

**Company Number: 11911630**

**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES**

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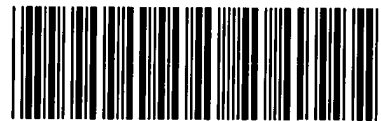
**ARTICLES OF ASSOCIATION  
OF**

**OFFSET EARTH LTD.**

**(Adopted by special resolution on 27 March 2020)**

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## CONTENTS

1	.....INTERPRETATION .....	1
2	.....SHARE CAPITAL .....	8
3	.....ISSUE OF SHARES: AUTHORITY TO ALLOT AND PRE-EMPTION .....	8
4	.....TRANSFER OF SHARES GENERAL .....	10
5	.....TRANSFER OF SHARES SUBJECT TO PRE-EMPTION .....	12
6	.....VALUATION.....	14
7	.....COMPULSORY TRANSFERS.....	15
8	.....PERMITTED TRANSFERS .....	16
9	.....MANDATORY OFFER ON A CHANGE OF CONTROL.....	17
10	.....TAG ALONG .....	18
11	.....DRAG ALONG .....	19
12	.....BOARD DECISIONS .....	21
13	.....CALLING A DIRECTORS' MEETING .....	21
14	.....QUORUM FOR DIRECTORS' MEETINGS .....	22
15	.....CASTING VOTE.....	22
16	.....TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY .....	22
17	.....DIRECTORS' CONFLICTS OF INTEREST .....	23
18	.....RECORDS OF DECISIONS TO BE KEPT .....	24
19	.....APPOINTMENT OF DIRECTORS .....	24
20	.....ALTERNATE DIRECTORS.....	24
21	.....SECRETARY .....	25
22	.....POLL VOTES.....	26
23	.....PROXIES .....	26
24	.....MEANS OF COMMUNICATION TO BE USED .....	26
25	.....INDEMNITY .....	26
26	.....INSURANCE .....	27

## INTRODUCTION

### 1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

<b>"Act"</b>	means the Companies Act 2006
<b>"Anti-Dilution Provisions"</b>	as defined in the SSA;
<b>"Appointor"</b>	has the meaning given in <b>article 20</b> ;
<b>"Articles"</b>	means the Company's articles of association for the time being in force;
<b>"Associate"</b>	<p>in relation to any person:</p> <p>a) any person who is an associate of that person. The question of whether (or not) a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986; or</p> <p>b) any Member of the same Group;</p>
<b>"Bad Leaver"</b>	<p>means an Employee who becomes a Departing Employee Shareholder in any of the following circumstances:</p> <p>(a) a dismissal or termination of engagement/service contract of an Employee by the Company in circumstances where such Employee is found guilty of any act of gross misconduct in the course of his employment (excluding a wrongful dismissal or unfair dismissal) or engagement or during his tenure of office;</p> <p>(b) an Employee committing any serious breach of the material terms contained in their service or engagement agreement or letter of appointment (as the case may be) with the Company which, if capable of remedy, is not remedied by the individual within 10 Business Days of being notified by the Company of the breach and the remedial action required; or</p> <p>(c) a dismissal or termination of engagement/service contract of an Employee by the Company in circumstances</p>

where an Employee commits any act of fraud or dishonesty; or

(e) he is convicted of any criminal offence for which he is sentenced to any term of imprisonment, whether immediate or suspended;

**"Board"**

means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

**"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;

**"Company"**

means Offset Earth Ltd;

**"Conflict"**

means any matter or situation that is, or has the potential to be, against the best interests of the Company;

**"Consultant"**

means a person who gives expert advice or information to any Group Company pursuant to a written consultancy agreement;

**"Controlling Interest"**

means an interest or interests in shares carrying in aggregate more than 50% of the votes exercisable at general meetings of the relevant company;

**"Date of Adoption"**

means the date on which these Articles are adopted;

**"Deemed Transfer Notice"**

means a Transfer Notice that is deemed to have been served pursuant to these Articles;

**"Departing Employee Shareholder"**

means an Employee Shareholder who ceases for any reason to be an Employee of the Company (or any other Group Company) and does not continue as, or become, an Employee of, any other Group Company;

**"Director"**

means a member of the board who may or may not have an executive function;

**"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);

**"Employee"**

means an individual or company who is employed by the Company (or any other Group Company) or is engaged as a Consultant by the Company (or any other Group Company) or has provided or does provide services to the Company provided that any Investor who is a Director (including but not limited to the Investor Director) shall not be an Employee;

**"Employee Shareholder"**

means an Employee who is a Shareholder but for the avoidance of doubt shall exclude an Investor and an Investor Director,;

**"Employee Share Scheme"**

as defined in the SSA;

**"Encumbrance"**

means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including, without limitation, any retention of title claim), conflicting claim or ownership or any other encumbrance of any nature (whether or not perfected, other than liens arising by operation of law);

**"Fair Value"**

as determined in accordance with article 6;

**"Family Trust"**

means in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder ("**Settlor**") and/or the Settlor's Privileged Relations;

**"Good Leaver"**

means an Employee Shareholder who is not a Bad Leaver,

**"Group Companies"**

means the Company, any Holding Company of the Company and any Subsidiary of the Company and any Holding Company and "**Group Company**" means any one of them;

**"Holding Company"**

means a holding company as defined in section 1159 of the Act;

<b>"Independent Expert"</b>	an independent firm of accountants (acting as an expert and not as an arbitrator);
<b>"Interested Director"</b>	means a Director of the Company who has, or may have, a direct or indirect interest in a matter that, if not authorised by the Company, would or may conflict, with the interests of the Company;
<b>"Investor"</b>	as defined in the SSA, each an "Investor";
<b>"Investor Director"</b>	as defined in the SSA;
<b>"Lead Investor"</b>	as defined in the SSA;
<b>"Managers"</b>	as defined in the SSA, each a "Manager";
<b>"Member of the same Group"</b>	means as regards any company, a company which is from time to time a Holding Company or a Subsidiary of that company or a Subsidiary of any such Holding Company;
<b>"Model Articles"</b>	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) as amended prior to the Date of Adoption;
<b>"Ordinary Shares"</b>	means the ordinary shares of £0.01 each in the capital of the Company;
<b>"Permitted Transfer"</b>	means a transfer of relevant Shares in accordance with <b>article 8</b> ;
<b>"Permitted Transferee"</b>	means a person who receives relevant Shares as a result of a Permitted Transfer;
<b>"Privileged Relation"</b>	means the parents, spouse, civil partner, widow or widower of a Shareholder and the Shareholder's siblings, children and grandchildren (including step and adopted children), and step or adopted or illegitimate children of the Shareholder's children;
<b>"Proceeds"</b>	means the consideration or value to which Shareholders or any of them are entitled to receive upon a Sale or Return of the Capital;
<b>"Proposed Purchaser"</b>	means a proposed purchaser who at the relevant time has made an offer on arm's length terms;

<b>"Proposed Seller"</b>	means any person proposing to transfer any shares in the capital of the Company;
<b>"Qualifying Person"</b>	means an individual who is a member of the Company, or a person authorised to act as the representative of the Company in relation to the meeting or a person appointed as a proxy of a member in relation to the meeting;
<b>"Relevant Majority"</b>	as defined in the SSA;
<b>"Relevant Securities"</b>	means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the Date of Adoption, but excluding the grant of options to subscribe for Shares under an Employee Share Scheme (and the issue of the Shares on exercise of those options).
<b>"Relevant Shareholder"</b>	means the holders at the relevant time of any Ordinary Share;
<b>"Relevant Shares"</b>	in relation to an Employee Shareholder, means all Shares registered in the name of, or beneficially owned by, the Employee Shareholder and his Permitted Transferees (whether alone or jointly with any other person) and including any Shares acquired by any such person (whether alone or jointly with any other person) after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice.
<b>"Return of Capital"</b>	means a return of assets on a liquidation or winding up, a buy back of Shares or a capital reduction by the Company;
<b>"Sale"</b>	as defined in the SSA;
<b>"Sale Shares"</b>	means the relevant Shares specified or deemed to be specified for sale in a Transfer Notice or a Deemed Transfer Notice;
<b>"Seller"</b>	means the transferor of relevant Shares pursuant to a Transfer Notice;
<b>"Shares"</b>	means the Ordinary Shares in the capital of the Company;
<b>"Shareholder"</b>	means a holder of Shares in the Company;

<b>"SSA"</b>	means a subscription and shareholders' agreement relating to the Company entered into between the Company, the Investors and the Managers on or around the Date of Adoption;
<b>"Start Date"</b>	means the commencement date of a contract of employment or consultancy agreement or services agreement with an employee or consultant or company who becomes a Departing Employee Shareholder;
<b>"Subsidiary and Undertaking"</b>	<b>Subsidiary</b> means a subsidiary as defined in section 1159 of the Act;
<b>"Termination Date"</b>	means <ul style="list-style-type: none"> <li>a) where the contract of employment or consultancy agreement ceases by virtue of notice given by the Company to the employee or consultant, the date on which such notice expires; or</li> <li>b) where the contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served; or</li> <li>c) where an Employee Shareholder dies, the date of his death; or</li> <li>d) where the relevant person is declared bankrupt, the date of his bankruptcy; or</li> <li>e) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement with the Company is terminated or the date on which he ceases to hold office whichever is the earlier,</li> </ul> and in any other case, the date on which the consultancy agreement or employment agreement is terminated;
<b>"Transfer Notice"</b>	means a notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these



Articles, to transfer (or enter into an agreement to transfer) any relevant Shares.

**“Vested”**

means such number or the proportion of Shares that shall be subject to a Compulsory Transfer as set out in article 7 according to the relevant provisions set out in any employment or services agreement with an Employee, or as otherwise notified to the Employee Shareholder by the Board, and the term 'Vest' and 'Vesting' shall be construed accordingly;

**“Vesting Date”**

means the date or dates (as the case may be) on which Shares subject to Vesting shall begin to Vest according to the relevant provisions set out in any employment or services agreement and which shall be the Start Date as default, or as otherwise notified to the Shareholder by the Board at the time of issue.

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.

- 1.2 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.3 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.
- 1.4 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.
- 1.5 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.6 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.7 Article 7 of the Model Articles shall be amended by:

- a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
  - b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.8 Article 20 of the Model Articles shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 1.9 In article 25(2) (c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.10 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.11 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 1.12 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the Directors may otherwise decide".

## **2 SHARE CAPITAL**

### **2.1 Share Capital and Share Rights**

The share capital of the Company at the Date of Adoption consists of Ordinary Shares.

### **2.2 Sale or Return of Capital**

On a Sale or Return of Capital (and whether paid to Shareholders by way of consideration for the transfer of Shares, dividends or otherwise), the Proceeds shall be divided between the holders of the Ordinary Shares on a pro rata basis by reference to their percentage holding of Ordinary Shares in the capital of the Company (or, in the case of a Sale of less than all of the Ordinary Shares, pro rata to their percentage holding of such Ordinary Shares as are subject to the Sale).

### **2.3 Dividends**

The Ordinary Shares shall be entitled to dividends from time to time at the discretion of the Directors.

### **2.4 Voting**

Each Ordinary Share shall entitle the holder to receive notice of, to attend and to vote at, general meetings of the Company and to receive copies of and vote on a proposed written resolution.

## **3 ISSUE OF SHARES: AUTHORITY TO ALLOT AND PRE-EMPTION**

- 3.1 Subject to the remaining provisions of this article 3 and the SSA, 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, allot or grant rights to subscribe for; or
- (b) convert securities into; or
- (c) otherwise deal in, or dispose of,

any Shares (or any other Relevant Securities in the Company) to any person, at any time and subject to any terms and conditions as the Directors think proper.

- 3.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Relevant Securities made by the Company.
- 3.3 If the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all Relevant Shareholders (other than to a Shareholder (and his Permitted Transferee) that (i) has served an outstanding Transfer Notice or Deemed Transfer Notice; or (ii) is a Departing Employee Shareholder) on the same terms, and at the same price, as those Relevant Securities are being offered to other persons on a pari passu and pro rata basis to the number of Ordinary Shares held by those holders (as nearly as possible without involving fractions). The offer:
- (a) shall be in writing and give details of the number and subscription price of the Relevant Securities; and
  - (b) may stipulate that any Relevant Shareholder who wishes to subscribe for a number of Relevant Securities in excess of the proportion to which each is entitled shall, in its acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which they wish to subscribe.
- 3.4 Each Relevant Shareholder to whom an offer is made in accordance with **article 3.3** may exercise his option by giving notice to the Company, at any time within 10 Business Days following the date on which the offer was made to each Relevant Shareholder, accompanied by payment in full to the Company for the Relevant Securities subscribed for.
- 3.5 Any Relevant Securities not accepted by Relevant Shareholders pursuant to the offer made to them in accordance with **article 3.3** and by the dates set out in **article 3.4** shall be used for satisfying any requests for Excess Securities made pursuant to **article 3.3**. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Ordinary Shares held by the applicants immediately before the offer was made to the Relevant Shareholders in accordance with **article 3.3** (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Relevant Shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered, subject to **article 3.8**, to any other person as the Directors may determine (acting with the consent of a Relevant Majority), at the same price and on the same terms as the offer to the Relevant Shareholders.
- 3.6 Subject to **article 3.3** and **article 3.5** and to sections 549 to 551 (inclusive) of the Act, any Relevant Securities shall be at the disposal of the Board (acting with the consent of a Relevant Majority) who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 3.7 The provisions of **articles 3.3 to 3.6** (inclusive) shall not apply to:
- a) allotments of Shares or grants of options to subscribe for Shares under an Employee Share Scheme;

- b) Relevant Securities which the holders of not less than 75% of the issued Ordinary Shares have agreed in writing should be issued without complying with the procedures set out in articles 3.3 to 3.5, provided that:
  - c) where the Lead Investor holds 7% or more of the issued Ordinary Shares, no agreement under article 3.7(b) shall be valid unless the Lead Investor has consented to the waiver of articles 3.3 to 3.5 (inclusive) in writing;
  - d) the transfer or allotment of any treasury shares referred to in article 7.3 (which shall be transferred / allotted at the discretion of the Board acting with the consent of Relevant Majority);
- 3.8 No Shares shall be allotted to any employee, Director, prospective employee or director unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003 (Section 431 Election).
- 3.9 The Directors may, as a condition to the registration of any allotment of Shares in the Company, require the allottee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between all or any of the Shareholders and the Company in such form as the Directors may reasonably require. If any such condition is imposed in accordance with this article, the allotment shall not be registered unless that deed has been executed and delivered to the Company's registered office by the allottee.
- 4 TRANSFER OF SHARES GENERAL**
- 4.1 In article 4 , article 5, article 7, article 8, article 9, article 10 and article 11 references to the transfer of a Share includes the sale, transfer, disposal or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 4.2 No Share may be transferred unless the transfer is made in accordance with these Articles.
- 4.3 Any transfer of a Share by way of sale that is required to be made under article 4, article 5 and article 7 shall be deemed to include a warranty as to capacity and title to the relevant Shares.
- 4.4 In addition to the provisions of article 26(5) of the Model Articles, the Directors may refuse to register a transfer if:
  - a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind; or
  - b) the transfer is to an employee, Director or prospective employee or director and that person has not entered into a Section 431 Election with the Company.

Article 26(5) of the Model Articles shall be modified accordingly.

- 4.5 A condition to the registration of any transfer of Shares in the Company shall require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between all or any of the Shareholders and the Company in such form set out in the SSA (but not so as to oblige the transferee of Shares to have any obligations or liabilities greater than

those of the proposed transferor under any such agreement or other document). If any condition is imposed in accordance with this article, the transfer shall not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

- 4.6 To enable the Directors to determine whether or not there has been any disposal of Shares (or any interest in Shares) in breach of these Articles, the Directors may require any holder, or the legal personal representatives of any deceased holder, or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to provide to the Company with any information and evidence that the Directors reasonably request regarding any matter which they deem relevant to that purpose. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares in the capital of the Company in writing of that fact and the following shall occur:

- a) the relevant Shares shall cease to confer on the holder of them (or any proxy) any rights:
  - i. to vote, whether on a show of hands or on a poll, and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question; or
  - ii. to receive dividends or other distributions otherwise attaching to those Shares or to any further shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant holder; and
- b) the holder may be required by the Board (acting with the consent of a Relevant Majority), at any time following receipt of the notice, to transfer some or all of its Shares to any person(s) at (notwithstanding article 4.7) the price that the Directors (acting with the consent of a Relevant Majority) may require by notice in writing to that holder.

The rights referred to in article 4.6(a) may be reinstated by the Board (acting with the consent of a Relevant Majority) or, if earlier, shall be reinstated on the completion of any transfer referred to in article 4.6(b).

- 4.7 Where the Board requires a Transfer Notice to be given in respect of any Shares in accordance with the Articles, if a Transfer Notice is not duly given within 5 Business Days of a written demand being made, a Deemed Transfer Notice shall be given at the end of that period. If a Transfer Notice is required to be given, or is deemed to have been given, under these Articles, the Transfer Notice shall be treated as having specified that, unless specifically stated otherwise in these Articles, the Transfer Price of the Sale Shares shall be as agreed between the Board (acting with the approval of a Relevant Majority) (any Director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within 10 Business Days after the date on which the Board becomes aware that a Deemed Transfer Notice has been given, the Transfer Price shall be the Fair Value (as determined in accordance with article 6) of the Sale Shares.

## **5 TRANSFER OF SHARES SUBJECT TO PRE-EMPTION**

**5.1** Subject to **article 5.2** and except where the provisions of **article 7**, **article 8**, **article 9**, **article 10** and **article 11** apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this **article 5**.

**5.2** No Shareholder shall be entitled to transfer any Ordinary Shares pursuant to this **article 5** without the approval of the Board (acting with the consent of a Relevant Majority).

**5.3** A Seller shall, before transferring or agreeing to transfer any relevant Shares, deliver a Transfer Notice to the Company specifying:

- a) the number of Sale Shares he wishes to sell;
- b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- c) the price (in cash (or the cash alternative if he wishes to sell his shares for non-cash consideration)) at which he wishes to transfer the Sale Shares, which will be Fair Value (as determined in accordance with **article 6**) of the Sale Shares if no cash price is agreed between the Seller and the Board (acting with the approval of a Relevant Majority) (**Transfer Price**); and
- d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to the Relevant Shareholders (**Minimum Transfer Condition**).

**5.4** Once given (or deemed to have been given under) these Articles, a Transfer Notice may not be withdrawn.

**5.5** A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

**5.6** As soon as practicable following the later of:

- a) receipt of a Transfer Notice; or
- b) where the Transfer Price has not been agreed, or a Deemed Transfer Notice has been served, the determination of the Transfer Price under **article 6**,

the Board shall offer the Sale Shares for sale to the Relevant Shareholders in the manner set out in **article 5.7**. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

**5.7** The Board shall offer the Sale Shares to all Relevant Shareholders specified in the offer other than, (i) the Seller; (ii) a Shareholder (and his Permitted Transferee) that has served an outstanding Transfer Notice or Deemed Transfer Notice; and (iii) a Departing Employee Shareholder (**Continuing Shareholders**), inviting them to apply in writing within the period from the date of receipt of the offer to the date 10 Business Days after the date of receipt of the offer (inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy. Each Relevant Shareholder shall have the option, but not the obligation, to indicate that he would be willing to acquire, at the price stated in

the notice, a number of shares in excess of the proportion to which he is entitled (an **Excess Application**).

- 5.8 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares held by those Continuing Shareholders who have applied for Sale Shares. If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under this **article 5.8** shall be conditional on the fulfilment of the Minimum Transfer Condition. Once such applications have been satisfied in full, the Board shall allocate the balance of the Sale Shares to each Continuing Shareholder who has submitted an Excess Application in proportion to which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares held by those Continuing Shareholders who have submitted Excess Applications for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Relevant Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- 5.9 If only some of the Sale Shares are allocated in accordance with **article 5.8**, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in **article 5.8**.
- 5.10 If, at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Surplus Shares**) shall be offered to any other person (with the consent of a Relevant Majority) by the Board for a period of 10 Business Days following the end of the Offer Period.
- 5.11 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under **article 5.8** stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If:

- a) the Transfer Notice does not include a Minimum Transfer Condition; and / or (as relevant)
- b) allocations have been made in respect of some (where no Minimum Transfer Condition applies) or all of the Sale Shares,

the Board shall, give written notice of allocation (**Allocation Notice**) to the Seller and each Relevant Shareholder to whom Sale Shares have been allocated (**Applicant**). 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 20 Business Days and not more than 28 Business Days after the date of delivery of the offer made pursuant to **article 5.7** (**Completion Timeframe**)).

- 5.12 The Seller shall, within the Completion Timeframe, and against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

If the Seller fails to comply with this article 5.12:

- a) the Chairman of the Company (or, failing him, one of the Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller:
    - i. complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - ii. receive the Transfer Price and give a good discharge for it; and
    - iii. (subject to the transfer being duly stamped) enter the Applicants in the register of Relevant Shareholders as the holders of the Shares purchased by them; and
  - b) 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 for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, 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.
- 5.13 If an Allocation Notice does not relate to all the Sale Shares then, subject to article 5.14 and article 10 and within 4 weeks following service of the Allocation Notice, the Seller may transfer the Surplus Shares (for which a buyer has not been found under article 5.10) to any person at a price at least equal to the Transfer Price.
- 5.14 The Seller's right to transfer Shares under article 5.13 does not apply if the Board reasonably considers that:
- a) the transferee is a person (or a nominee for a person) who, in its absolute discretion, is a competitor with (or an Associate of a competitor with) the business of the Group; or
  - 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 provide promptly information available to it or him and reasonably requested by the Board to enable it to form the opinion mentioned above.

## **6 VALUATION**

- 6.1 If no Transfer Price is agreed in a Transfer Notice, or if a Deemed Transfer Notice (other than in the case of article 7.3) is served, then, on service of the Transfer Notice or, in the case of a Deemed Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to the service of such a notice, the Board shall either:
- a) appoint an Independent Expert to determine the Fair Value of the Sale Shares; or
  - b) if the Fair Value has been determined by an Independent Expert within the preceding 26 weeks, specify that the Fair Value of the Sale Shares shall



be calculated by dividing that Fair Value by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

6.2 The Fair Value of the Sale Shares shall be determined by the Independent Expert on the following assumptions and bases:

- a) the Fair Value of each share shall be the sum which a willing buyer would agree with a willing seller to be the purchase price for all the class of shares of which the relevant Shares form part, divided by the number of issued relevant Shares then comprised in that class;
- b) there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the shares;
- c) the shares are sold free of all restrictions, liens, charges and other Encumbrances; and
- d) the sale is taking place on the date the Independent Expert was requested to determine the Fair Value.

6.3 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and notify the Board of its determination.

6.4 Subject to any confidentiality provisions, the Independent Expert may have access to all accounting records or other relevant documents of the Company.

6.5 The Independent Expert's determination shall be final and binding on the parties (in the absence of fraud or manifest error).

6.6 The costs of the Independent Expert shall be borne by the Seller and the transferee(s) equally or in such other proportion as determined by the Independent Expert.

## **7 COMPULSORY TRANSFERS**

7.1 Subject to **article 7.3**, a person entitled to a Share in consequence of the bankruptcy of a Shareholder (and their Permitted Transferees) shall be regarded as giving a Deemed Transfer Notice in relation to such Shares at such time as the Directors (acting with the consent of a Relevant Majority) determine and thereafter **article 5** shall apply (other than **article 5.11**), mutatis mutandis.

7.2 Subject to **article 7.3**, in the event of an arrangement or composition being made with a Shareholder's creditors, or where a Shareholder otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, that such Shareholder (and their Permitted Transferees) shall be regarded as giving a Deemed Transfer Notice in respect of all Shares held by them at such time as the Directors (acting with the consent of a Relevant Majority) determine and thereafter **article 5** shall apply (other than **article 5.11**), mutatis mutandis.

7.3 If an Employee Shareholder becomes a Departing Employee Shareholder, a Transfer Notice shall (unless the Board (acting with the consent of a Relevant Majority) otherwise direct in writing in respect of any particular Relevant Shares prior to or within 90 Business Days after the relevant Termination Date), be deemed to have been

served on the relevant Termination Date in respect of a proportion of Relevant Shares of the Departing Employee Shareholder and his Permitted Transferees (a **Compulsory Transfer**). Notwithstanding any other provisions of these Articles, the Relevant Shares, subject to the Transfer Notice, shall be transferred pursuant to this **article 7.3**. The proportion of the Relevant Shares of the Departing Employee Shareholder shall (subject to compliance with the Act) be purchased by the Company at the nominal value of each Relevant Share to be held as treasury shares for cancellation (the "**Transfer Proportion**"), such proportion to be determined by **article 7.4**. Any Transfer Notice served in respect of Relevant Shares before the date such Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse.

**7.4** The Transfer Proportion for the purposes of **article 7.3**, if the Departing Employee Shareholder:

a) is a Good Leaver:

- i. within the first anniversary of their Vesting Date, shall be N percent, where N is 97 less twice the number of whole months since their Vesting Date; and
- ii. after the first anniversary and within the second anniversary of their Vesting Date, shall be N percent, where N is 96 (except in the case of Managers whereby N is 90) less twice the number of whole months since their Vesting Date; and;
- iii. after the second anniversary and within the third anniversary of their Vesting Date, shall be N percent, where N is 95 (except in the case of Managers whereby N is 81) less twice the number of whole months since their Vesting Date; and
- iv. after the third anniversary of their Vesting Date, shall be zero.

b) is a Bad Leaver, shall be 100 percent.

**7.5** Forthwith upon a Transfer Notice being deemed to be served under this **article 7**, any Shares retained or acquired by the Departing Employee Shareholder shall cease to confer on the holder of them any right 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.

**7.6** The Directors (acting with the consent of a Relevant Majority) may reinstate the rights referred to in **article 7.5** at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to this **article 7** on completion of such transfer.

## **8 PERMITTED TRANSFERS**

**8.1** A Shareholder may transfer all or any Shares in accordance with this **article 8** (without **article 5**, **article 9** or **article 10** applying), provided that no such transfer shall be made unless not less than 10 Business Days' prior written notice thereof has been given to the Company.

**8.2** Any Shareholder who is an individual may transfer any Share to (i) the trustees of that Shareholder's Family Trust or (ii) to some other Privileged Relation of that Shareholder

or (iii) to a company in which that Shareholder is the legal and beneficial owner of all of the issued share capital.

- 8.3 Where any Share is held by trustees of a Family Trust, it may on any change of trustees be transferred to the new trustees of such Family Trust.
- 8.4 The trustees of a Family Trust may transfer any Share held by them in that capacity to a person who has an immediate beneficial interest under the Family Trust or to a Privileged Relation of such beneficiary.
- 8.5 The legal personal representative of any Shareholder may transfer any Shares to the trustees of that deceased Shareholder's Family Trust or to some other Privileged Relation of that deceased Shareholder.
- 8.6 Any Shareholder which is a company may transfer any Shares to any individual shareholder who legally and beneficially owns all of the issued share capital of the Shareholder.
- 8.7 Any Shareholder which is an undertaking (as defined in section 1161 of the Act) may transfer any Share to a Member of the same Group so long as it remains a Member of the same Group.
- 8.8 Any Share may be transferred without restriction by a Shareholder to a person to hold such Share as its nominee but any transfer by such nominee shall be subject to the same restrictions as if such transfer were a transfer by the relevant Shareholder.
- 8.9 Any Share may be transferred without restriction by a nominee or trustee to the beneficial owner of such Share or to another nominee or trustee of the same beneficial owner.
- 8.10 Any other transfer made with the prior written consent of the Board and a Relevant Majority.
- 8.11 If a Shareholder holding any Share transferred to it under **articles 8.2 to 8.9** ceases to be a Permitted Transferee of the original Shareholder who held such Share and does not, prior to so ceasing, transfer such Share to the original Shareholder or to another Permitted Transferee of the original Shareholder, such Shareholder shall without delay notify the Company that such event has occurred and shall be deemed to have served a Transfer Notice on the Company in respect of such Share.

## **9 MANDATORY OFFER ON A CHANGE OF CONTROL**

- 9.1 Except in the case of Permitted Transfers, the provisions of this **article 9** will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any shares (the **Proposed Transfer**) which would, if put into effect, result in any Proposed Purchaser (and associates of his or her persons acting in concert with him) acquiring a Controlling Interest in the Company.
- 9.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the **Offer**) to the other Shareholders to acquire all the Company's shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in **article 9.7**).

- 9.3 For the avoidance of doubt, the provisions of this **article 9** shall apply: (a) if the Proposed Purchaser is offering consideration other than in cash; and (b) if different prices are offered for different classes of Shares.
- 9.4 The Offer must be given by written notice (a **Proposed Sale Notice**) at least 10 Business Days (the **Offer Period**) prior to the proposed sale date (the **Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the **Proposed Sale Shares**).
- 9.5 If any other holder of Shares is not given the rights accorded to him by this article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 9.6 If the Offer is accepted by any Shareholder (an **Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 9.7 For the purpose of this article, the expression "Specified Price" shall mean in respect of each Share a sum in cash equal to the highest price per share offered or paid by the Proposed Purchaser (which in the event that the Proposed Purchaser has not offered cash, shall be the cash equivalent of such sum): (a) in the Proposed Transfer; or (b) in any related or previous transaction by the Proposed Purchaser or any person acting in concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer, plus an amount equal to the Relevant Percentage of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person acting in concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares.
- 9.8 The Relevant Percentage shall be  $A/B \times 100$  where A = the number of shares being sold by the Proposed Seller; and B = the number of shares held by the Proposed Seller immediately before the Proposed Transfer.
- 9.9 If any person, following the issue of a Proposed Sale Notice, becomes a Shareholder of the Company pursuant to the exercise of a pre-existing warrant or option to acquire shares in the Company (including under the Employee Share Scheme) or pursuant to the conversion of any convertible security of the Company prior to the Proposed Sale Date, a Proposed Sale Notice shall be deemed to have been served on such a Shareholder on the same terms as the previous Proposed Sale Notice and the Shareholder shall then have the right to accept such an offer and the provisions of this article shall apply with the necessary changes.
- 10 TAG ALONG**
- 10.1 Subject to going through the provisions of **article 5**, no transfer (other than a Permitted Transfer) of more than 10 percent of any Ordinary Shares held by any one or more Shareholders (a **Selling Shareholder**) may be made or validly registered in favour of a Buyer (as defined below) unless the Selling Shareholders have observed the procedures set out in this **article 10**.

10.2 The Selling Shareholders shall give each Shareholder at least 21 days' notice in advance of the proposed sale (a **Tag Along Notice**). The Tag Along Notice shall specify:

- a) the identity of the proposed purchaser (**Buyer**);
- b) the price per share that the Buyer proposes to pay;
- c) the manner in which the consideration is to be paid; and
- d) the number of Ordinary Shares that the Selling Shareholders propose to sell.

10.3 Each Shareholder shall, within five Business Days following receipt of the Tag Along Notice, notify the Selling Shareholders that it wants to sell a certain number of Ordinary Shares held by it at the proposed sale price. Such notification shall be made by delivering a written counter-notice to the Selling Shareholders which shall specify the number of Ordinary Shares that the Shareholder wants to sell. The maximum number of shares that a Shareholder can sell under this procedure shall be:

$X/Y \times Z$

where:

**X** is the number of Ordinary Shares held by the Shareholder.

**Y** is the total number of Ordinary Shares.

**Z** is the number of Ordinary Shares the Selling Shareholders propose to sell.

10.4 Any Shareholder that does not send a counter-notice within that 21 day period shall be deemed to have specified that they do not want to sell any Ordinary Shares.

10.5 After the expiry of 21 days from the date that the Shareholders receive the Tag Along Notice, the Selling Shareholders shall be entitled to sell to the Buyer (on the terms notified to the Shareholders) a number of Ordinary Shares not exceeding the number specified in the Tag Along Notice, less any Ordinary Shares that the Shareholders have indicated that they want to sell. Provided that, at the same time, the Buyer (or another person) buys from the Shareholders the number of Ordinary Shares that they have respectively indicated they want to sell on terms no less favourable than those obtained by the Selling Shareholders from the Buyer.

10.6 No sale by the Selling Shareholders shall be made pursuant to any Tag Along Notice more than 3 months after service of that Tag Along Notice.

## 11 **DRAG ALONG**

11.1 If the holders of at least 75 percent of the Ordinary Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Ordinary Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Shareholders may require all the other Shareholders (**Called Shareholders**) to sell and transfer all their Shares, on the same terms as the terms offered to the Selling Shareholders, to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).

- 11.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:
- a) the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this **article 11**;
  - b) the person to whom the Called Shares are to be transferred;
  - c) the consideration payable for the Called Shares (which may include non-cash consideration) and which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
  - d) the proposed date of the transfer.
- 11.3 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 Sellers' Shares to the Proposed Buyer within 28 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.
- 11.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except:
- a) those specifically set out in this **article 11**; and
  - b) a warranty as to title to the Called Shares and capacity of the Called Shareholders.
- 11.5 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 (**Completion Date**) unless:
- a) all of the Called Shareholders and the Selling Shareholders agree otherwise; or
  - b) that date is less than 28 days after the Drag Along Notice, in which case completion of the sale shall be delayed until the 28th day after 10 Business Days of the Drag Along Notice.
- 11.6 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 11.7 Within 28 days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due 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.

- 11.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 11 in respect of their Shares.
- 11.9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Company to be the Called Shareholder's agent and attorney to execute all necessary transfer(s) on the Called Shareholder's behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 11.9.
- 11.10 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company (including under the Employee Share Scheme), or on the conversion of any convertible security of the Company (a New Shareholder), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 11 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## **DIRECTORS**

### **12 BOARD DECISIONS**

- 12.1 A decision of the Directors is taken in accordance with this article when a majority of Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 12.2 Such a decision may take the form of a resolution in writing, where a majority of Eligible Directors has signed one or more copies of it, or to which a majority of Eligible Directors has otherwise indicated agreement in writing including, for the avoidance of doubt, by email.
- 12.3 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.

### **13 CALLING A DIRECTORS' MEETING**

- 13.1 Any Director 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.
- 13.2 Notice of any Directors' meeting must indicate the proposed date and time of the meeting and where it is to take place.

#### **14 QUORUM FOR DIRECTORS' MEETINGS**

- 14.1** Subject to ~~articles 14.2 and 14.3~~, the quorum for the transaction of business at a meeting of Directors is any three Eligible Directors, one of whom shall be the Investor Director.
- 14.2** If a quorum is not present within half an hour of the time specified for the Board meeting in the relevant notice, or ceases to be present at any time, the Directors shall adjourn the Board meeting to a specified place and time not less than 5 Business Days after the original date for the Board meeting. Notice of the adjourned meeting shall be given to all Directors in writing. The quorum for the transaction of business at the adjourned meeting shall be any two Eligible Directors, one of whom shall be an Investor Director.
- 14.3** For the purposes of any meeting (or part of a meeting) held pursuant to ~~article 17~~ to authorise a Director's conflict, if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 14.4** 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 to appoint further Directors or to call a general meeting so as to enable the Shareholders to appoint further Directors.

#### **15 CASTING VOTE**

- 15.1** If the numbers of votes for and against a proposal at a meeting of Directors are equal, the chairman or other Director chairing the meeting shall have a casting vote.

#### **16 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 16.1** Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- a) 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;
  - b) shall not be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested;
  - c) shall not 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 contract or proposed contract in which he is interested and be counted in the quorum;
  - 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 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.

## **17 DIRECTORS' CONFLICTS OF INTEREST**

**17.1** 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 duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

**17.2** Any authorisation under this article 17 will be effective only if:

- a) to the extent permitted by the Act, 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 or in such other manner as the Directors may determine;
- b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

**17.3** Any authorisation of a Conflict under this article 17 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 matter or situation so authorised;
- b) 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;
- c) 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;
- d) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

- e) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 17.4 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.
- 17.5 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the 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.
- 18 RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in a form that may be available to be read with the naked eye for at least ten years from the date of the resolution, meeting or decision (as appropriate).
- 19 APPOINTMENT OF DIRECTORS**

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.
- 20 ALTERNATE DIRECTORS**
- 20.1 Any Director (other than an alternate director) (the "Appointor") may appoint any person (whether or not a Director) to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the Directors, in the absence of the Appointor.
- 20.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the Directors.
- 20.3 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 he is willing to act as the alternate of the Director giving the notice and accepting all the duties and liabilities of their Appointor.
- 20.4 An alternate director has the same rights, in relation to any decision of the Directors, as the alternate's Appointor.

**20.5** 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 Appointors,

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

**20.6** A person who is an alternate director but not a Director may, subject to him being an Eligible Director:

- a) be counted as participating for the purposes of determining whether a quorum is present at a meeting of Directors (but only if that person's Appointor is an Eligible Director and is not participating); and
- b) participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).

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

**20.8** An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a Director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

**20.9** An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

- a) when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
- 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; or
- c) when the alternate director's Appointor ceases to be a Director for whatever reason.

## **21 SECRETARY**

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.

## **DECISION MAKING BY SHAREHOLDERS**

### **22 POLL VOTES**

A poll may be demanded at any general meeting by any Qualifying Person present and entitled to vote at the meeting.

### **23 PROXIES**

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

## **ADMINISTRATIVE ARRANGEMENTS**

### **24 MEANS OF COMMUNICATION TO BE USED**

- 24.1 Any notice to be given to or by any person pursuant to these Articles shall be given by email to an address for the time being notified for that purpose to the person giving the notice in addition to any other manner in which that notice has been communicated in accordance with the Model Articles, these Articles and the Act.
- 24.2 Subject always to the provisions of article 24.1, 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 sent or supplied by electronic means, twenty four hours after the document or information was sent or supplied; and

For the purposes of this article, no account shall be taken of any part of a day that is not a business day.

### **25 INDEMNITY**

- 25.1 Subject to article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- a) each relevant officer may be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the execution and/or discharge of his duties, or in relation to them 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 25.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

25.3 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).

## **26 INSURANCE**

26.1 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.

26.2 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 company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act).
- 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.