Offer Shares or a suitable indemnity.

13.8 If the Seller fails to complete the transfer of any allocated Offer Share in accordance with Article 13.7, he shall be deemed to have irrevocably appointed any person nominated for the purpose by the directors to be his agent to execute a transfer of that share on behalf of the Seller and deliver it to the Buying Shareholder and the Company may receive and give a good discharge for the Offer Price. The Company shall hold the Offer Price in trust for the Seller (but without interest) until he has delivered to the Company his certificate for the share or a suitable indemnity. After the name of the Buying Shareholder has been entered in the register of members of the Company the validity of these transactions shall not be questioned by any person.

13.9 If, following the expiry of the Offer Period, any of the Offer Shares have not been allocated under Article 13.5 or Article 13.6 applies, the Seller may at any time within a period of 90 Business Days after the expiry of the Offer Period transfer the unallocated Offer Shares to any person (whether or not a shareholder) at a price equal to or more than the Offer Price without any deduction, rebate or allowance provided that:

- (a) the transferee is not subject to an Insolvency Event, bankrupt or a minor; and
- (b) the directors resolve to approve the transfer; and
- (c) if Article 13.6 applies, the Seller may transfer all but not some only of the Offer Shares.

13.10 If a Transfer Notice is deemed to have been given in respect of any shares under these Articles the provisions of this Article 13 shall apply save that:

- (a) the Offer Price in respect of all Growth Shares in any deemed Transfer Notice, shall be restricted to £1.00 for each share;
- (b) subject to paragraph (a) above the Offer Price shall be agreed between the Seller and the directors or, failing agreement, the Fair Price ascertained in accordance with Article 13.11; and

- (c) the deemed Transfer Notice shall not be treated as including a provision that, unless all the relevant shares are allocated under Article 13.5, none shall be so allocated.

13.11 The "**Fair Price**" means the price which the accountants of the Company (or, if the accountants decline the appointment, another firm of accountants appointed by the directors) state in writing to be in their opinion the fair value of the shares, as at the date on which the Transfer Notice is deemed to have been given, on a sale as between a willing seller and a willing purchaser at arm's length (taking full account of whether the shares comprise a minority holding or carry control of the Company, and of the restrictions on transfer in relation to the shares) and, if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so. In stating the Fair Price the auditors (whose charges shall be borne by the Company) shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding in the absence of manifest error.

#### **14. TRANSMISSION OF SHARES**

14.1 References in these Articles to a transfer of shares include a choice by a transmittee to become the holder of shares under Model Article 27(2).

14.2 Subject to Article 12 above, a transmittee of shares shall, 15 Business Days after the date of grant of probate or letters of administration or his appointment as trustee in bankruptcy or on which he otherwise became entitled, be deemed to have given a Transfer Notice in respect of those shares on the expiry of such period and the provisions of Article 13.10 shall apply. This Article 14 shall not apply in the event of the death of the Founder.

#### **15. DRAG ALONG**

15.1 Any one or more shareholders or transmittees (the "**Majority Sellers**") who have agreed to sell all of their respective shares (being not less than 51% of the Ordinary Shares (not including Treasury Shares)) (the "**Majority Shares**") to a bona fide purchaser on arm's length terms ("**Proposed Purchaser**") shall have a right known as the "**Drag Along Right**". The Drag Along Right is the right to require all (but not some only) of the following (together the "**Dragged Shareholders**") to transfer all of their respective shares (the "**Dragged Shares**") to the Proposed Purchaser on the basis set out in this Article 15:

- (a) the other shareholders (other than the Company as the holder of Treasury Shares) whose names appear in the register of members on the proposed date of completion of the transfer of the Majority Shares to the Proposed Purchaser (the "**Proposed Completion Date**"); and
- (b) transmittees as at the Proposed Completion Date; and
- (c) persons who are entitled to be entered on the register of members as the holder of a share as at the Proposed Completion Date.

15.2 The Drag Along Right may be exercised by the Majority Sellers giving notice in writing (a "**Drag Along Notice**") to the Company specifying:

- (a) that the Dragged Shareholders are required to transfer all of their respective Dragged Shares pursuant to this Article 15;
- (b) the identity of the Proposed Purchaser;

- (c) the price per share payable in cash on completion by the Proposed Purchaser for the Dragged Shares (the "**Drag Along Price**"), which shall not be less than the price per share (including any non-cash consideration) the Proposed Purchaser has agreed to pay for the Majority Shares; and
  - (d) the Proposed Completion Date, which must not be less than 20 Business Days after the date of receipt of the Drag Along Notice by the Company, and the proposed time and place of completion.
- 15.3 The Company shall forthwith send a copy of the Drag Along Notice to each shareholder and to each transmittee and person entitled to be entered on the register of members of which it is aware.
- 15.4 On receipt of a Drag Along Notice by the Company, the Dragged Shareholders shall be bound (subject to receipt of the Drag Along Price and completion of the sale of the Majority Shares to the Proposed Purchaser), to sell their respective Dragged Shares to the Proposed Purchaser with full title guarantee, free from encumbrances and together with all benefits and rights attaching or accruing to them, but nothing in this Article 15 shall require a Dragged Shareholder to give any other representation, covenant, warranty or indemnity to the Proposed Purchaser.
- 15.5 A Drag Along Notice once given shall be irrevocable but shall lapse if, for any reason, the Majority Sellers have not completed the sale of the Majority Shares to the Proposed Purchaser on the Proposed Completion Date. The Selling Shareholders may serve a further Drag Along Notice following the lapse of any particular Drag Along Notice.
- 15.6 The sale of the Dragged Shares shall be completed on the Proposed Completion Date at the time and place specified in the Drag Along Notice, when the Dragged Shareholders shall deliver duly executed transfers of their respective Dragged Shares in favour of the Proposed Purchaser and any relevant share certificates (or a suitable indemnity) against payment in full of the Drag Along Price.
- 15.7 Each Dragged Shareholder irrevocably appoints any person nominated for the purpose by any Majority Seller to be his agent to execute a transfer of his Dragged Shares on his behalf and deliver it to the Proposed Purchaser and the Company may receive and give a good discharge for the Drag Along Price on behalf of any Dragged Shareholder. The Company shall hold any Drag Along Price it receives in trust for the relevant Dragged Shareholder (but without interest) and, in the case of a Dragged Shareholder to whom a share certificate has been issued in respect of any Dragged Share, shall not release the Drag Along Price in respect of that Dragged Share until the Dragged Shareholder has delivered to the Company the relevant certificate or a suitable indemnity. After the name of the Proposed Purchaser has been entered in the register of members of the Company the validity of these transactions shall not be questioned by any person.
- 15.8 Neither the transfer of the Majority Shares nor the transfer of the Dragged Shares to a Proposed Purchaser pursuant to this Article 15 is subject to the rights of pre-emption set out in Article 13.

## **16. PURCHASE OF OWN SHARES**

The Company is authorised for the purposes of section 692(1ZA) of the Act to purchase its own shares out of capital without complying with Chapter 5 of Part 18 of the Act up to an aggregate purchase price in a financial year not exceeding the limitation specified in that provision.

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

- 17.1 In Model Article 30(4), the words "the terms on which shares are issued" are replaced with "the rights attached to any shares".
- 17.2 In Model Articles 31(1)(a) to (c) (inclusive), the words "either" and "or as the directors may otherwise decide" are deleted, and in Model Article 31(d) the words "either" and "or by such other means as the directors decide" are deleted.
- 17.3 In Model Article 32(a), the words "the terms on which the share was issued" are replaced with "the rights attached to the share".

## **18. DECISION-MAKING BY SHAREHOLDERS**

- 18.1 One individual present at a general meeting, being a shareholder or a proxy or corporate representative of a shareholder, are a quorum provided that the Majority Shareholder is present in person or by proxy.
- 18.2 On a vote on a resolution on a show of hands at a meeting:
- (a) any one or more proxies appointed by one shareholder entitled to vote on the resolution who is not present at the meeting have one vote between them; and
  - (b) any proxy appointed by more than one shareholder entitled to vote on the resolution who are not present at the meeting has one vote for each such shareholder.
- 18.3 For the avoidance of doubt, the Company shall be under no obligation on any resolution to ensure that a proxy or a corporate representative votes in accordance with any instructions given by his appointing shareholder, and the validity of any resolution passed shall not be affected in any way by any failure to comply with any such instructions.
- 18.4 A poll on a resolution may be demanded by:
- (a) the chairman of the meeting;
  - (b) any director;
  - (c) any person having the right to vote on the resolution.

Model Article 44(2) does not apply.

## **19. ADMINISTRATIVE ARRANGEMENTS**

- 19.1 Any communication by any shareholder to any other shareholder under these Articles may be sent in any way in which the Company may from time to time send or supply anything to that other shareholder under Model Article 48(1).
- 19.2 Anything sent or supplied by the Company to a shareholder, or by a shareholder to the Company, under and in accordance with the Act, or by the Company or a shareholder under and in accordance with these Articles, is deemed to have been received by the intended recipient:



- (a) if sent by post within the United Kingdom and the sender or supplier is able to show that it was *properly addressed, prepaid and posted*, two Business Days after it was posted;
- (b) if sent by post from outside the United Kingdom to an address inside the United Kingdom, or from inside the United Kingdom to an address outside the United Kingdom, and the sender or supplier is able to show that it was properly addressed, prepaid and posted, five Business Days after it was posted;
- (c) if sent or supplied by electronic means and the sender or supplier is able to show that it was properly addressed, one hour after it was sent.

19.3 A shareholder is entitled to inspect any of the Company's accounting or other records. Model Article 50 does not apply.