

The Companies Act 2006
Private Company Limited by Shares

Articles of Association
of
Token Group Limited

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PART 1: INTERPRETATION AND LIMITATION OF LIABILITY

1. DEFINED TERMS

1.1 In the Articles, unless the context requires otherwise:

Accounting Period	an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act;
Act	the Companies Act 2006;
Acting in Concert	has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);
Adoption Date	the date of adoption of these Articles by the Company;
Allocation Notice	has the meaning given in Article 35.10;
Applicant	has the meaning given in Article 35.10;
Articles	the Company's articles of association for the time being in force;
Bad Leaver	a person (other than a Founder) who ceases to be an Employee for cause where " cause " shall mean the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or where such person is guilty of fraud or dishonesty leading to a material loss to the Company or its Shareholders (other than the Employee);
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 of the Company as constituted from time to time;
Called Shareholder(s)	has the meaning given in Article 37.1;
Called Shares	has the meaning given in Article 37.1;
chairman	has the meaning given in Article 12 (Chairing of directors' meetings);

chairman of the meeting	has the meaning given in Article 52 (Chairing for general meetings);
Companies Acts	the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company;
Company	Token Group Limited (company number 11098384);
Completion Date	has the meaning given in Article 37.4;
Conflict	has the meaning given in Article 15.1;
Controlling Interest	means, in relation to a company, an interest in shares in that company giving to the holder or holders control of that company within the meaning of section 1124 of the Corporation Tax Act 2010;
Deemed Transfer Notice	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;
Deferred Shares	the deferred shares of £0.00001 each in the capital of the Company at any time, having the rights and being subject to the restrictions set out in these Articles;
Director	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 44 (Payment of dividends and other distributions);
document	includes, unless otherwise specified, any document sent or supplied in electronic form;
Drag Along Notice	has the meaning given in Article 37.2;
Drag Along Option	has the meaning given in Article 37.1;
electronic form	has the meaning given in section 1168 of the Act;
eligible Director	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);
Employee	an individual who is employed by the Company;

Employee Shareholder	a Shareholder who is also an Employee;
Encumbrance	any mortgage, charge (fixed or floating), pledge, lien, guarantee, option, hypothecation, trust, any assignment by way of security, or other security interest of any kind, howsoever created or arising, or any other agreement or arrangement (including a sale and repurchase agreement) or any like agreement or arrangement creating any of the same or having similar effect;
equity securities	has the meaning given in section 560(1) of the Act;
Fair Value	in relation to Sale Shares or Relevant Shares, the price per Sale Share or Relevant Share as determined in accordance with Article 38.2;
Family Trust	in relation to any 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 Shareholder or any of his or her Privileged Relations (and any charity or charities as default beneficiaries meaning that the charity or charities have no immediate beneficial interest in any of the settled property or the income from it when the trust is created but may become so interested if there are no other beneficiaries from time to time except other charities) 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 Shareholder or any of his or her Privileged Relations;
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;
Founder Director	has the meaning given in Article 18.2;
Founders	Mel-Rob Gelderman and David Hoggard and a Founder means either of them;
Good Leaver	a person (other than a Founder) who ceases to be an Employee and who is not a Bad Leaver and shall include when the Board determines that a person is not a Bad Leaver;

Group	the Company, any Subsidiary or any Holding Company from time to time of the Company, and any Subsidiary from time to time of a Holding Company of the Company from time to time and Group Company shall be construed accordingly;
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;
Independent Expert	the accountants or auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator);
instrument	a document in hard copy form;
Interested Director	has the meaning given in Article 15.1;
Monolith	Monolith Limited, a company incorporated and registered in Gibraltar under company number 115828;
Monolith Value	the balance sheet value of Monolith's assets;
Offer Period	has the meaning given in Article 35.7;
ordinary resolution	has the meaning given in section 282 of the Act;
Ordinary Shareholder	a holder of Ordinary A Shares or Ordinary B Shares;
Ordinary A Shares	ordinary A shares of £0.00001 each in the capital of the Company, having the rights and being subject to the restrictions set out in these Articles;
Ordinary B Shares	ordinary B shares of £0.00001 each in the capital of the Company, having the rights and being subject to the restrictions set out in these Articles;
Original Shareholder	has the meaning given in Article 34.1;
participate	in relation to a Directors' meeting, has the meaning given in Article 10 (Participation in directors' meetings);

Permitted Group	in relation to a company, any Subsidiary of that company, any company of which it is a Subsidiary (its Holding Company), any Holding Company of its Holding Company and any other Subsidiaries of any such Holding Companies, and each company in a Permitted Group is a member of the Permitted Group;
Permitted Transfer	a transfer of Shares made in accordance with Article 34 (Permitted transfers of shares);
Permitted Transferee	any person who has acquired Shares pursuant to Article 34 (Permitted transfers of shares);
Privileged Relation	the spouse or civil partner (under the Civil Partnership Act 2004) of a Shareholder and every child, stepchild, grandchild, adopted child or other lineal descendent and the respective spouse, civil partner, widow or widower of a person who is a Shareholder;
Proposed Buyer	has the meaning given in Article 37.1;
Proposed Sale Price	has the meaning given in Article 35.2.3;
proxy notice	has the meaning given in Article 58 (Content of proxy notices);
Relevant Shares	all Shares held by the Shareholder in question, and any Permitted Transferee of that Shareholder;
Sale Shares	has the meaning given in Article 35.2.1;
Seller	has the meaning given in Article 35.2;
Seller Shares	has the meaning given in Article 37.1;
Selling Shareholders	has the meaning given in Article 37.1;
Shareholder	a holder for the time being of any Share or Shares;
Shares	issued Shares (of any class) in the capital of the Company and Share shall be construed accordingly;

Share Sale	means, in relation to a company the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of that company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in that company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the company immediately prior to the sale;
special resolution	has the meaning given in section 283 of the Act;
Transfer Notice	has the meaning given in Article 35.2;
Transfer Price	has the meaning given in Article 38.1;
transmittee	a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law; and
writing or written	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, in relation to a Transfer Notice (or Deemed Transfer Notice), writing or written shall not include the sending or supply of notices, documents or information in electronic form.

- 1.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company.
- 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.
- 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.
- 1.10 Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.
- 1.11 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.12 A reference to a person shall include a reference to a firm, a body corporate, an unincorporated association, a partnership or to an individual's executors or administrators.
- 1.13 The Model Articles for Private Companies Limited by Shares set out in Schedule 1 of The Companies (Model Articles) Regulations 2008 (as amended) are excluded in their entirety and replaced by these Articles.

2. LIABILITY OF MEMBERS

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

PART 2: DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. DIRECTORS' GENERAL AUTHORITY

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

4. SHAREHOLDERS' RESERVE POWER

- 4.1 The Shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 4.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

5. 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:
 - 5.1.1 to such person or committee;
 - 5.1.2 by such means (including by power of attorney);
 - 5.1.3 to such an extent;
 - 5.1.4 in relation to such matters or territories; and
 - 5.1.5 on such terms and conditions;as they think fit.
- 5.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 5.3 The Directors may revoke any delegation in whole or part or alter its terms and conditions.

6. 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.
- 6.2 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.

DECISION-MAKING BY DIRECTORS

7. 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 decision taken in accordance with Article 8 (Unanimous decisions).

7.2 If:

7.2.1 the Company only has one Director; and

7.2.2 no provision of the Articles requires it to have more than one Director,

the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making.

8. 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.

8.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.

8.3 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.

9. CALLING A DIRECTORS' MEETING

9.1 Any Director may call a Directors' meeting by giving reasonable notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.

9.2 Notice of any Directors' meeting must indicate:

9.2.1 its proposed date and time;

9.2.2 where it is to take place; and

9.2.3 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.

9.3 Notice of a Directors' meeting must be given to each Director but need not be in writing.

10. PARTICIPATION IN DIRECTORS' MEETINGS

10.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:

10.1.1 the meeting has been called and takes place in accordance with the Articles, and

10.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

10.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

10.3 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.

11. 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.

11.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than two (and unless otherwise fixed it is two), at least one of which must be a Founder Director.

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

11.3.1 to appoint further directors; or

11.3.2 to call a general meeting so as to enable the Shareholders to appoint further directors.

12. CHAIRING OF DIRECTORS' MEETINGS

12.1 The Directors may appoint a Director to chair their meetings.

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

12.3 The Directors may terminate the chairman's appointment at any time.

12.4 If the chairman is not participating in a Directors' meeting within 15 minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

13. CASTING VOTE

13.1 If the numbers of votes for and against a proposal are equal (**Deadlock**), the chairman or other Director chairing the meeting shall not have a casting vote.

13.2 In the event of a Deadlock:

13.2.1 each Founder Director shall be granted an additional casting vote for the purpose of resolving the Deadlock and the proposal shall be voted for again; or

- 13.2.2 if after repeating the vote pursuant to Article 13.2.1 there remains a Deadlock, and if the Directors unanimously agree, they may invite an independent person to attend any meeting (or part of a meeting) in respect of the proposal to which the Deadlock relates and if, on the advice of such person, the Directors are unable to resolve the Deadlock as between themselves, the Directors may ask such person to confirm how they would vote in respect of the proposal and the Directors shall cast their votes accordingly so as to resolve the Deadlock; or
- 13.2.3 if Directors do not unanimously agree to invite an independent person to assist in resolving the Deadlock pursuant to Article 13.2.1, the proposal to which the Deadlock relates will be put to a vote of the Shareholders upon the Company giving the Shareholders written notice requesting them to confirm their vote within seven days from the date of such notice (the vote being treated as if it was taken on a poll and not on a show of hands).

14. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 14.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he or she has declared the nature and extent of his or her interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
 - 14.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 14.1.2 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 or she is interested;
 - 14.1.3 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 or she is interested;
 - 14.1.4 may act by himself or herself, or his or her firm in a professional capacity for the Company (otherwise than as auditor) and he or she, or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Director;
 - 14.1.5 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
 - 14.1.6 shall not, save as he or she may otherwise agree, be accountable to the Company for any benefit which he or she (or a person connected with him or her (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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 or her duty under section 176 of the Act.

15. DIRECTORS' CONFLICTS OF INTEREST

- 15.1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his or her duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 15.2 Any authorisation under this Article 15 will be effective only if:
- 15.2.1 the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;
 - 15.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested Director; and
 - 15.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested Director's vote had not been counted.
- 15.3 Any authorisation of a Conflict under this Article 15 may (whether at the time of giving the authorisation or subsequently):
- 15.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 15.3.2 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;
 - 15.3.3 provide that the Interested Director shall or shall not be an eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 15.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 15.3.5 provide that, where the Interested Director obtains, or has obtained (through his or her involvement in the Conflict and otherwise than through his or her position as a Director) information that is confidential to a third party, he or she 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
 - 15.3.6 permit the Interested Director to absent himself or herself 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.
- 15.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself or herself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.

- 15.5 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.
- 15.6 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 or she 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 or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

16. RECORDS OF DECISIONS TO BE KEPT

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

17. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

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 AND REMOVAL OF DIRECTORS

18. METHODS OF APPOINTING AND REMOVING DIRECTORS

- 18.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:
- 18.1.1 by ordinary resolution; or
 - 18.1.2 by a decision of the Directors.
- 18.2 Any Founder shall be entitled, so long as they hold Shares, to appoint and maintain in office themselves or any person approved by the Board as a Director (and as a member of each and any committee of the Board) (each a "**Founder Director**") and to remove any Founder Director so appointed and, upon their removal whether by that Member or otherwise, to appoint another Founder Director in their place.
- 18.3 An appointment or removal of a Director under Article 18.2 will take effect from the time when the notice is received at the registered office of the Company or produced to a meeting of the Directors.

19. TERMINATION OF DIRECTOR'S APPOINTMENT

- 19.1 A person, other than a Founder, ceases to be a Director as soon as:
- 19.1.1 that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
 - 19.1.2 a bankruptcy order is made against that person;

- 19.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 19.1.4 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; or
- 19.1.5 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms.

20. DIRECTORS' REMUNERATION

- 20.1 Directors may undertake any services for the Company that the Directors decide.
- 20.2 Directors are entitled to such remuneration as the Directors determine:
 - 20.2.1 for their services to the Company as Directors; and
 - 20.2.2 for any other service which they undertake for the Company.
- 20.3 Subject to the Articles, a Director's remuneration may:
 - 20.3.1 take any form; and
 - 20.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- 20.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- 20.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

21. DIRECTORS' EXPENSES

- 21.1 The Company may pay any reasonable expenses which the Directors (including alternate directors) properly incur in connection with their attendance at:
 - 21.1.1 meetings of Directors or committees of Directors;
 - 21.1.2 general meetings; or
 - 21.1.3 separate meetings of the holders of any class of Shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

PART 3: SHARES AND DISTRIBUTIONS

SHARES

22. SHARE CAPITAL

The issued share capital of the Company at the Adoption Date comprises Ordinary A Shares and Ordinary B Shares which constitute different classes of shares for the purposes of the Act but, save as otherwise provided in these Articles, the Ordinary A Shares and Ordinary B Shares shall rank *pari passu* in all respects.

23. DIVIDENDS

- 23.1 Any profits which the Company, on the recommendation of the Directors, determines to distribute in respect of any Accounting Period shall be applied on a non-cumulative basis between the holders for the time being of the Ordinary A Shares.
- 23.2 The Ordinary B Shares and the Deferred Shares shall not entitle the holders of them to participate in the distribution of any profits of the Company in respect of any Accounting Period.
- 23.3 Any dividends shall be paid in cash and shall be distributed amongst the holders of the Ordinary A Shares *pro rata* according to the number of such Ordinary Shares held by each of them respectively.

24. VOTING RIGHTS

- 24.1 The Ordinary A Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 24.2 The Ordinary B Shares and the Deferred Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 24.3 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each such share held by them.

25. RETURN OF CAPITAL AND EXIT

- 25.1 On a return of capital, whether on a liquidation, capital reduction or otherwise (but excluding a purchase of own shares), any surplus assets of the Company remaining after the payment of its liabilities ("**Surplus Assets**") shall be distributed as follows:
 - 25.1.1 the holders of the Ordinary A Shares will be entitled to participate *pro rata* in the Surplus Assets (if any) excluding the *Monolith Value*; and

25.1.2 the holders of the Ordinary B Shares will be entitled to participate pro rata in the Surplus Assets up to the Monolith Value.

25.2 On a Share Sale, the Proceeds of Sale shall be distributed in the order of priority set out in Article 25.1 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

25.2.1 the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 25.1; and

25.2.2 the Shareholders shall take any action which is reasonably necessary to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 25.1.

In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Article 25.1.

26. ALL SHARES TO BE FULLY PAID UP

26.1 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.

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

27. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

27.1 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.

27.2 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.

28. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS

Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or 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.

29. SHARE CERTIFICATES

- 29.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.
- 29.2 Every certificate must specify:
- 29.2.1 in respect of how many Shares, of what class, it is issued;
 - 29.2.2 the nominal value of those Shares;
 - 29.2.3 that the Shares are fully paid; and
 - 29.2.4 any distinguishing numbers assigned to them.
- 29.3 No certificate may be issued in respect of Shares of more than one class.
- 29.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 29.5 Certificates must:
- 29.5.1 have affixed to them the Company's common seal; or
 - 29.5.2 be otherwise executed in accordance with the Companies Acts.

30. REPLACEMENT SHARE CERTIFICATES

- 30.1 If a certificate issued in respect of a Shareholder's Shares is:
- 30.1.1 damaged or defaced; or
 - 30.1.2 said to be lost, stolen or destroyed,
- that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 30.2 A Shareholder exercising the right to be issued with such a replacement certificate:
- 30.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 30.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - 30.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

31. PURCHASE OF OWN SHARES

- 31.1 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) out of capital up to any amount in a financial year not exceeding the lower of:
- 31.1.1 £15,000; and
 - 31.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

32. ISSUE OF FURTHER SHARES

32.1 Subject to the remaining provisions of this Article 32, the Directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to:

32.1.1 allot Shares; or

32.1.2 grant rights to subscribe for or convert any securities into Shares,

to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that:

- (1) this authority shall be limited to a maximum nominal amount of £[AMOUNT];
- (2) this authority shall only apply insofar as the Company has not by resolution waived or revoked it; and
- (3) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require Shares to be allotted or rights granted to subscribe for or convert any security into Shares after the expiry of such authority (and the Directors may allot Shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired).

This authority is in substitution for all subsisting authorities.

32.2 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 made by the Company.

32.3 The provisions of this Article 32 shall not apply in respect of the allotment and issue of Ordinary A Shares pursuant to any share option plan adopted by the Company from time to time.

32.4 Unless otherwise agreed by special resolution, if the Company proposes to allot any Shares, those Shares shall not be allotted to any person unless the Company has first offered them to holders of that class of Share (on the date of the offer) (each an **Offeree**) on a pari passu basis and in the respective proportions (as nearly as possible without involving fractions):

32.4.1 where the Shares are Ordinary A Shares, that the number of Ordinary A Shares held by each such holder of Ordinary A Shareholder bears to the total number of Ordinary A Shares held by all such holders of Ordinary A Shares, on the same terms, and at the same price, as those Ordinary A Shares are being, or are to be, offered to any other person, or

32.4.2 where the Shares are Ordinary B Shares, that the number of Ordinary B Shares held by each such holder of Ordinary B Shareholder bears to the total number of Ordinary B Shares held by all such holders of Ordinary B Shares, on the same terms, and at the same price, as those Ordinary B Shares are being, or are to be, offered to any other person.

32.5 An offer made under Article 32.4 shall:

- 32.5.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Shares being offered;
- 32.5.2 remain open for a period of at least ten (10) Business Days from the date of service of the offer (**Subscription Period**); and
- 32.5.3 stipulate that any Offeree who wishes to subscribe for a number of Shares in excess of the number to which he is entitled under Article 32.4 shall, in his acceptance, state the number of excess Shares (**Excess Securities**) for which he wishes to subscribe.

32.6 If, on expiry of the Subscription Period, the total number of Shares applied for is less than the total number of Shares so offered, the Board shall allot the Shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.

32.7 Any Shares not accepted by Offerees pursuant to an offer made in accordance with Article 32.4 shall be used to satisfy any requests for Excess Securities made pursuant to Article 32.5.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Ordinary Shares held by each such applicant bears to the total number of such Ordinary Shares held by all applicants (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 those allotments, any Excess Securities shall, subject to Article 32.8, be offered to any other person(s) as the Board may determine, at the same price and on the same terms as the offer to the Shareholders.

32.8 No Shares shall be allotted to any current or prospective Employee or Director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

33. SHARE TRANSFERS: GENERAL

33.1 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.

33.2 No Share shall be transferred unless the transfer is made in accordance with these Articles.

33.3 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor.

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

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

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

- 33.7 The Directors may refuse to register the transfer of a Share and, if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 33.8 To enable the Directors to determine whether or not there has been a transfer of Shares in breach of these Articles, the Directors may from time to time require any Shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a Shareholder fails to provide information or evidence in respect of any Shares registered in its name to the reasonable satisfaction of the Directors within 14 days of their request, the Directors may serve a notice on the Shareholder stating that the Shareholder shall not in relation to those Shares be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of Shares of that class, or to vote on a written resolution of the Shareholders or to receive dividends on the Shares until such evidence or information has been provided to the Directors' satisfaction. The Directors may reinstate these rights at any time.
- 33.9 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

34. PERMITTED TRANSFERS OF SHARES

- 34.1 Subject to Article 34.5 in respect of Permitted Transfers to Family Trusts, a Shareholder (the **Original Shareholder**) may transfer all or any of his Shares to a Permitted Transferee without restriction as to price or otherwise and any such transfer shall be registered by the Board.
- 34.2 If the Original Shareholder is a company, and a Permitted Transfer has been made to a member of the Permitted Group, the Permitted Transferee shall, within 10 Business Days of ceasing to be a member of the Permitted Group, transfer the Shares held by it to:

- 34.2.1 the Original Shareholder; or
- 34.2.2 a member of the Permitted Group,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 34.2, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 34.2. Any combined members of the Permitted Group will be classed as a single holding in the Company.

- 34.3 If the Original Shareholder is a natural person, and a Permitted Transfer has been made to a Family Trust, the trustees of the Family Trust shall, within 10 Business Days of ceasing to hold any Shares within the Family Trust (otherwise than in consequence of a transfer to the relevant beneficiary or to any Privileged Relation of a beneficiary) or there ceasing to be any beneficiaries of the Family Trust (other than a charity or charities), transfer the Shares held by it to:

- 34.3.1 the Original Shareholder; or

34.3.2 another Family Trust or Privileged Relation,

without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 34.3, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 34.3.

34.4 If the Original Shareholder is a natural person, and a Permitted Transfer has been made to a Privileged Relation, the Privileged Relation shall, within 10 Business Days of ceasing to be a Privileged Relation, transfer the Shares held by it to:

34.4.1 the Original Shareholder; or

34.4.2 a Family Trust or another Privileged Relation,

without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 34.4, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 34.4.

34.5 Where Board approval is requested to make a transfer to a Family Trust, such consent must be given if the Board is satisfied:

34.5.1 with the terms of the trust instrument and in particular with the powers of the trustees;

34.5.2 with the identity of the proposed trustees;

34.5.3 that the proposed transfer will not result in 50% or more in the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

34.5.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

34.6 Notwithstanding any other provisions of these Articles, trustees who hold Shares on behalf of beneficiaries may transfer the legal interest to that beneficial interest and the legal and/or beneficial interest to other beneficiaries, including terminating declarations of trust made in favour of certain beneficiaries and declaring new trusts in favour of other beneficiaries free from restriction as to price or otherwise and any such transfer shall be registered by the Directors, free from the pre-emption provisions set out in Article 35 (Pre-emption rights on the transfer of shares).

35. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

35.1 Except where the provisions of Article 34 (Permitted transfers of shares) and 37 (Drag along) apply, any transfer of Ordinary Shares by an Ordinary Shareholder shall be subject to the pre-emption rights in this Article 35.

35.2 An Ordinary Shareholder who wishes to transfer Ordinary Shares (a **Seller**) shall, before transferring or agreeing to transfer any Ordinary Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:

35.2.1 the number of Ordinary Shares he wishes to transfer (the **Sale Shares**);

- 35.2.2 the name of the proposed transferee, if any;
 - 35.2.3 the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
 - 35.2.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).
- 35.3 Where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice.
- 35.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 35.5 As soon as practicable following the later of:
- 35.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
 - 35.5.2 the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with Article 35.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 35 at the Transfer Price. Each offer shall be in writing and shall give details of the Transfer Price and number of the Sale Shares offered.
- 35.6 The Company shall offer the Sale Shares, in each case on the basis set out in Article 35.7 to Article 35.13 (inclusive), in the following order of priority:
- 35.6.1 first, to the holders of Shares of the same class as the Sale Shares; then
 - 35.6.2 to the extent that, upon expiry of the Continuing Shareholders' Offer Period (as defined in Article 35.7), the offer of the Sale Shares has not been taken up by the holders of the same class of Shares as the Sale Shares, second to the holders of any other class of Ordinary Shares then in issue.
- 35.7 The Directors shall offer the Sale Shares to the Shareholders other than the Seller (the **Continuing Shareholders**) in the order of priority set out in Article 35.6, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Continuing Shareholders' Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 35.8 If the Sale Shares are subject to a Minimum Transfer Condition, then any allocation of Sale Shares will be conditional on the fulfilment of the Minimum Transfer Condition.
- 35.9 If, at the end of the Continuing Shareholders' Offer Period:

- 35.9.1 the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which their existing holding of Shares of the relevant class bears to the total number of Shares of the relevant class (excluding the Sale Shares held by the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to an Ordinary Shareholder of more than the maximum number of Sale Shares which they have stated they are willing to buy; and
- 35.9.2 the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and:
- (a) to the extent that the offer of the Sale Shares has not been taken up after repeating the process in Article 35.7 according to the order of priority set out in Article 35.6, the balance of the Sale Shares shall be offered to the Company to buy back under Part 18 of the Act to the extent that it is lawfully able to do so, within a period of 30 Business Days after the date of the offer (**Company Buy Back Period**); and
 - (b) to the extent that the Company has not taken up the offer upon expiry of the Company Buy Back Period, the balance of the Sale Shares will be dealt with in accordance with Article 35.13.
- 35.10 Where the allocations have been made in respect of all the Sale Shares, the Directors shall give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to each Ordinary Shareholder to whom Sale Shares have been allocated (each an **Applicant**) and to the Seller. The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least five Business Days, but not more than 10 Business Days, after the date of the Allocation Notice). If no allocations are to be made in respect of any of the Sale Shares, the Directors shall nonetheless inform all the Ordinary Shareholders accordingly in the Allocation Notice.
- 35.11 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant of the Transfer Price, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.
- 35.12 If the Seller fails to comply with Article 35.11:
- 35.12.1 any Director may, as agent and attorney on behalf of the Seller:
- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
 - (c) (subject to the transfer being duly stamped) enter the Applicants in the register of members as the holders of the Ordinary Shares purchased by them; and

- (d) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

35.13 Where an Allocation Notice does not relate to all the Sale Shares, then subject to Article 35.14, the Seller may, at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer those Sale Shares which are not the subject of an Allocation Notice to any person at a price at least equal to the Transfer Price.

35.14 The Seller's right to transfer Shares under Article 35.13 does not apply if the Directors reasonably consider that:

- (a) the transferee is a person (or a nominee for a person) whom they determine to be a competitor of the business of any Group Company;
- (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in Article 35.14(a).

36. COMPULSORY TRANSFERS

36.1 On the death or bankruptcy of any holder of Shares (or equivalent procedure in any jurisdiction outside England and Wales), or, in the case of a Shareholder which is a body corporate, either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales, a Transfer Notice shall be deemed to have been given immediately in respect of the Relevant Shares and the provisions of Article 35 (Pre-emption rights on the transfer of shares) shall apply accordingly.

36.2 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice. A Transfer Notice shall be deemed to have been given immediately in respect of the Relevant Shares upon the Directors requiring a Shareholder to do so under this Article 36.2 and the provisions of Article 35 (Pre-emption rights on the transfer of shares) shall apply accordingly.

36.3 Unless otherwise determined by the Board, if at any time an Employee Shareholder other than a Founder ceases to be an Employee (including a person who holds or has the right to hold Shares in respect of that Employee Shareholder):

- (a) where the relevant Employee Shareholder is a Good Leaver, they will be permitted to retain all of the Shares held by them; or
- (b) where the relevant Employee Shareholder is a Bad Leaver, all of the Shares held by them will automatically convert into Deferred Shares with effect from the effective date of termination of the Employee's contract of employment (**Deferred Conversion Date**).

36.4 Upon conversion of any Shares into Deferred Shares pursuant to Article 36.3, the Company will be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date. Upon the Deferred Conversion Date, the holder of the Deferred Shares shall deliver to the Company at its registered office the share certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for lost certificate in a form acceptable to the Board) for the Shares so converting and upon such delivery there shall be issued to them share certificate(s) for the number of Deferred Shares resulting from the relevant conversion.

36.5 The provisions of Article 35 (Pre-emption rights on the transfer of shares) shall apply to any Transfer Notice deemed served pursuant to this Article 36, save that for the purposes of Article 35.2, the Seller shall be the Shareholder who is deemed to have served a Transfer Notice, the number of Sale Shares shall be the Relevant Shares and the Proposed Sale Price and the Transfer Price in respect of the Sale Shares shall be the aggregate Fair Value of such Sale Shares.

36.6 Forthwith upon a Transfer Notice being deemed to be served under this Article 36 the Shares the subject of such Deemed Transfer Notice shall cease to confer on the holder of them any rights:

- 36.6.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- 36.6.2 to receive dividends or other distributions otherwise attaching to those Shares; or
- 36.6.3 to participate in any future issue of Shares issued in respect of those Shares.

36.7 The Directors may reinstate the rights referred to in Article 36.6 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to this Article 36 on completion of such transfer.

37. DRAG ALONG

37.1 If the holder(s) of equal to or more than 75% in nominal value of the Shares (the **Selling Shareholders**) for the time being wish to transfer all of, or a proportion of not less than 75% in nominal value of all Shares, of their Shares (the **Seller Shares**) to a bona fide purchaser on arm's length terms (the **Proposed Buyer**), the Selling Shareholders may require the other holder(s) of Shares (the **Called Shareholder(s)**) to sell and transfer all of their Shares (the **Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) on the same or no worse terms and conditions than the proposed sale by the Selling Shareholders in accordance with the provisions of this Article (the **Drag Along Option**).

- 37.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholder(s) (the **Drag Along Notice**) at any time before the transfer of their Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 37.2.1 that the Called Shareholder is required to transfer all of its Called Shares pursuant to this Article 37;
 - 37.2.2 the person to whom the Called Shares are to be transferred;
 - 37.2.3 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 Proposed Buyer for the Seller Shares; and
 - 37.2.4 the proposed date of the transfer of the Called Shares.
- 37.3 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 Seller Shares to the Proposed Buyer within 20 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.
- 37.4 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Seller Shares (the **Completion Date**) unless:
- 37.4.1 the Selling Shareholders and the Called Shareholder(s) agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
 - 37.4.2 that date is less than five Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the fifth Business Day after service of the Drag Along Notice.
- 37.5 On or before the Completion Date, the Called Shareholder(s) shall execute and deliver a stock transfer form for the Called Shares, together with the relevant Share certificate(s) (or a suitable indemnity for any lost Share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholder(s), on behalf of the Proposed Buyer, the amounts due pursuant to Article 37.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholder(s) in trust for the Called Shareholder(s) without any obligation to pay interest.
- 37.6 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholder(s) shall be entitled to the return of the stock transfer form and Share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholder(s) shall have no further rights or obligations under this Article 37 in respect of their Shares.

- 37.7 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with Article 37.5) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholder 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 she/he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, 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 37.7.

38. VALUATION

- 38.1 The transfer price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting), and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the Board first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share (the **Transfer Price**).
- 38.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- 38.2.1 valuing the Sale Shares on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - 38.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 38.2.3 that the Sale Shares are capable of being transferred without restriction;
 - 38.2.4 valuing the Sale Shares as a proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued Share capital of the Company which they represent; and
 - 38.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 38.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 38.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 38.5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.

- 38.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding (in the absence of fraud or manifest error).
- 38.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver a copy of the determination to the Company. Promptly upon receipt, the Company shall deliver a copy of the determination to the Seller.
- 38.8 The cost of obtaining the Independent Expert's determination shall be borne by the Company and the Seller equally, or in such other proportions as the Independent Expert directs.

39. 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.
- 39.2 A transmittee who produces such evidence of entitlement to Shares as the Directors may properly require:
 - 39.2.1 may, subject to the Articles, choose either to become the holder of those Shares or to have them transferred to another person; and
 - 39.2.2 subject to the Articles and pending any transfer of the Shares to another person, has the same rights as the holder had.
- 39.3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares.

40. 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.
- 40.2 If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 40.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

41. TRANSMITTEES BOUND BY PRIOR NOTICES

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

42. DEFERRED SHARES

- 42.1 The allotment and issue of any Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:
- 42.1.1 appoint any person to execute any transfer (or any agreement to transfer) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise);
 - 42.1.2 give, on behalf of such holder, consent to the cancellation of such Deferred Shares; or
 - 42.1.3 purchase such Deferred Shares in accordance with the Act, in any case (i) for a price being not more than an aggregate sum of £1.00 for all the Deferred Shares registered in the name of such holder(s); and (ii) with the Company having authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.
- 42.2 No Deferred Share may be transferred without the prior written consent of the Board.
- 42.3 Subject to Article 42.2, the Deferred Shares do not confer on the holders thereof any rights whatsoever of participation in the capital returns, profits or assets of the Company.

DIVIDENDS AND OTHER DISTRIBUTIONS

43. PROCEDURE FOR DECLARING DIVIDENDS

- 43.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- 43.2 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.
- 43.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 43.4 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.
- 43.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 43.6 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.

- 43.7 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.

44. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

- 44.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:

- 44.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;
- 44.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide;
- 44.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide; or
- 44.1.4 any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide.

- 44.2 In the Articles, **the distribution recipient** means, in respect of a Share in respect of which a dividend or other sum is payable:

- 44.2.1 the holder of the Share; or
- 44.2.2 if the Share has two or more joint holders, whichever of them is named first in the register of members; or
- 44.2.3 if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

45. NO INTERESTS ON DISTRIBUTIONS

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

- 45.1.1 the terms on which the Share was issued; or
- 45.1.2 the provisions of another agreement between the holder of that Share and the Company.

46. UNCLAIMED DISTRIBUTIONS

- 46.1 All dividends or other sums which are:

- 46.1.1 payable in respect of Shares; and
- 46.1.2 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.

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

46.3 If:

46.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and

46.3.2 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.

47. 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).

47.2 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:

47.2.1 fixing the value of any assets;

47.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

47.2.3 vesting any assets in trustees.

48. WAIVER OF DISTRIBUTIONS

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

48.1.1 the Share has more than one holder, or

48.1.2 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

49. 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:

- 49.1.1 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
- 49.1.2 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.
- 49.2 Capitalised sums must be applied:
 - 49.2.1 on behalf of the persons entitled; and
 - 49.2.2 in the same proportions as a dividend would have been distributed to them.
- 49.3 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.
- 49.4 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.
- 49.5 Subject to the Articles the Directors may:
 - 49.5.1 apply capitalised sums in accordance with Articles 49.3 and 49.4 partly in one way and partly in another;
 - 49.5.2 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
 - 49.5.3 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

50. 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.
- 50.2 A person is able to exercise the right to vote at a general meeting when:
- 50.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 50.2.2 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.
- 50.3 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.
- 50.4 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.
- 50.5 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.

51. QUORUM FOR GENERAL MEETINGS

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

52. CHAIRING FOR GENERAL MEETINGS

- 52.1 If the Directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 52.2 If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within 15 minutes of the time at which a meeting was due to start:
- 52.2.1 the Directors present; or
 - 52.2.2 (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.
- 52.3 The person chairing a meeting in accordance with this Article is referred to as **the chairman of the meeting**.

53. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

- 53.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.
- 53.2 The chairman of the meeting may permit other persons who are not:
- 53.2.1 Shareholders of the Company; or
 - 53.2.2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings, to attend and speak at a general meeting.

54. ADJOURNMENT

- 54.1 If the persons attending a general meeting within 30 minutes 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.
- 54.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- 54.2.1 the meeting consents to an adjournment; or
 - 54.2.2 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.
- 54.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 54.4 When adjourning a general meeting, the chairman of the meeting must:
- 54.4.1 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
 - 54.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 54.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 54.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and
 - 54.5.2 containing the same information which such notice is required to contain.
- 54.6 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

55. VOTING: GENERAL

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

56. 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.
- 56.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

57. POLL VOTES

- 57.1 A poll on a resolution may be demanded:
- 57.1.1 in advance of the general meeting where it is to be put to the vote; or
 - 57.1.2 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.
- 57.2 A poll may be demanded by:
- 57.2.1 the chairman of the meeting;
 - 57.2.2 the Directors;
 - 57.2.3 two or more persons having the right to vote on the resolution; or
 - 57.2.4 a person or persons representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote on the resolution.
- 57.3 A demand for a poll may be withdrawn if:
- 57.3.1 the poll has not yet been taken; and
 - 57.3.2 the chairman of the meeting consents to the withdrawal.
- 57.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

58. CONTENT OF PROXY NOTICES

- 58.1 Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:
- 58.1.1 states the name and address of the Shareholder appointing the proxy;
 - 58.1.2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
 - 58.1.3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - 58.1.4 is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 58.2 The Company may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.
- 58.3 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.
- 58.4 Unless a proxy notice indicates otherwise, it must be treated as:

- 58.4.1 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
- 58.4.2 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.

59. 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.
- 59.2 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.
- 59.3 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.
- 59.4 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.

60. AMENDMENTS TO RESOLUTIONS

- 60.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - 60.1.1 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
 - 60.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 60.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - 60.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is being proposed; and
 - 60.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 60.3 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

61. 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 that Act to be sent or supplied by or to the Company.
- 61.2 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.
- 61.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

62. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

- 62.1 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.

DIRECTORS' INDEMNITY AND INSURANCE

63. INDEMNITY

- 63.1 Subject to Article 63.2, a relevant director of the Company or an associated company may be indemnified out of the Company's assets against:
- 63.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
 - 63.1.2 any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
 - 63.1.3 any other liability incurred by that Director as an officer of the Company or an associated company.
- 63.2 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.
- 63.3 In this Article:
- 63.3.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - 63.3.2 a **relevant director** means any Director or former Director of the Company or an associated company.

64. INSURANCE

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

64.2 In this Article:

64.2.1 a **relevant director** means any Director or former Director of the Company or an associated company,

64.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant director in connection with that Director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

64.2.3 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate.