

**Company number 07364156**

**COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**of**

**HYDRO INDUSTRIES LIMITED (Company)**

**Circulation Date: 13 August 2015**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**Act**), the directors of the Company propose that the resolutions set out below are passed ordinary and special resolutions respectively (the **Resolutions**)

**ORDINARY RESOLUTIONS**

- 1 THAT each of the 465 issued ordinary B shares of £1 in the capital of the Company be and is hereby redesignated as an ordinary A share of £1 in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 3
- 2 THAT each of the 107 issued ordinary C shares of £1 in the capital of the Company be and is hereby redesignated as an ordinary B share of £1 in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 3

**SPECIAL RESOLUTION**

- 3 THAT the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

**AGREEMENT**

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



The undersigned, being duly authorised to sign on behalf of the sole member of the Company entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions

  
**ROBERT NIGEA COVERING**

**DATE**

  
**DAVID FRANCIS PICKERING**

**DATE**

  
**WAYNE PREECE**

**DATE**

**DAVID STEVENS/HEATHER STEVENS**

**DATE**

**DIANE BRIERE DE L'ISLE**

**DATE**

#### **NOTES**

- 1 If you agree to the Resolutions please indicate your agreement by signing and dating this document where indicated above and returning to the Company using one of the following methods

**By hand** delivering the signed copy to Andrew Morgan at the registered office of the Company

**Post** returning the signed copy by post to the registered office of the Company for the attention of Andrew Morgan

You may not indicate your agreement to the Resolutions by any other method

- 2 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
- 3 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 4 Unless, by the date 28 days from the Circulation Date, sufficient agreement has been received for the Resolutions to pass, it will lapse If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date

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**ROBERT NIGEL LOVERING**

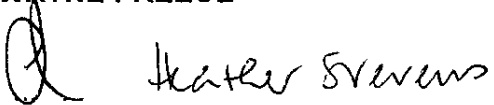
**DATE**

**DAVID FRANCIS PICKERING**

**DATE**

**WAYNE PREECE**

**DATE**

  
**DAVID STEVENS/HEATHER STEVENS**

13.8.15  
**DATE**

**DIANE BRIERE DE L'ISLE**

**DATE**

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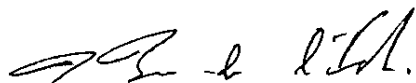
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Stage 2

- 5 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 6 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**

**ARTICLES OF ASSOCIATION**

**OF**

**HYDRO INDUSTRIES LIMITED**

**(Adopted by special resolution passed on 13 August 2015)**

**INTRODUCTION**

**1 INTERPRETATION**

1 1 In these Articles, the following words have the following meanings

<b>A Director</b>	any director appointed to the Company by holders of the A Shares,
<b>A Shares</b>	the ordinary A shares of £1 each in the capital of the Company,
<b>Act</b>	the Companies Act 2006,
<b>Appointor</b>	has the meaning given in article 11 1,
<b>Articles</b>	the Company's articles of association for the time being in force,
<b>B Shares</b>	the ordinary B shares of £1 each in the capital of the Company,
<b>Business Day</b>	a day other than a Saturday, Sunday or public holiday in England when banks in the City of London are open for business,
<b>Buyer</b>	has the meaning given in article 17 1,
<b>Called Shareholder</b>	has the meaning given in article 20 1,

<b>Called Shares</b>	has the meaning given in article 20 1,
<b>C Shares</b>	the ordinary C shares of £1 each in the capital of the Company,
<b>Conflict</b>	has the meaning given to it in article 8 1,
<b>Drag Along Notice</b>	has the meaning given in article 20 1,
<b>Drag Along Option</b>	has the meaning given in article 20 1,
<b>Eligible Director</b>	any Director who would be entitled to vote on the matter at a meeting of directors (but excluding any A Director whose vote is not to be counted in respect of the particular matter),
<b>Employee Shareholder</b>	the holders of C Shares,
<b>Equity Shares</b>	the A Shares and the B Shares,
<b>Equity Shareholders</b>	the holders of Equity Shares,
<b>Family Member</b>	the wife or husband (or widow or widower), civil partner or surviving civil partner, child or grandchild (including any step or adopted child or grandchild) of a shareholder,
<b>Family Trust</b>	in relation to a shareholder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his Family Members and under which no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member or any of his Family Members
<b>holding company</b>	has the meaning given in article 1 5,
<b>Interested Director</b>	has the meaning given in article 8 1,

<b>Majority Shareholders</b>	the holders of 54% of the Equity Shares,
<b>Majority Shares</b>	the shares held by the Majority Shareholders,
<b>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles,
<b>Notice of Obligatory Transfer Event</b>	has the meaning given in article 17 1,
<b>Obligated Seller</b>	has the meaning given in article 17 1,
<b>Obligatory Transfer Event</b>	<p>i) a bankruptcy order being made against a shareholder, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or</p> <p>ii) an Employee Shareholder ceasing to be an employee of the Company or any subsidiary of the Company,</p>
<b>Permitted Transfer</b>	a transfer of shares made in accordance with article 16,
<b>Proposed Transfer</b>	has the meaning given in article 19 1
<b>Sale Shares</b>	has the meaning given in article 17 2,
<b>Selling Shareholder</b>	has the meaning given in article 19 1,
<b>Share Option Scheme</b>	the scheme established by the Company for the benefit of its employees or any of the persons referred to in section 1166 of the Act and which has been approved by the Equity Shareholders,
<b>subsidiary</b>	has the meaning given in article 1 5,

<b>Tag Along Notice</b>	has the meaning given in article 19 3,
<b>Tag Along Offer</b>	has the meaning given in article 19 2,
<b>Tag Along Period</b>	has the meaning given in article 19 3,
<b>Tagged Shares</b>	has the meaning given in article 19 2,
<b>Third Party Buyer</b>	has the meaning given in article 19 1,
<b>Transfer Date</b>	has the meaning given in article 19 3,
<b>Writing or written</b>	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, save that, for the purposes of articles 16 & 17, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have those meanings in these Articles

1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

1 4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise

1 5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of

1 5 1 another person (or its nominee), by way of security or in connection with the taking of security, or

1 5 2 its nominee

- 1 6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time
- 1 7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision
- 1 8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms
- 1 9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them

## 2 **ADOPTION OF THE MODEL ARTICLES**

- 2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 2 2 Model Articles 6(2), 7, 9(1), 11 to 14 (inclusive), 16, 17, 22(2), 26(5), 27 to 29 (inclusive), 36, 38, 39, 42 to 44 (inclusive), 49 and 50 to 53 (inclusive) shall not apply to the Company
- 2 3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"
- 2 4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2 5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

## **DIRECTORS**

### **3 DIRECTORS' MEETINGS**

- 3 1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles
- 3 2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit
- 3 3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes
- 3 4 If at any time before or at any meeting of the directors or of any committee of the directors the majority of the A Directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made No meeting of directors may be adjourned pursuant to this article more than once
- 3 5 A committee of the directors must include at least two A Directors The provisions of article 6 shall apply equally to meetings of any committee of the directors as to meetings of the directors

### **4 NUMBER OF DIRECTORS**

The number of directors shall not be less than two No shareholding qualification for directors shall be required

### **5 CALLING A DIRECTORS' MEETING**

- 5 1 Any director may call a meeting of directors by giving not less than five Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least two A Directors ) to each director or by authorising the Company secretary (if any) to give such notice
- 5 2 Notice of any directors' meeting must be accompanied by

5 2 1 an agenda specifying in reasonable detail the matters to be raised at the meeting, and

5 2 2 copies of any papers to be discussed at the meeting.

5 3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing

## 6 **QUORUM FOR DIRECTORS' MEETINGS**

6 1 The quorum at any meeting of the directors (including adjourned meetings) shall be two A Directors. No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and also when that business is voted on

6 2 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place

## 7 **CHAIRING OF DIRECTORS' MEETINGS**

The post of chairman of the directors will be held by an A Director. The chairman will not have a casting vote. If the chairman for the time being is unable to attend any meeting of the Board, a holder of A Shares shall be entitled to appoint another A Director to act as chairman at the meeting. Any chairman so appointed may be replaced by a majority resolution of the A Directors.

## 8 **DIRECTORS' INTERESTS**

8 1 For the purposes of section 175 of the Act, the directors may authorise, by resolution and in accordance with the provisions of these Articles, any matter or interest proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

8 2 The Interested Director must provide the directors with such details as are necessary for them to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the directors

8 3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)

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- 8 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- 8 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- 8 3 3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
- 8 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- 8 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- 8 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters

8 4 Where the directors authorise a Conflict

- 8 4 1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict, and
- 8 4 2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the directors impose in respect of their authorisation

8 5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation

- 8 6 Any A Director shall be entitled from time to time to disclose to the holders of the A Shares such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that as long as there is more than one holder of A Shares, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing
- 8 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Equity Shareholders in accordance with these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 8 8 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act
- 8 9 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 8 8
- 8 10 Subject, where applicable, to any terms, limits or conditions imposed by the Equity Shareholders in accordance with article 8 3, and provided a director has declared the nature and extent of his interest in accordance with the requirements 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
- 8 10 1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested,
- 8 10 2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or

arrangement or proposed transaction or arrangement in which he is interested,

8 10 3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,

8 10 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

8 10 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

8 10 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

## **9 RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions

## **10 APPOINTMENT AND REMOVAL OF DIRECTORS**

10 1 The holders of A Shares for the time being shall each be entitled to appoint one person to be an A Director of the Company

10 2 Any A Director may at any time be removed from office by the holder of A Shares who appointed him

- 10 3 If any A Director shall die or be removed from or vacate office for any cause, the holders of A Shares shall appoint in his place another person to be an A Director
- 10 4 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the relevant holder of the A Shares and served on the Company at its registered office, or delivered to a duly constituted meeting of the directors of the Company and on the director, in the case of his removal Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice
- 10 5 The right to appoint and to remove A Directors under this article shall be a class right attaching to the A Shares
- 10 6 If no A Shares remain in issue following a redesignation under these Articles, any director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation
- 10 7 No A Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law
- 10 8 A director (excluding A Directors) may be appointed and removed with the consent of the Majority Shareholders, save that any director (excluding A Directors) who is also an employee of the Company and who ceases to be an employee shall automatically be removed from office from the date his employment ceases

## 11 **ALTERNATE DIRECTORS**

- 11 1 Any director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor In these Articles, where the context so permits, the term "A Director" shall include an alternate director appointed by an A Director A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of shares but not otherwise
- 11 2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors

11 3 The notice must

11 3 1 identify the proposed alternate, and

11 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice

11 4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor

11 5 Except as the Articles specify otherwise, alternate directors

11 5 1 are deemed for all purposes to be directors,

11 5 2 are liable for their own acts and omissions,

11 5 3 are subject to the same restrictions as their Appointors, and

11 5 4 are not deemed to be agents of or for their Appointors

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

11 6 A person who is an alternate director but not a director may, subject to him being an Eligible Director

11 6 1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating), and

11 6 2 participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate)

11 7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors

11 8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to

receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct

11 9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates

11 9 1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate, or

11 9 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director, or

11 9 3 when the alternate director's Appointor ceases to be a director for whatever reason

## **SHARES**

### **12 SHARE CAPITAL**

12 1 Except as otherwise provided in these Articles, the A Shares, the B Shares and the C Shares shall rank par passu in all respects but shall constitute separate classes of shares

12 2 On the transfer of any share as permitted by these Articles, subject to the provisions of article 16 4 and article 18

12 2 1 a share transferred to a non-shareholder shall remain of the same class as before the transfer, and

12 2 2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class

12 3 No variation of the rights attaching to any class of shares shall be effective except with the prior written consent of three quarters of the holders of the relevant class of shares

12 4 Each of the following shall be deemed to constitute a variation of the rights attached to the Equity Shares

12 4 1 any alteration in the Articles,

12 4 2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital, and

12 4 3 any resolution to put the Company into liquidation

**13 UNISSUED SHARES**

13 1 No shares in the Company shall be allotted or any right to subscribe for or to convert any security into any shares in the Company shall be granted unless before that allotment or grant (as the case may be) the Majority Shareholders for the time being have consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee

13 2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class

13 3 In accordance with section 567 (1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in sections 560(1) of the Act where the consent of the Majority Shareholders to that allotment has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles

13 4 Notwithstanding any other provision of these articles the provisions of articles 13 1 shall not apply in respect of the allotment or grant of rights to subscribe for C Shares pursuant to the Share Option Scheme

**14. FURTHER ISSUE OF SHARES: AUTHORITY**

14 1 Subject to article 13 and the remaining provisions of this article 14, the directors are generally and unconditionally authorised, for the purposes of section 551 of the Act to exercise any power of the Company to

14 1 1 offer or allot,

14 1 2 grant rights to subscribe for or to convert any security into, or

14 1 3 otherwise deal in, or dispose of

any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper

14 2 The authority referred to in article 14 1

14 2 1 shall be limited to a maximum nominal amount of £1,000 or such other amount as may from time to time be authorised by the Company by ordinary resolution,

14 2 2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and

14 2 3 may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired)

## 15 **SHARE TRANSFERS: GENERAL**

15 1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal 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

15 2 No shareholder shall transfer any share except in accordance with article 16

15 3 Subject to article 15 4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles

15 4 The directors may, as a condition to the registration of any transfer of shares in the Company (whether a Permitted Transfer or otherwise) require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) If any such condition is imposed in accordance with this article 15 4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

## 16 PERMITTED TRANSFERS

16 1 Notwithstanding the provisions of any other article, the transfers set out in this article 16 shall be permitted without restriction

16 2 Any shareholder shall be entitled to transfer all or any of his shares to any person provided that shareholders holding not less than 90% of the Equity Shares agree

16 3 An Equity Shareholder shall be entitled to transfer his shares to any Family Member of his or the trustee(s) of his Family Trust provided that

16 3 1 subject to article 16 3 3, no shares shall be transferred under this article 16 3 by any person who previously acquired those shares by way of transfer under this article 16 3 save to another individual who is a Family Member of the original holder of such shares,

16 3 2 no transfer of shares shall be made by a shareholder under this article 16 3 if the proposed transfer will result in 90% or more of the shares originally held by that shareholder being held by the shareholder's Family Trusts and Family Members,

16 3 3 where shares are held by trustees under a Family Trust

(a) those shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust,

(b) those shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under article 16 3 if he had remained the holder of them,

- (c) if any of those shares cease to be held under a Family Trust (other than by virtue of a transfer made under article 16 3 3(b)) the trustees shall be required to immediately transfer all shares then held by the Family Trust to the original holder of such shares at par within ten Business Days of the cessation, and
- (d) if any person has acquired shares as a Family Member in accordance with article 16 3 and that person ceases to be a Family Member (by virtue of death or otherwise), that person (or his personal representatives) shall be required forthwith to transfer all the shares then held by that person back to the original holder of such shares at par within ten Business Days of the cessation

16 4 Any Equity Shares transferred pursuant to article 16 3 shall, upon transfer, automatically convert into a different class of share which will have no voting rights but shall rank pari passu in all other respects with the shares held by the transferor immediately prior to the transfer. The remaining Equity Shares held by the transferor shall acquire such weighted voting rights as are required to ensure that the overall voting percentage of the transferor is not reduced by virtue of the transfer

## 17. **OBLIGATORY TRANSFERS**

17 1 Where an Obligatory Transfer Event happens to a Shareholder (in this article the **Obligated Seller**)

17 1 1 who is an Equity Shareholder, he shall give notice of it to the other shareholders holding the same class of share as the Obligated Seller (in this article the **Buyer**), or

17 1 2 who is an Employee Shareholder, he shall give notice of it to the Company,

and, if he does not, he is deemed to have given such notice on the date on which the Buyer or the Company (where relevant) becomes aware of such Obligatory Transfer Event (**Notice of Obligatory Transfer Event**)

17 2 The service of a Notice of Obligatory Transfer Event shall bind the Obligated Seller to transfer his entire shareholding (**Sale Shares**) to the Buyer (in the case of an Equity Shareholder) or to the Company (in the case of an Employee Shareholder) for their nominal value. In the event that there is more than one Buyer, the Sale

Shares shall be transferred to the Buyers in proportion to the number of shares held by each Buyer within that class

- 17 3 A transfer of Sale Shares pursuant to this article 17 shall be deemed to include warranty that the Obligated Seller is transferring the Sale Shares with full title guarantee, free from all encumbrances and with all rights that attach, or may in the future attach, to them (including the right to receive all dividends and distributions declared, made or paid on or after the Obligatory Transfer Event

## 18 TRANSMISSION OF SHARES

- 18 1 Upon the death of a holder of A Shares (the **Deceased Shareholder**), his shares shall automatically convert into a different class of share, as designated by the Majority Shareholders, which will have no voting rights but shall rank pari passu in all other respects with the A Shares

- 18 2 The holders of A Shares who survive the Deceased Shareholder shall acquire such weighted voting rights as are required to ensure that the overall voting percentage of the holders of the A Shares is not reduced by virtue of the Deceased Shareholders' death

- 18 3 The shares held by an Employee Shareholder shall, upon his death, be transferred to the Company at their nominal value

## 19 TAG ALONG

- 19 1 The provisions of this article 19 shall apply if the Majority Shareholders for the time being (**Selling Shareholders**) propose to transfer their shares (**Proposed Transfer**) to a bona fide arm's length purchaser (**Third Party Buyer**)

- 19 2 Before making a Proposed Transfer, the Selling Shareholders shall procure that the Third Party Buyer makes an offer (**Tag Along Offer**) to the holders of all other shares (**Tagged Shares**) in issue for the time being to purchase all of the Tagged Shares for a consideration in cash per Share that is at least equal to the price per share offered by the Third Party Buyer in the Proposed Transfer for the Majority Shares

- 19 3 The Tag Along Offer shall be given by written notice (**Tag Along Notice**), at least seven Business Days (**Tag Along Period**) before the proposed transfer date (**Transfer Date**) To the extent not described in any accompanying documents, the Tag Along Notice shall set out

19 3 1 the identity of the Third Party Buyer,

19 3 2 the purchase price and other terms and conditions of payment,

19 3 3 the Transfer Date, and

19 3 4 the number of shares proposed to be purchased by the Third Party Buyer  
(**Offer Shares**)

19 4 If the Third Party Buyer fails to make the Tag Along Offer in accordance with this article the Selling Shareholders shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Majority Shares effected in accordance with the Proposed Transfer

19 5 If the Tag Along Offer is accepted by the holder of the Tagged Shares in writing within the Tag Along Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder

## 20 **DRAG ALONG**

20 1 If the Selling Shareholders wish to transfer all (but not some only) of the Majority Shares to a Third Party Buyer, the Selling Shareholders may require the holders of all other shares (**Called Shareholders**) to sell and transfer all of their shares (**Called Shares**) to the Third Party Buyer (or as the Third Party Buyer directs) in accordance with the provisions of this article (**Drag Along Option**)

20 2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Majority Shares to the Third Party Buyer The Drag Along Notice shall specify

20 2 1 that the Called Shareholder is required to transfer all of its Called Shares pursuant to this article 20,

20 2 2 the person to whom the Called Shares are to be transferred,

20 2 3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Third Party Buyer for the Majority Shares, and

20 2 4 the proposed date of the transfer

- 20 3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Majority Shares to the Third Party Buyer within 40 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20 4 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this article.
- 20 5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Majority Shares unless
- 20 5 1 the Selling Shareholders and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them, or
- 20 5 2 that date is less than 21 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 21 Business Day after service of the Drag Along Notice.
- 20 6 Within five Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver a stock transfer form for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that five Business Day period, the Company shall pay the Called Shareholders, on behalf of the Third Party Buyer, the amounts due pursuant to this article 20 to the extent that the Third Party Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Third Party Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholder without any obligation to pay interest.
- 20 7 To the extent that the Third Party Buyer has not, on the expiration of the five Business Day period referred to in article 20 6, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article in respect of its shares.

- 20 8 If the Called Shareholders do not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the Called Shareholders shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Third Party Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 20.

## **DECISION MAKING BY SHAREHOLDERS**

### **21 QUORUM FOR GENERAL MEETINGS**

- 21 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two holders of A Shares, or their duly authorised representative, present in person or by proxy.
- 21 2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

### **22 CHAIRING GENERAL MEETINGS**

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the holders of A Shares shall be entitled to appoint another of their nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

### **23 VOTING**

- 23 1 The Equity Shareholders shall have the right to receive notice of, attend, vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company. Save as provided otherwise in the Act and in this article 21, each such holder present in person or by proxy or by representative shall be entitled to one vote for each Equity Share held by him.
- 23 2 The shareholders shall have weighted voting rights in the circumstances set out in article 16 4 and article 18 2.

## 24 PROXIES

- 24 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate"
- 24 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article

## ADMINISTRATIVE ARRANGEMENTS

### 25 MEANS OF COMMUNICATION TO BE USED

- 25 1 Subject to article 25 3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient
- 25 1 1 if delivered by hand, at the time the notice, document or other information is left at the address, or
- 25 1 2 if delivered by commercial courier, at the time of signature of the courier's delivery receipt,
- 25 1 3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, 48 hours after posting, or
- 25 1 4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9 00 am on the fifth Business Day after posting, or
- 25 1 5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt, or
- 25 1 6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied, or
- 25 1 7 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and
-

25 1 8 if deemed receipt under the previous paragraphs of this article 25 1 would occur outside business hours (meaning 9 00 am to 5 30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9 00 on the day when business next starts in the place of deemed receipt For the purposes of this article, all references to time are to local time in the place of deemed receipt

25 2 To prove service, it is sufficient to prove that

25.2 1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address, or

25.2 2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted, or

25 2 3 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient

25 3 Any notice, document or other information served on, or delivered to, an intended recipient under article 16 or article 17 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website

25 4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act

## 26 INDEMNITY AND INSURANCE

26 1 Subject to article 26 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

26 1 1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

(a) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

(b) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act)

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs, and

- 26 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26 1 1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure
- 26 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
- 26 3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss
- 26 4 In this article
- 26 4 1 a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor, and
- 26 4 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund of the Company