

The Companies Act 2006

ARTICLES OF ASSOCIATION

OF

CONCORDIA HEALTH GROUP LIMITED

A PRIVATE COMPANY LIMITED BY SHARES

Company Number: 07834564

(adopted by Special Resolution dated 14th December 2018)



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**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF CONCORDIA HEALTH GROUP LIMITED**

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PART 1
INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1.

(1) In these Articles, unless the context requires otherwise—

“Act”	means the Companies Act 2006;
“A Ordinary Shares”	means all the ordinary shares of £0.001 each in the capital of the company designated as ‘A Ordinary Shares’ from time to time and ‘A Ordinary Share’ shall mean any one so designated;
“appointor”	has the meaning given in article 23(1);
“Articles”	means the company's articles of association from time to time in force;
“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”	the board of directors from time to time;
“business day”	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
“chairman”	has the meaning given in article 12;
“chairman of the meeting”	has the meaning given in article 51;
“Companies Acts”	means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the company;
“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(2);
“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;
“eligible director”	means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);
“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;

“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;
“Model Articles”	means the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these Articles;
“ordinary resolution”	has the meaning given in section 282 of the Act;
“paid”	means paid or credited as paid;
“participate”	in relation to a directors’ meeting, has the meaning given in article 10;
“Permitted Transfers”	transfers between a shareholder (“Permitted Transferor”) and another shareholder or to an employee or officer of the company, member of their family or an entity set up for the purposes of mitigating tax liability, or any transfer to a person or entity approved in writing by a majority of the Board (“Permitted Transferee”);
“Price Notice”	has the meaning given in article 32(4);
“proxy notice”	has the meaning given in article 58;
“Sale Price”	the Proposed Sale Price or, following service of a Price Notice, the price per Sale Share determined in accordance with article 32(4);
“shareholder”	means a person who is the holder of a share;
“shares”	means shares in the company and include ordinary shares and the A Ordinary Shares;
“special resolution”	has the meaning given in section 283 of the Act;
“subsidiary”	has the meaning given in section 1159 of the Act;
“transmittee”	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;
“Valuers”	the Accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed by the Seller; and
“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) Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

- (3) Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- (4) A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- (5) Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of—
 - (a) any subordinate legislation from time to time made under it, and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- (6) Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- (7) The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.

Liability of members

- 2. 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

Directors' general authority

3.

- (1) Subject to the Articles and to the applicable provisions of the Act, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.
- (2) Without prejudice to the generality of article 3(1), the directors may resolve in accordance with article 7 to change the Company's name.

Shareholders' reserve power

4.

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

Directors may delegate

5.

- (1) Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the 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.
- (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.
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

6.

- (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 the Articles which govern the taking of decisions by directors.
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.
- (3) Where a provision of these articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provisions shall be construed as permitting the exercise of power, authority or discretion by the committee.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7.

- (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 directors' written resolution in accordance with article 7(3) or a decision taken in accordance with article 8.
- (2) If—
 - (a) the company only has one director for the time being, and
 - (b) no provision of the Articles requires it to have more than one director,
 the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.
- (3) Any director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors (including alternate directors).
- (4) If the company has appointed a company secretary. The company secretary must propose a directors' written resolution if a director so requests by giving notice in writing to each of the other directors (including alternate directors).
- (5) Notice of a proposed directors' written resolution must indicate:
 - (a) The proposed resolution: and
 - (b) The time by which it is proposed that the directors should adopt it.
- (6) A proposed directors' written resolution is adopted when a majority of the eligible directors (or their alternates) have signed one or more copies of it, provided that those directors (or their alternates) would have formed a quorum at a directors' meeting were the resolution to have been proposed at such meeting.

- (7) Once the directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles.
- (8) Subject to the Articles, each director (or their alternate) participating in a directors' meeting has one vote.

Unanimous decisions

8.

- (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.
- (2) Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- (3) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

9.

- (1) Any director (including an alternate director), whether or not he is absent from the UK, may call a directors' meeting by giving not less than 5 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- (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.
- (3) Subject to article 9(4), notice of a directors' meeting must be given to each director, but need not be in writing.
- (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 prior to or up to and including 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.

Participation in directors' meetings

10.

- (1) Subject to the Articles, 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 the 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.

- (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.
- (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.

Quorum for directors' meetings

11.

- (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) Subject to paragraph (3) or any resolution of the majority of the directors or resolution of the shareholders otherwise, the quorum for the transaction of business at a meeting of directors is two eligible directors.
- (3) For the purposes of any meeting (or part of a meeting) held pursuant to article 15 to authorise a director's conflict, if there is no quorum for such meeting, then the matter shall be passed to the shareholders to resolve.
- (4) Subject to article 7(2), if the total number of directors in office 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.

Chairing of directors' meetings

12.

- (1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within thirty minutes of the time at which it was to start, the participating directors may appoint one of themselves to chair it.

Casting vote

13.

- (1) If the numbers of votes for and against a proposal at a meeting of directors or by directors' written resolution are equal, the chairman or other director chairing the meeting has a casting vote so long as he is an eligible director in relation to that proposal.

Transactions or other arrangements with the company

14.

- (1) For the purposes of this article 14, a **conflict of interest** includes a conflict of interest and duty. A conflict of duties and interest includes both direct and indirect interests.
- (2) The directors may, in accordance with the requirements set out in this article 14, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to

avoid conflicts of interest (such matters being hereinafter referred to as a Conflict).

- (3) A director seeking authorisation in respect of a Conflict shall declare to the other directors the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The director shall provide the other directors with such details of the relevant matter as are necessary for the other directors to decide how to address the Conflict, together with such other information as may be requested by the other directors.
- (4) Authorisation under this article 14 will be effective if:
 - (a) the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any matter may be proposed to the directors under the provisions of these Articles or such other manner as the directors may determine;
 - (b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other conflicted director(s); and
 - (c) the matter was agreed to without the director and any other conflicted director(s) voting or would have been agreed to if their votes had not been counted.
- (5) Any authorisation of a Conflict under this article 14 may (whether at the time of giving the authorisation or subsequently):
 - (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised;
 - (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; or
 - (c) be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.
- (6) In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to:
 - (a) disclose such information to the directors or any director or other officer or employee of the company; or
 - (b) use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.
- (7) Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director:
 - (a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
 - (b) is not given any documents or other information relating to the Conflict;
 - (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

- (8) Where the directors authorise a Conflict:
- (a) the director will be obliged to conduct himself in accordance with any terms, limits and/or conditions imposed by the directors in relation to the Conflict;
 - (b) the 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 term, limits and/or conditions (if any) as the directors impose in respect of its authorisation.
- (9) 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 receives as a director or other office or employee of the company's subsidiaries or of any other body corporate in which the company is interested or which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits and/or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- (10) Subject to the applicable provisions of the Act and any terms, limits and/or conditions imposed by the directors in accordance with article 14(5)(b) and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director notwithstanding his office—
- (a) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
 - (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is (directly or indirectly) interested;
 - (c) shall be entitled to vote at a meeting of directors or of a committee of the directors, or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is (directly or indirectly) interested;
 - (d) 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;
 - (e) may be a director or other officer of, or employed by, or a party to a contract, transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
 - (f) 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.

- (11) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- (12) Subject to paragraph (13), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- (13) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Directors' conflicts of interest

- 15. If there would be insufficient eligible directors for a quorum at the time of proposed authorisation under section 175(5) of the Act then authorisation may be given by the company in general meeting or written resolution.

Records of decisions to be kept

16.

- (1) 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.
- (2) Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Number of directors

- 18. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one and a sole Director may exercise all the powers conferred by the Articles on the Directors, and for such time as there is not more than one Director of the Company, there shall be no requirement for a quorum for meetings of Directors.

Methods of appointing directors

19.

- (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.
- (2) In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a

transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

- (3) For the purposes of paragraph (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.

Termination of director's appointment

20. 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.

Directors' remuneration

21.

- (1) Directors may undertake any services for the company that the directors decide.
- (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.
- (3) Subject to the Articles, 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.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (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.

Directors' expenses

22. The company may pay any reasonable expenses which the directors (including alternate directors) and the secretary (if any) 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.

ALTERNATE DIRECTORS

Appointment and removal of alternate directors

23.

- (1) Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors to—
 - (a) exercise that director's powers, and
 - (b) carry out that director's responsibilities,in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- (2) Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
- (3) The notice must—
 - (a) identify the proposed alternate, and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

Rights and responsibilities of alternate directors

24.

- (1) An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.
- (2) Except as the Articles specify otherwise, alternate directors—
 - (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their appointors; and
 - (d) are not deemed to be agents of or for their appointorsand, 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.
- (3) A person who is an alternate director but not a director—
 - (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
 - (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
 - (c) shall not be counted as more than one director for the purposes of articles 24(3)(a) and (b).

- (4) A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present unless so stated in the notice of appointment.
- (5) An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

Termination of alternate directorship

25. An alternate director's appointment as an alternate terminates—

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- (b) 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;
- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a director terminates.

Secretary

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

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

27.

- (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.
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

28.

- (1) Subject to the Articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- (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.
- (3) The shares comprising the ordinary shares and the A Ordinary Shares in issue from time to time shall respectively constitute separate classes of shares unless otherwise stated, and:

- (a) as to the ordinary shares shall have the following rights:
1. Voting rights: Each share is entitled to one vote in any circumstances;
 2. Dividend rights: Each share is entitled *pari passu* with the A Ordinary Shares to dividend payments or any other distribution as if the ordinary shares and A Ordinary Shares were one class;
 3. Rights on a winding up: Each share is entitled *pari passu* to participate in a distribution arising from a winding up of the company;
 4. Redemption rights; None.

- (b) as to the A Ordinary Shares:
1. Voting rights: Save as stated below, each share is entitled to one vote in any circumstances;
 2. Dividend rights: Save as stated below, each share is entitled *pari passu* with all ordinary shares to dividend payments or any other distribution as if the ordinary shares and A Ordinary Shares were one class;
 3. Rights on a winding up: Save as stated below, each share is entitled *pari passu* to participate in a distribution arising from a winding up of the company;
 4. Redemption rights; None;

Provided that, as a class, the A Ordinary Shares shall have a class right protecting against dilution so that irrespective of the issue of any shares in the future or the change of the rights of any other class of shares, the voting, dividend and rights on winding up attached to the A Ordinary Shares shall always have the aggregate right to the equivalent percentage that the A Ordinary Shares represent out of the whole issued share capital of the company as at the date of their first issue, unless there is a reduction of capital of A Ordinary Shares in which case the equivalent percentage will rateably reduce.

- (4) If no shares of a class remain in issue following a re-classification 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.
- (5) Whenever the capital of the company is divided into different classes of shares. The special rights attached to any 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 of the holders of the issued shares of that class given in accordance with this article. The consent of the holders of a class of shares may be given by:
- (a) a special resolution passed at a separate general meeting of the holders of the issued shares of that class; or
 - (b) a written resolution in any form signed by or on behalf of the holders of three-quarters in nominal value of the issued shares of that class,

but not otherwise. To every such meeting, all the provisions of these Articles and the Act relating to general meetings of the company shall apply (with such

amendments as may be necessary to give such provisions efficacy) but so that the necessary quorum shall be two holders of shares of the relevant class present in person or by proxy and holding or representing not less than one third in nominal value of the issued shares of the relevant class; that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and that any holder of shares of the class, present in person or by proxy or (being a corporation) by a duly authorised representative, may demand a poll. If at any adjourned meeting of such holders such a quorum as aforesaid is not present, not less than one holder who is present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum.

- (6) Subject to article 36 and the remaining provisions of this article 28, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into; or
- (c) 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.

- (7) The authority referred to in article 28(6) shall not be exercisable until and in accordance with an ordinary resolution in which case it:

- (a) shall be limited to such amount or type of share as may from time to time be authorised by the Company by ordinary resolution;
- (b) shall only apply insofar as the company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- (c) may only be exercised for a period as may from time to time be authorised by the Company by ordinary resolution, 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).

- (8) The company has no authorised share capital limit.

Company not bound by less than absolute interests

29. 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 the 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.

Share certificates

30.

- (1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- (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.
- (3) No certificate may be issued in respect of shares of more than one class.
- (4) If more than one person holds a share, only one certificate may be issued in respect of it.
- (5) Certificates must—
 - (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

31.

- (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.
- (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 and indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

32.

- (1) Prohibited transfers

No Shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any share or any interest in any share in the capital of the Company, except as permitted by these Articles or as approved by a resolution of the Shareholders.

- (2) Permitted Transfers

Shareholders shall be permitted to make Permitted Transfers without the consent of the other Shareholders but subject to compliance with article 32(9)(b).

- (3) Transfer Notices

A Shareholder ("Seller") wishing to transfer shares in the capital of the Company ("Sale Shares") shall give notice in writing ("Transfer Notice") to the other shareholders ("Continuing Shareholders") specifying the details of the proposed transfer, including the number of Sale Shares comprised within the Transfer Notice, the identity of the proposed buyer(s), the proposed price for each Sale ("Proposed Sale Price") and the proportionate entitlement of each Continuing Shareholder to the Sale Shares, being the same proportion of the Sale Shares as the proportion that the number of shares held by him (rounded up or down to the next whole number as determined by the Board) bears to the

total number of shares held by the Continuing Shareholders (in respect of each Continuing Shareholder, his "Entitlement").

(4) Ongoing shareholders

The Continuing Shareholders (or any of them) may, by giving notice in writing ("Price Notice") to the Seller at any time within ten Business Days of receipt of a Transfer Notice, notify the Seller that the Proposed Sale Price is too high. Following service of a Price Notice, the parties shall endeavour to agree a price for each of the Sale Shares. If the parties have not agreed such a price within ten Business Days of the receipt of the Seller of a Price Notice, they (or any of them) shall immediately instruct the Valuers to determine the Fair Value of each Sale Share in accordance with article 35.

(5) Withdrawal of transfer notice

If, following delivery to him of written notice of the Valuers in accordance with article 35, the Seller does not agree with the assessment of the Valuers of the Fair Value of the Sale Shares, he shall be entitled to revoke the Transfer Notice by giving notice in writing to the Continuing Shareholders within five Business Days of delivery to him of the written notice of the Valuers. If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with this article.

(6) Maximum entitlement

Within five Business Days of receipt (or deemed receipt) of a Transfer Notice or, if later, within five Business Days of receipt of the determination of the Valuers of the Fair Value (and provided the Seller has not withdrawn the Transfer Notice in accordance with article 32(5)), a Continuing Shareholder shall be entitled (but not obliged) to give notice in writing ("Acceptance") to the Seller stating that he wishes to purchase a specified number of Sale Shares at the Sale Price. A Continuing Shareholder may, in his Acceptance, indicate that he would be willing to purchase a particular number of Sale Shares in excess of his Entitlement ("Extra Shares").

(7) If, on the expiry of the relevant five Business Day period referred to in article 32(6), the total number of Sale Shares applied for is greater than the available number of Sale Shares, each accepting Continuing Shareholder shall be allocated his Entitlement (or such lesser number of Sale Shares for which he has applied) and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Continuing Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) the proportions of all the shares held by such Continuing Shareholders.

(8) Completion of the purchase of those Sale Shares accepted by Continuing Shareholders under article 32(6) (and, where, relevant, article 32(7)) shall take place in accordance with article 34.

(9) In relation to any Sale Shares not accepted by Continuing Shareholders under article 32(6) (and, where, relevant, article 32(7)):

- (a) the Seller shall be entitled to transfer those Sale Shares to the third party buyer identified in the Transfer Notice at a price per Sale Share not less than the Sale Price; and
- (b) the Seller (or Permitted Transferor) shall procure that any transferee (or Permitted Transferee) of Sale Shares who is not already a shareholder of shares shall, at completion, enter into a deed of adherence with the

Continuing Shareholders, agreeing to be bound by the terms of any shareholders agreement to which the company is a party if so required by the Board and in such form as the Board may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the Seller unless they are a new shareholder who is also a director or manager in which case terms equivalent to others in a similar position will apply).

Events Triggering Deemed Transfer Notice

33.

- (1) A Shareholder is deemed to have served a Transfer Notice under article 32(3) immediately before any of the following events (in respect of the proportion of shares held by him set out in brackets in each case):
 - (a) his death (100%); or
 - (b) a bankruptcy order being made against him, 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 (100%);
 - (c) he is lawfully dismissed from employment with the company (100%); or
 - (d) he fails to remedy a breach by him of any obligation under these Articles or any shareholders agreement to which he and the Company is a party within 10 Business Days of notice to remedy the breach being served by the Board (100%).
- (2) The deemed Transfer Notice has the same effect as a Transfer Notice, except that:
 - (a) subject to article 33(2)(c), the deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the shares and the Sale Price shall be the Fair Value of those shares, determined by the Valuers in accordance with article 35; and
 - (b) the Seller does not have a right to withdraw the Transfer Notice following a valuation; and
 - (c) with respect to a deemed Transfer Notice served under article 33(1)(d) the Sale Price shall be the par value of the shares.

Completion of Share Purchase

34.

- (1) Completion of the sale and purchase of shares under articles 32 and 33 shall take place 10 Business Days after the date of delivery of determination of the Sale Price in accordance with article 32(3) or 32(4).
- (2) At such completion:
 - (a) the Seller shall deliver, or procure that there is delivered to each Continuing Shareholder who is to purchase Sale Shares, a duly completed stock transfer form transferring the legal and beneficial ownership of the relevant Sale Shares to him, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Continuing Shareholders or the Board may reasonably require to show good title to the shares, or to enable each Continuing Shareholder to be registered as the holder of the shares;

- (b) each relevant Continuing Shareholder shall deliver or procure that there is delivered to the Seller a bankers' draft made payable to the Seller or to his order for the Sale Price for the Sale Shares being transferred to the Continuing Shareholder (or such other method of payment agreed between a Continuing Shareholder and the Seller).
- (3) Any transfer of shares by way of a sale under these Articles shall be deemed to include a warranty that the Seller sells the shares with full title guarantee and free from all encumbrances.
- (4) If any Continuing Shareholder fails to pay the Sale Price payable by him on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Sale Price shall accrue interest at a rate equal to 4% per annum above the base rate of HSBC Bank PLC from time to time.
- (5) Registration of transfers
Each of the Continuing Shareholders shall use his reasonable endeavours to procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) the registration (subject to due stamping by the Continuing Shareholders) of the transfers of the Sale Shares under this article 34 and each of them consents to such transfers and registrations.

Fair Value

35.

- (1) The "Fair Value" for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:
 - (a) valuing each of the Sale Shares as a proportion (being in mind the class rights of the A Ordinary Shares) of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent;
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - (d) the shares are sold free of all restrictions, liens, charges and other encumbrances; and
 - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value.

Issue of further Shares

36.

- (1) 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 section 560(1) of the Act) made by the company. Unless otherwise agreed by special resolution, if the company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to each other person on a pari passu basis and pro rata to the nominal value of shares held by those shareholders (as nearly as possible without involving fractions). The offer:
 - (2) Shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
 - (3) May stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities ("Excess Securities") for which he wishes to subscribe.
 - (4) Any equity securities not accepted by the shareholders pursuant to the offer made to them in accordance with this article shall be used for satisfying any requests for Excess Securities made pursuant to article 36(3). If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants as nearly as practicable in the proportion that the number of Excess Securities each shareholders indicated he would accept bears to the total number of Excess Securities applied for (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining 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 shareholders.
 - (5) The Company shall not be obliged to offer to Shareholders, nor shall the Shareholders be entitled to acquire, shares, which are to be allotted and issued pursuant to any scheme intended to incentivise employees of the Company.

Tag-Along Rights

37.

- (1) The provisions of article 37 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares which would, if carried out, result in any person (Buyer), and any person acting in concert with the Buyer, acquiring more than 50% of the then existing shares.
- (2) In the event that any proposed sale of Shares involves the transfer of more than 50% of the shares by one or more Shareholders ("Seller(s)") (each such transaction, a "Tag-Along Sale"), such Seller(s) shall provide the Company with written notice of the terms and conditions of such proposed transfer (the "Tag-Along Notice"). The Company shall, promptly following receipt thereof, provide a copy of the Tag-Along Notice to each other Shareholder (each such other Shareholder, a "Tagging Person").
- (3) For the avoidance of doubt, any proposed sale of Shares by a Seller or Sellers which falls within this article shall first be subject to the provisions of article 32.

- (4) The Tag-Along Notice shall identify the number of Shares proposed to be included in the Tag-Along Sale, the name and address of the proposed Buyer, the proposed consideration per Share, and all other material terms and conditions of the Tag-Along Sale.
- (5) Each Tagging Person shall have the right, at his option, exercisable by written notice (the "Exercise Notice") given to the Seller(s) within twenty (20) days after receipt of the Tag-Along Notice (the "Tag-Along Notice Period"), to include in the proposed transfer any Shares ("Tag-Along Shares") then held by such Tagging Person.
- (6) The Buyer shall purchase all of the Seller's(s') shares and any shares of a Tagging Person (in addition to the Seller's shares) on a pari passu basis (but taking into account any class rights of the A Ordinary Shares) or not at all.
- (7) If any Tagging Person has delivered an Exercise Notice to the Seller(s), then not less than ten (10) days prior to the proposed closing of the Tag-Along Sale, the Seller(s) shall deliver to each such Tagging Person notice of (i) the amount and price per share of such Tagging Person's Tag-Along Shares to be transferred in such Tag-Along Sale and (ii) the time and location of the completion of such Tag-Along Sale. Not less than five days prior to the completion of the Tag-Along Sale, each such Tagging Person shall deliver to the Buyer a written notice containing the payment instructions to be followed in connection with the transfer of such Tagging Person's Tag-Along Shares under the Tag-Along Sale. On the date of completion of the Tag-Along Sale, each such Tagging Person shall deliver, subject to the terms and conditions of the Tag-Along Sale, the certificate or certificates (if any) representing the Tag-Along Shares of such Tagging Person to be included in such Tag-Along Sale at the time and location specified in the notice given (or indemnities for lost certificates as required by the Board).
- (8) If, at the end of a sixty (60)-day period after delivery of the Exercise Notice, such Tag-Along Sale has not been completed on substantially the same terms and conditions as set forth in the Tag-Along Notice, the Seller(s) shall again follow all of the procedures set forth in this article 37.
- (9) If at the termination of the Tag-Along Notice Period any Tagging Person shall not have delivered an Exercise Notice, such Tagging Person will be deemed to have waived his rights under this article to participate in such Tag-Along Sale.
- (10) The rights and obligations of the Seller(s) and the Tagging Persons under this article shall be subject to the following conditions:
 - (a) upon the completion of any Tag-Along Sale, each of the Seller(s) and the Tagging Persons participating therein will receive the same form and amount of consideration per Share (but taking into account any class rights of the A Ordinary Shares) or if the Seller(s) or any Tagging Person is given an option as to the form and amount of consideration to be received, the Seller(s) and all Tagging Persons participating therein will be given the same option;
 - (b) no Seller(s) nor Tagging Person(s) shall be obliged to pay more than their pro rata portion (based on the aggregate consideration to be received in respect of their Shares and Tag-Along Shares in the Tag-Along Sale) of costs, fees and expenses incurred in connection with the Tag-Along Sale to the extent such costs, fees and expenses are incurred for the benefit of all such Tagging Persons and the Seller(s) and are not otherwise paid by the Company or the Buyer

Drag-Along

38.

- (1) The provisions of article 36 and 37 shall not apply to this article 38.
- (2) In the event that any proposed sale of shares, other than a regulated exchange listing, involves the transfer of 100 per cent of the shares then in issue by one or more Shareholders (the "Sellers' Shares") to a third party purchaser (the "Third Party Purchaser") and such Shareholders (the "Selling Shareholders") (who together hold not less than fifty percent (50%) of the ordinary shares) wish to accept that offer, they shall have the option (the "Drag-Along Option") to require all other Shareholders (the "Called Shareholders") to sell and transfer all their respective interests in Shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this article.
- (3) The Selling Shareholders may exercise the Drag-Along Option by giving written notice to that effect (a "Drag-Along Notice") at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag-Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "Called Shares") pursuant to this article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article and on a pari passu basis as the price for the Sellers' Shares) and the proposed date of transfer.
- (4) Drag-Along Notices shall be irrevocable except that they will lapse if there is not a sale of the Seller's Shares by the Selling Shareholders to the Third Party Purchaser within sixty (60) days after the date of service of the Drag-Along Notice.
- (5) The Selling Shareholders shall be entitled to serve further Drag-Along Notices following the lapse of any particular Drag-Along Notice.
- (6) The consideration for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the Third Party Purchaser or his or their nominees for the Sellers' Shares (taking into account the class rights of the A Ordinary Shares) (the "Specified Share Price").
- (7) Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:
 - (a) all of the Called Shareholders and the Selling Shareholders agree otherwise; or
 - (b) that date is less than twelve (12) business days after the Drag-Along Notice where it shall be deferred until the twelfth business day after the Drag-Along Notice.
- (8) The Called Shareholders shall be entitled to:
 - (a) match the offer set out in the Drag-Along Notice by providing a written offer to the Selling Shareholders to purchase all of the Sellers' Shares at the Specified Share Price within twelve (12) Business Days of the date of the Drag-Along Notice. Any such offer by the Called Shareholders shall be irrevocable except that it shall lapse in the event that the Called Shareholders have failed to complete the acquisition of the Sellers' Shares within twelve (12) business days after the date of the Drag-Along Notice; or
 - (b) require Fair Value to be determined by the Valuer in respect of the Called Shares and the Sellers' Shares within twelve (12) business days of the

date of the Drag-Along Notice. The Valuer shall certify the Fair Value of the Called Shares and the Sellers' Shares as between a willing buyer and a willing seller for the sale of the entire issued share capital of the Company on the date of the Valuer's certificate of the Fair Value on arm's length terms having regard to the value of the business of the Company as a going concern ("Fair Value"). The Valuer shall act as an expert, not as an arbitrator and the Valuer's costs shall be borne by the Called Shareholders. If the combined value of the Sale Shares priced at Fair Value is in excess of the combined value of the Sale Shares at the price specified in the Drag-Along Notice, then the Called Shareholders shall be entitled to:

- (i) purchase the Sellers' Shares at the Specified Share Price within twelve (12) business days from the date of the determination of the Fair Value; or
 - (ii) be paid (in addition to the consideration payable for his shares under the Drag-Along Notice) a sum, payable by the Selling Shareholders on completion of the sale to the Third Party Purchaser, equal to the difference between the value of their entire shareholding at the price specified in the Drag-Along Notice and the value of their entire shareholding as determined by reference to the Fair Value.
- (9) Subject to article 38.8, if any Shareholder does not on the completion of a valid sale of any Called Shares execute transfer(s) in respect of all the Called Shares held by him, such defaulting Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf and against receipt by the Company (on trust for such holder) of the Specified Share Price for such Shareholder's Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and the directors shall forthwith register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been so registered as the holder, the validity of such proceedings shall not be questioned by any such defaulting Shareholder. It shall be no impediment to the registration of Shares that no share certificate has been produced in respect of the relevant Called Shares.
- (10) Upon any person, following the issue of a Drag-Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing right to acquire Shares (whether pursuant to any warrant, share option, convertible instrument or otherwise) (a "New Member"), a Drag-Along Notice shall be deemed to have been served upon such New Member on the same terms as the original Drag-Along Notice, and such New Member shall thereupon be bound to sell and transfer all such Shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article shall apply mutatis mutandis to the shares held by the New Member, save that completion of the sale of such shares shall, in the event that completion of the sale of the Called Shares has then taken place, take place forthwith upon the Drag-Along Notice being deemed served on the New Member.
- (11) The rights and obligations of the Selling Shareholders, the Called Shareholders and any New Member respectively shall be subject to the following conditions:
- (a) no Called Shareholder or New Member shall be obliged to pay any costs, fees and expenses (other than personal costs, fees and expenses incurred

including without limitation any liability to tax) incurred in connection with the sale of the Called Shares or the sale of any Shares in relation to this article;

- (b) no Called Shareholder or New Member shall be required to provide any warranties or indemnities in connection with the sale of the Called Shares or the sale of any Shares pursuant to this article (other than warranties and indemnities concerning the Called Shareholder's or New Member's title to the Called Shares or other relevant Shares or loss of their share certificate).

Transmission of shares

39.

- (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
 - (a) may, subject to the Articles, and to any other agreement to which the holder was a party at the time of his death choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the Articles, and to any other agreement to which the holder was a party at the time of his death and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But, subject to article 19(2), 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.

Exercise of transmittees' rights

40.

- (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.
- (4) Subject to the Articles and to any other agreement to which the holder was a party at the time of his death, if the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (5) 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.

Transmittees bound by prior notices

- 41. 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, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 34(2), has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

42.

- (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (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.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (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.
- (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.
- (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.
- (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.

Payment of dividends and other distributions

43.

- (2) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
 - (a) transfer to a bank or building society account specified by the distribution recipient in writing;
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing;
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
 - (d) any other means of payment as the directors agree with the distribution recipient in writing.
- (2) In the 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 otherwise by operation of law, the transmittee.

Dividend Rights

44.

- (1) The rights as regards income attaching to each class of shares shall be as set out in this article or as referred to in article 28(3).

- (2) Subject to the Act and to these Articles, the Directors shall in a Board meeting or by unanimous written resolution distribute such amount of the profit available for distribution in respect of the relevant period to holders of any or all classes of shares in such proportion between such classes as they shall determine.
- (3) Subject to these Articles, each dividend shall be distributed to the appropriate shareholders pro rata according to the number of shares of the relevant class held by them respectively and shall accrue daily (assuming a 365-day year). All dividends are expressed net and shall be paid in cash.

No interest on distributions

- 45.** 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.

Unclaimed distributions

- 46.**
- (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.
 - (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.
 - (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.

Non-cash distributions

- 47.**
- (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).
 - (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.

Waiver of distributions

- 48.** 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

Authority to capitalise and appropriation of capitalised sums

- 49.**
- (1) Subject to the Articles, 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.
 - (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.
 - (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.
 - (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.
 - (5) Subject to the Articles the directors may—
 - (a) apply capitalised sums in accordance with paragraphs (3) and (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
ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

50.

- (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.
- (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.
- (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.
- (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.
- (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.

Quorum for general meetings

- 51.** 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 quorum is two Shareholders in person (or authorised representative if a corporate body) or by proxy.

Chairing general meetings

52.

- (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (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.
- (3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

Attendance and speaking by directors and non-shareholders

53.

- (1) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (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.

Adjournment

54.

- (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.
- (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.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (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.
- (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.
- (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

Voting: general

- 55.** 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.

Errors and disputes

56.

- (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.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

Poll votes

57.

- (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.
- (2) A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- (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.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

58.

- (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 the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

- (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.
- (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.

Delivery of proxy notices

59.

- (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.
- (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.
- (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.
- (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.

Amendments to resolutions

60.

- (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.
- (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.
- (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

Means of communication to be used

61.

- (1) Subject to the Articles, anything sent or supplied by or to the company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the company.
- (2) Any notice, document or other information shall be deemed served on or delivered to the intended recipient—
 - (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - (d) 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.
- (3) In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.
- (4) Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (5) 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.

Company seals

62.

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

No right to inspect accounts and other records

63. 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.

Provision for employees on cessation of business

64. 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

Indemnity

65.

- (1) Subject to paragraph (2), but without prejudice to any indemnity to which a relevant officer is otherwise entitled—
- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer—
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the company's (or any associated company's) activities as 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 (or any associated company's) affairs; and
 - (b) 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 58(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- (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 officer" means any director or other officer or former director or *other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person*

engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

Insurance

66.

- (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- (2) In this article—
 - (a) a “relevant officer” means any director or other officer or former director or other officer of the company or an associated company (including any such company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),
 - (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
 - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

Purchase of Own Shares

67.

- (1) Subject to the Act but without prejudice to any other provision of these Articles, the company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:
 - (a) £15,000; and
 - (b) the nominal value of 5% of the company's fully paid share capital at the beginning of the relevant financial year of the company.