

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of  
BLOC LABORATORIES LIMITED  
(the "Company")



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17/12/2019

#357

COMPANIES HOUSE

Circulation Date

4<sup>th</sup> Dec 2019

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 ("CA 2006"), the directors of the Company ("**Directors**") propose the following three Written Resolutions are passed as Special Resolutions (the "**Resolutions**");

**SPECIAL RESOLUTION 1**

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

**SPECIAL RESOLUTION 2**

**THAT**, all the allotments which the Directors are authorised to allot pursuant to article 7.1 of the Company's articles of association (adopted by Special Resolution 1 above) be in each case allotted free of the pre-emption provisions set out in article 7.3 of the Company's articles of association.

**SPECIAL RESOLUTION 3**

**THAT**, the articles of association adopted pursuant to Special Resolution 1 above, shall be amended by the inclusion of a new article 14A (as an additional article) which says as follows:-


**14A ALTERNATE DIRECTOR**

14A.1 Dr Jenni Rogers, who was appointed by Dr Philip Brown (director) as his alternate pursuant to and in accordance with the previous articles of association of the Company, is hereby authorized to continue as Dr Brown's alternate subject to and in accordance with the terms of her original appointment. For clarity, such appointment as an alternate director of the Company shall automatically terminate on close of the second of the two Board Meetings of the Company to be held on 4<sup>th</sup> December 2019, as provided for in the terms of her original appointment.

**Please read the Notes overleaf before signifying your agreement to the Resolutions.**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, we, the undersigned, being the sole member of the Company on the Circulation Date stated above hereby irrevocably agree to the Resolutions.

  
.....  
For and on behalf of  
**THE UNIVERSITY OF BATH**

  
.....  
Date of Signature

## NOTES

- 1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods, in each case by no later than 5pm on the date 28 days after the Circulation Date stated overleaf:
  - by hand or by post to Clarissa Bell, Research and Innovation Services, Wessex House, University of Bath, Claverton Down, BA2 7AY; or
  - by attaching a scanned copy of the signed document to an email and sending it to The Directors – c/o ceb22@bath.ac.uk
- 2 If you do not agree to the Resolutions you do not need to do anything. You will not be deemed to agree if you fail to reply.
- 3 The Resolutions will lapse if the agreement of the required majority of eligible members is not received by the Company by 5pm on the date 28 days after the Circulation Date stated overleaf. If the Company does not receive this signed document from you by this date and time it will not be counted in determining whether the Resolutions have passed.
- 4 The Resolutions shall be deemed to have been passed on the date and time that the Company receives the agreement of the required majority of eligible members. The required majority for a Special Resolution is eligible members representing not less than 75% of the total voting rights of eligible members.
- 5 You may not revoke your agreement to the Resolutions once you have signed and returned this document to the Company.
- 6 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

FINAL

Company number 12224994

# Articles of Association BLOC Laboratories Limited

Incorporated on 24 September 2019

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Adopted on 4-12- 2019

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**Companies Act 2006**  
**Private company limited by shares**  
**ARTICLES OF ASSOCIATION**  
**of**  
**BLOC Laboratories Limited**  
**("COMPANY")**

Registered company number: 12224994

Adopted by special resolution on: 4-12- 2019

**1. DEFINITIONS**

- 1.1 In these articles the following words and phrases have the meanings set out opposite them below:

**"Act"** the Companies Act 2006 (as amended and re-enacted from time to time)

**"Adoption Date"** 4-12- 2019

**"these articles"** means these articles of association, whether as originally adopted or from time to time altered by special resolution

**"Bad Leaver"** means any Director who is a natural person and/or employee of the Company:

- (i) who is dismissed for gross misconduct (and such dismissal is not wrongful dismissal or unfair dismissal); or
- (ii) who resigns in circumstances where any member of the Group would properly have been entitled to dismiss him for gross misconduct at any time after the Adoption Date;
- (iii) whose employment with or whose holding of the office of Director of any Group Company ceases after the Adoption Date other than:-
  - (a) by reason of his leaving employment or directorship for reasons of ill health or disability as certified to the Board's reasonable satisfaction by an independent doctor or where the death or long term illness or disability of a spouse, parent, long term

partner or child of his makes it reasonably necessary for him to provide care by himself or herself to that spouse, parent, partner or child;

- (b) by reason of his dismissal by reason of redundancy; or
- (c) by reason of his death; or
- (d) by reason of his retirement; or
- (e) by reason of the Board agreeing that he is a Good Leaver

<b>"Bath University"</b>	The University of Bath
<b>"Bath Director"</b>	the Director appointed from time to time by Bath University in accordance with article 14 and references to the Bath Director shall include any alternate appointed in his place from time to time
<b>"Bath Observer"</b>	the observer appointed from time to time by Bath University in accordance with article 14 and references to the Bath Observer shall include any alternate appointed in his place from time to time
<b>"Board"</b>	the board of directors of the Company
<b>"Business Day"</b>	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks are open for business in the City of London
<b>"Call"</b>	has the meaning given to it in article 18.3
<b>"Call Notice"</b>	has the meaning given to it in article 18.3
<b>"Controlling Interest"</b>	means an interest in shares giving to the holder or holders control of the Company within the meaning of section 840 of the Income and Corporation Taxes Act 1988
<b>"Director"</b>	each director of the Company from time to time
<b>"EBT"</b>	any employment trust established to hold shares in the Company
<b>"electronic form"</b>	has the meaning given in section 1168 of the Act
<b>"Eligible Director"</b>	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)
<b>"Fair Value"</b>	has the meaning given in article 10.2
<b>"Family Trusts"</b>	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 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 Privileged Relations
<b>"Founder Shares"</b>	the 5,0000 Ordinary Shares issued to Dr Christopher Pudney on or about the Adoption Date;
<b>"Good Leaver"</b>	means any Director and/or employee who leaves the employment of the Company or any subsidiary of it or ceases to be a Director of the Company or any subsidiary of it and who is not a Bad Leaver;
<b>"Group"</b>	the Company, its subsidiaries, any holding company of the Company and any subsidiary of any such holding company from time to time and <b>"Group Company"</b> shall be construed accordingly
<b>"hard copy form"</b>	has the meaning given in section 1168 of the Act
<b>"holding company"</b>	has the meaning given in section 1159 of the Act
<b>"Independent Expert"</b>	an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales
<b>"Lien Enforcement Notice"</b>	a notice in writing which complies with the requirements of article 18.2(b)



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<b>"Model Articles"</b>	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ), as amended prior to the Adoption Date
<b>"Observer"</b>	an individual who is entitled to receive notice of and to attend meetings of the board of directors and to receive all <i>information provided to members of the board (including minutes of board meetings)</i> , but who is not permitted to direct the Board or vote at any such meeting.
<b>"ordinary resolution"</b>	has the meaning given in section 282 of the Act
<b>"Ordinary Shares"</b>	the Ordinary Shares of £0.01 each in the capital of the Company
<b>"Privileged Relation"</b>	the spouse, civil partner (under the Civil Partnership Act 2004) or common law partner of a Shareholder and every child, stepchild, grandchild, adopted child or other lineal descendent and the respective spouse, civil partner, common law partner, widow or widower of a person who is a Shareholder immediately following the Adoption Date
<b>"Relevant Member"</b>	has the meaning set out in article 11.3
<b>"Relevant Securities"</b>	<p>all shares, rights to subscribe for shares or to receive them for no consideration and all securities convertible into shares, but excluding:</p> <ul style="list-style-type: none"><li>(a) the grant of options to subscribe for Ordinary Shares under a Share Option Scheme (and the issue of the shares upon exercise of such options);</li><li>(b) any shares which the Company is required to issue by reason of a right specifically attached to shares under these articles</li></ul>
<b>"Sale Shares"</b>	the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice
<b>"Seller"</b>	the transferor of shares pursuant to a Transfer Notice
<b>"Share Option Scheme"</b>	any share option scheme of the Company which a Shareholder Majority identifies in writing as being a Share Option Scheme for the purposes of these articles
<b>"Shareholder"</b>	a holder of Ordinary Shares in the Company

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<b>"Shareholder Majority"</b>	the holders of in aggregate 75% or more of the total number of ordinary shares in the capital of the Company in issue at the relevant time
<b>"special resolution"</b>	has the meaning given in section 283 of the Act
<b>"subsidiary"</b>	has the meaning given in section 1159 of the Act
<b>"Transferee"</b>	has the meaning given in article 10.13
<b>"Transfer Notice"</b>	a notice in writing given by any Shareholder to the Company where such Shareholder desires or is required by these articles to transfer any shares and where such notice is deemed to have been served it shall be referred to as a <b>"Deemed Transfer Notice"</b>

- 1.2 Whether or not persons are '**acting in concert**' will be determined by the then most recent edition of the City Code on Takeovers and Mergers.
- 1.3 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 (but excluding any statutory modification of them not in force on the date of adoption of these articles).

## 2. APPLICATION OF MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these articles or are inconsistent with these articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 7(1), 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 22, 26(5), 44(2) and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.4 Model Article 29 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".

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### 3. DIVIDENDS

Any profits which the Company determines to distribute in respect of any financial year shall be distributed amongst the holders of Ordinary Shares then in issue according to the number of Ordinary Shares held by them. Regulation 30 of the Model Articles is modified accordingly.

### 4. VOTING

4.1 Subject to any other provisions in these articles concerning voting rights, each Ordinary Share shall carry one vote.

4.2 Votes on shares may be exercised:

- (a) on a show of hands by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative (in which case each Shareholder holding shares with votes shall have one vote); and
- (b) on a poll by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each Shareholder holding shares with votes shall have one vote for each such share held).

4.3 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting. Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Model Article.

### 5. PROXIES

5.1 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

5.2 Model Article 45(1) shall be amended by:

- (a) the deletion of Model Article 45(1)(d) and its replacement with the words "is delivered to the Company in accordance with these articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and

- (b) 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 Model Article.

## **6. CLASS RIGHTS**

Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with and only with, the consent in writing of the holders of 75% of the issued shares of that class.

## **7. FURTHER ISSUES OF SHARES**

- 7.1 Subject to the remaining provisions of this article 7, the Board is generally and unconditionally authorised for the purposes of sections 550 and 551 of the Act to exercise any power of the Company to offer or allot, grant rights to subscribe for or to convert any security into and otherwise deal in, or dispose of, any shares in the Company to any person, at any time, subject to any terms and conditions as the Board thinks proper, provided that:

- (a) this authority shall be limited to 9,999 ordinary shares of £0.01 each in the capital of the Company;
- (b) this authority shall only apply insofar as the Company has not by special resolution waived or revoked it; and
- (c) this authority may only be exercised for a period of five years commencing upon the Adoption Date save that the Directors may make an offer or agreement which would or might require Ordinary Shares to be allotted or rights granted to subscribe for or convert any security into Ordinary Shares after the expiry of such authority (and the Directors may allot Ordinary 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.

- 7.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of any Relevant Securities made by the Company.
- 7.3 Unless otherwise agreed by special resolution, 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 Shareholders holding Ordinary Shares on the date of the offer 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:

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- (a) shall be in writing, shall be open for acceptance for a period of 21 Business Days from the date of the offer and shall give details of the number and subscription price of the Relevant Securities; and
  - (b) may stipulate that any Shareholder who wishes to subscribe for a number of Relevant Securities in addition to the number to which he is entitled shall, in his acceptance, state the number of excess Relevant Securities for which he wishes to subscribe ("**Excess Securities**").
- 7.4 Any Relevant Securities not accepted by Shareholders pursuant to the offer made to them in accordance with article 7.3 ("**Surplus Securities**") shall be used for satisfying any requests for Excess Securities made pursuant to article 7.3. If there are insufficient Surplus Securities to satisfy all such requests, they 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 Shareholders in accordance with article 7.3 (as nearly as possible without involving fractions or increasing the number of Surplus Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Surplus Securities remaining shall be offered to such persons as the Board may determine, at the same price and on the same terms as the offer to the Shareholders.
- 7.5 Subject to articles 7.3 and 7.4 and to section 551 of the Act, any Relevant Securities shall be at the disposal of the Board 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.
- 7.6 Without the prior written consent of the Board, no shares shall be allotted to any employee, director, prospective employee or director of any member of the Group unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

## 8. **TRANSFER OF SHARES**

The Directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but shall not otherwise be entitled to refuse to register any transfer of shares unless (i) they suspect that the proposed transfer may be fraudulent, (ii) the registration thereof would permit the registration of a transfer of shares on which the Company has a lien, or (iii) the transfer is to a minor. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these articles, the Directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question.

**9. PERMITTED TRANSFERS**

**Transfers with shareholder approval**

- 9.1 Notwithstanding any other provision of these articles, a transfer of any shares approved by a Shareholder Majority may be made without restriction as to price or otherwise and any such transfer shall be registered by the Directors.

**Permitted transfers by corporate Shareholders**

- 9.2 Notwithstanding any other provisions of these articles, a transfer of any shares in the Company held by any Shareholder which is a body corporate may be made to:
- (a) any subsidiary of that body corporate;
  - (b) that body corporate's holding company; or
  - (c) any subsidiary of that holding company,

(a "member of the same group") without restriction as to price or otherwise, and any such transfer shall be registered by the Directors. If any such transferee ceases to be a member of the same group as the original transferor it shall forthwith transfer the relevant shares back to the original transferor, or another member of the same group as the original transferor.

**Permitted transfers to Privileged Relations and Family Trusts**

- 9.3 Subject to the provisions of articles 9.4 and 9.5, any Shareholder may at any time during his lifetime transfer all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor, provided that any such transfer of shares to trustees to be held upon a Family Trust may only be made with Board approval.
- 9.4 If and whenever any shares in the Company held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the relevant beneficiary or to any Privileged Relation of the relevant beneficiary) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of all shares in the Company by the holders thereof and such shares may not otherwise be transferred.
- 9.5 If and whenever any shares in the Company are held by a Privileged Relation who ceases so to be a Privileged Relation, he shall without delay notify the Company that such event has occurred and shall (at his discretion) transfer the shares held by him back to the original transferor, or failing such transfer within 20 Business Days, a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of all shares in the Company by the holders thereof and such shares may not otherwise be transferred.

**Criteria for consents to Family Trusts**

- 9.6 Where Board approval is requested to a transfer to a Family Trust such consent must be given if the Board is satisfied:

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- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
- (b) with the identity of the proposed trustees;
- (c) 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
- (d) 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.

### **Permitted transfers by trustees**

- 9.7 Notwithstanding any other provisions of these articles, trustees who hold shares on behalf of beneficiaries may transfer the 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.
- 9.8 Notwithstanding any other provisions of these articles, a transfer of shares held by a Shareholder may be made by:
  - (a) trustees of a Family Trust to new trustees of such Family Trusts or to persons who are beneficiaries under such trusts;
  - (b) a transfer from a Shareholder holding shares as a share trustee to persons who are beneficiaries under such share trusts.
- 9.9 Any EBT shall be entitled to transfer or distribute any share or shares according to its rules to any employee of the Company.

## **10. PRE-EMPTION RIGHTS**

### **Transfer Notices and Sale Price**

- 10.1 Except where otherwise provided in these articles (including under article 12), every Shareholder who desires to transfer any interest in shares ("**Seller**") must serve a Transfer Notice and any Shareholder who is required by these articles to transfer any interest in shares will be deemed to have served a Deemed Transfer Notice.
- 10.2 Transfer Notices and Deemed Transfer Notices shall constitute the Company the Seller's agent for the sale of the Sale Shares in one or more lots at the discretion of the Directors at the price for each share agreed by the Seller and the Directors (the "**Sale Price**"). If the Seller and the Directors are unable to agree a price within 21 days of the Transfer Notice being given or the Deemed Transfer Notice being deemed to have been given, the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value of each of the Sale Shares ("**Fair Value**"). In arriving at his opinion the Independent Expert will value the Sale Shares as at the date the Transfer Notice is given, or the Deemed Transfer Notice is deemed to have been given, on a going concern basis as between a willing seller and a willing buyer, ignoring any reduction in value which may

be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Independent Expert as to the Sale Price shall be final and binding.

**Right of Seller to reject partial sales**

- 10.3 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition (a "**Total Transfer Condition**") that unless all the Sale Shares are sold by the Company pursuant to this article 10 none shall be sold. Any such provision shall be binding on the Company.

**Certification of the Sale Price and right of Seller to cancel**

- 10.4 If the Independent Expert is asked to certify the Fair Value his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. The Seller shall be entitled by notice in writing given to the Company within 7 days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares (unless the shares are to be sold pursuant to a Deemed Transfer Notice) and the Company shall not sell any of the shares or offer any of them for sale until the afore-mentioned 7 days has expired and no valid cancellation notice has been received. The cost of obtaining the certificate shall be paid by the Company unless the Seller cancels the Company's authority to sell the Sale Shares in which case the Seller shall bear the cost.

**Pre-emptive offers-general**

- 10.5 Once the Sale Price has been agreed or determined (as the case may be) then, unless the Seller has given a valid notice of cancellation pursuant to article 10.4, the Sale Shares shall be offered for sale in accordance with the following provisions of this article 10.

**Offer to Shareholders**

- 10.6 As soon as the Sale Shares become available they shall forthwith be offered for sale by the Company giving notice in writing to that effect to all holders of Ordinary Shares (other than the Seller). The notice shall specify:
- (a) the number of Sale Shares on offer and the Sale Price;
  - (b) whether the Sale Shares are subject to a Total Transfer Condition;
  - (c) the date by which the application to purchase the Sale Shares has to be received by the Company (being a date no less than 14 days and no more than 21 days after the date of the notice).
- 10.7 The notice shall set out the method of allocation of the Sale Shares and shall invite each Shareholder to apply in writing to the Company for as many of the Sale Shares (if any) as that Shareholder would like to purchase.
- 10.8 An application received in accordance with the procedure set out in this article 10 will constitute an irrevocable offer to buy the specified number of Sale Shares.



**Basis of allocation to Shareholders**

- 10.9 The Sale Shares shall be allocated by the Directors in satisfaction of the applications received in accordance with the procedure set out in this article 10.
- 10.10 If the total number of Sale Shares applied for by the Shareholders is equal to or less than the number of Sale Shares available, the Sale Shares shall be allocated in satisfaction of the applications received.
- 10.11 If the total number of Sale Shares applied for is more than the number of Sale Shares available, the Directors shall allocate Sale Shares in satisfaction of each Shareholder's application for Sale Shares in accordance with the following formula, which shall be applied repeatedly (each application is herein referred to as an "**iteration**") until such time as all the applications received have been satisfied or there are no Sale Shares remaining to be allocated.
- $A = B / C \times D$ , where
- A** is the number of Sale Shares to be allocated to the relevant Shareholder in the iteration.
  - B** is the number of Ordinary Shares held by the Shareholder.
  - C** is the number of Ordinary Shares held by all Shareholders to whom the iteration is being applied.
  - D** is the number of Sale Shares or, after the first iteration, the number of Sale Shares remaining unallocated by previous iterations.
- 10.12 If in any iteration a Shareholder would be allocated more than all of the Sale Shares for which he applied (including allocations from previous iterations) then the excess shall not be allocated to that Shareholder but shall instead be made available for allocation in the next iteration and that Shareholder shall not participate in that next iteration or any subsequent iteration.
- 10.13 The Company shall notify the Seller and each Shareholder who applied for Sale Shares ("**Transferee**") of the persons to whom they have been allocated and the number of Sale Shares that have been allocated to each person. The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Sale Shares shall be completed.
- 10.14 If any Sale Shares remain unallocated to the Shareholders after all the applications have been satisfied, and the Seller desires to transfer any interest in those shares, he must serve a further Transfer Notice in respect of those shares in accordance with article 10.1 and the procedure described in this article 10 shall be applied in relation to those remaining Sale Shares, and shall be applied repeatedly until they have all been allocated or the company does not receive any applications following an offer made in accordance with article 10.6.

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- 10.15 If any Sale Shares remain unallocated to the Shareholders after completion of the procedure described in this article 10, the Seller may dispose of those unallocated Sale Shares to any person at any price which the Seller is prepared to accept.
- 10.16 The Sale Shares shall be sold, whether in accordance with article 10.13 or article 10.15, with all rights attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date.

### **Transfer procedure for pre-emptive offers**

- 10.17 If the Company finds a purchaser or purchasers for all or any of the Sale Shares under the terms of this article 10 the Seller shall be bound, upon receipt of the Sale Price, to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Seller defaults in transferring Sale Shares the Company shall, if so required by the person or persons willing to purchase such Sale Shares, receive and give a good discharge for the purchase money on behalf of the Seller and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Shareholders as the holder of such of the Sale Shares as have been transferred to them.

### **Effect of non-compliance**

- 10.18 Any purported transfer of shares otherwise than in accordance with the provisions of these articles shall be void and have no effect.

## **11. COMPULSORY TRANSFERS**

- 11.1 In this article 11, a "Transfer Event" means in relation to any Shareholder:

- (a) a Shareholder who is an individual becoming bankrupt;
- (b) a Shareholder making any arrangement or composition with his creditors generally;
- (c) a Shareholder who is a body corporate or public sector entity:
  - (i) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets; or
  - (ii) having an administrator appointed in relation to it; or
  - (iii) entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
  - (iv) having any equivalent action taken in any jurisdiction;
- (d) a Shareholder who becomes a Bad Leaver (but not, for the avoidance of doubt, a Shareholder who becomes a Good Leaver);
- (e) a Shareholder or any Privileged Relation of a Shareholder or the trustees of any Family Trust of a Shareholder attempting to deal with or dispose of any Ordinary Share or any interest in it otherwise than in accordance with these articles;

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- (f) a Shareholder not giving a Transfer Notice in respect of any Shares or transfer any Ordinary Shares (as the case may be) as is otherwise required by these articles.
- 11.2 Any Shareholder who becomes aware of the occurrence of a Transfer Event shall immediately notify the Company and all the other Shareholders in writing of that Transfer Event.
- 11.3 Upon the happening of any Transfer Event, the Shareholder in respect of whom it is a Transfer Event ("**Relevant Member**") and any Privileged Relation who or Family Trust which has acquired Ordinary Shares from him (directly or by a means of a series of two or more transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Ordinary Shares then held by such Shareholder(s) ("**Deemed Transfer Notice**").
- 11.4 A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Ordinary Shares (except for Ordinary Shares which have been validly transferred pursuant to that Transfer Notice before the transferor became aware of or ought reasonably to have become aware of the Relevant Event).
- 11.5 Notwithstanding any other provisions of these articles, any Shareholder holding Ordinary Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Ordinary Shares on and from the date of the relevant Deemed Transfer Notice until the entry in the register of Shareholder of the Company of another person as the holder of those Ordinary Shares.
- 11.6 The Ordinary Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with article 10 as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Seller the person who is deemed to have given the Deemed Transfer Notice, but the Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of the Transfer Event falling within article 11.1(d) will be the lower of the subscription price paid by the Relevant Member and their Fair Value.
- 11.7 For the purpose of article 11.1(d) the date upon which a Shareholder ceases to be an employee or Director as described therein shall:
  - (a) where the employer terminates a contract of employment by giving notice to the employee of the termination of the employment, whether or not the same constitutes a wrongful or unfair dismissal, be the date of that notice or, if later, the date (if any) for the termination expressly stated in such notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
  - (b) where the employee terminates a contract of employment by giving notice to the employer of the termination of the employment (whether or not he is lawfully able to do

so) or the Director terminates his appointment by giving notice in respect thereof, be the date of that notice or, if later, the date (if any) for the termination of the employment or appointment expressly stated in such notice;

- (c) where an employer or employee wrongfully repudiates the contract of employment and the other respectively accepts that the contract of employment has been terminated, be the date of such acceptance by the employee or employer respectively;
- (d) in any other case, the date on which the contract of employment or Director's appointment is terminated.

## 12. TAG ALONG AND DRAG ALONG RIGHTS

### Tag along

- 12.1 Notwithstanding any other provision in these articles, no sale or transfer or other disposition of any interest in any shares ("**Specified Shares**") shall have any effect if it would result in any or all of the Founder Shares being acquired by any person or group of persons acting in concert, or a Controlling Interest being obtained in the Company by any person or group of persons acting in concert, unless in each case, before the sale, transfer or other disposition takes effect, the proposed transferee has made a bona fide offer in accordance with this article 12 to purchase at the specified price (defined in article 12.3) all the shares held by all the other Shareholders (except any Shareholder which has expressly waived its right to receive such offer for the purpose of this article 12).
- 12.2 An offer made under article 12.1 shall be in writing, open for acceptance for at least 30 days and shall be deemed to be rejected by any Shareholder who has not accepted it in accordance with its terms within the time period for acceptance.
- 12.3 For the purpose of article 12.1:
  - (a) the expression "**transfer**" shall include the renunciation of a renounceable letter;
  - (b) the expression "**specified price** " means a price per share equal to the highest price paid or payable by the transferee or persons acting in concert with him or connected with him for any shares in the Company within the last 6 months plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as part of the overall consideration paid or payable for the Specified Shares.
- 12.4 If the specified price or its cash equivalent for any shares cannot be agreed within 15 business days of the proposed sale, transfer or other disposition referred to in article 12.1 between the proposed transferee and Shareholders holding 75% of the class of shares concerned (excluding the transferee and persons who have waived their right to receive an offer), it may be referred to the Independent Expert by any Shareholder and, pending its determination, the sale, transfer or other disposition referred to in article 12.1 shall have

no effect. The costs of the Independent Expert shall be borne as the Independent Expert shall determine.

- 12.5 The rights of pre-emption set out in these articles shall not arise on any transfer of shares made in accordance with articles 12.1 to 12.4 inclusive.

**Drag along**

- 12.6 If the holders of 75% of the Ordinary Shares in issue for the time being (the **"Selling Shareholders"**) wish to transfer all their interest in Ordinary Shares (the **"Sellers' Shares"**) to a bona fide arm's length purchaser (the **"Third Party Purchaser"**), the Selling Shareholders shall have the option (the **"Drag Along Option"**) to require all the other holders of Ordinary Shares (the **"Called Shareholders"**) to sell and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this article 12.6 and articles 12.7 to 12.13 (inclusive).
- 12.7 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **"Drag Along Notice"**) at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Ordinary Shares (the **"Called Shares"**) pursuant to this article 12, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article 12) and the proposed date of transfer. The consideration for which each Called Share is to be transferred shall be the price per share at which the relevant transfer of Sellers' Shares referred to in article 12.6 takes place.
- 12.8 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 12.9 No Drag Along Notice may require a Called Shareholder to agree to any terms save those specifically provided for in this article 12.
- 12.10 Completion of the sale of the Called Shares shall take place simultaneously with completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise; or
  - (b) the date proposed for completion of the sale of the Sellers' shares is less than 3 days after the date of the Drag Along Notice, in which case the sale of the Called Shares shall be deferred until the third day after the Drag Along Notice.

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- 12.11 The rights of pre-emption set out in these articles shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.
- 12.12 If any holder of Ordinary Shares does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by them the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as they may direct) and the Directors shall forthwith register the Third Party Purchaser (or as they may direct) as the holder thereof. After the Third Party Purchaser (or their nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this sub-article that no share certificate has been produced.
- 12.13 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company, whether pursuant to the exercise of a pre-existing option to acquire shares in the Company or otherwise, (a '**New Shareholder**'), a Drag Along Notice shall be deemed to have been served upon the New Shareholder on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article shall apply mutatis mutandis to the New Shareholder save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Shareholder.

### 13. APPOINTMENT AND REMOVAL OF DIRECTORS

- 13.1 The Directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. In addition, the holders of shares representing more than half of the shares which carry the right to attend and vote at general meetings of the Company may by notice to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 13.2 Model Article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
- (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;
  - (b) save in the case of a Bath Director, a majority of the other Directors resolve that he cease to be a Director; and
  - (c) in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.

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### **14. BOARD APPOINTEES**

- 14.1 Notwithstanding any other provisions of these articles, Bath University shall, for so long as it holds more than 10% of the Ordinary Shares in issue, be entitled to appoint as a Director and/or an Observer any person and to remove from office any person so appointed and to appoint another person in his place.
- 14.2 An appointment or removal of a Bath Director or a Bath Observer under article 14.1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the Directors.
- 14.3 Each Bath Director and each Bath Observer shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary and any committee of the board of any Subsidiary.
- 14.4 All documents and information handed or sent to the Directors (including any proposed written resolutions) must be handed or sent to each Bath Observer as nearly as possible at the same time.
- 14.5 Each Bath Observer shall be entitled to attend and speak as if he were a director at every meeting of the Directors, any committee of the Board, the board of directors of any Subsidiary and any committee of the board of any Subsidiary, but shall not have a vote regarding any resolution.

### **15. PROCEEDINGS OF DIRECTORS**

- 15.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these articles or must be a unanimous decision taken in accordance with article 15.2 (subject to article 15.3 and article 15.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 15.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 15.3 A decision taken in accordance with article 15.2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 15.4 A decision may not be taken in accordance with article 15.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 15.6 and article 15.7.
- 15.5 Meetings of the Directors shall take place as required, with a period of not more than 8 weeks between any two meetings unless the Board shall agree otherwise. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give

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such notice. At least 7 Business Days' advance notice in writing of each such meeting shall be given to each Director and to each Bath Observer (if any). Notice of every meeting of the Directors shall be given to each Director and to each Bath Observer at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom, provided that any Director and any Bath Observer may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Meetings of the Directors may be held by conference telephone or similar equipment, so long as all the participants (including the Bath Observers) can hear each other. Such meetings shall be as effective as if the directors and the Bath Observers had met in person.

- 15.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be (a) if a Bath Director has been appointed, a Bath Director (provided he is an Eligible Director) and one other Eligible Director; (b) if no Bath Director has been appointed or if the Bath Director is not an Eligible Director, two Eligible Directors.
- 15.7 If the necessary quorum pursuant to article 15.6 for any meeting is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to the date which is one week from the original meeting or to such other later time and place as the Directors determine.
- 15.8 For the purposes of any meeting (or part of a meeting) held pursuant to article 15.5 to authorise a conflict of interest, if there is only one Eligible Director in office the quorum for such meeting (or part of a meeting) shall be all the Directors for the time being and all Bath Observers (to the extent appointed).
- 15.9 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to:
  - (a) appoint further Directors; or
  - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.
- 15.10 Provided (if these articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest (as defined below), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 15.11 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the chairman (or other chairman of the meeting) shall not have a second or casting vote.



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- 15.12 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

### 16. DIRECTORS' CONFLICTS OF INTEREST

#### *Specific interests of a Director*

- 16.1 Subject to the provisions of the Act and provided (if these articles so require) that he has declared to the Directors in accordance with the provisions of these articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
  - (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
  - (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company;
  - (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
  - (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
  - (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
  - (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (h) any other interest authorised by ordinary resolution.

#### *Interests of which a Director is not aware*

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- 16.2 For the purposes of this article 16, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

### *Accountability of any benefit and validity of a contract*

- 16.3 In any situation permitted by this article 16 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

### *Terms and conditions of Board authorisation*

- 16.4 Subject to article 16.5, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt:

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:
  - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
  - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
  - (iii) restricting the application of the provisions in articles 16.6 and 16.7, so far as is permitted by law, in respect of such Interested Director;
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time

and, subject to article 16.5, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this article 16.

### *Terms and conditions of Board authorisation for a Bath Director*

- 16.5 Notwithstanding the other provisions of this article 16, it shall not be made a condition of any authorisation of a matter in relation to any Bath Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in article 16.7.

### *Director's duty of confidentiality to a person other than the Company*

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- 16.6 Subject to article 16.7 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this article 16), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
  - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.
- 16.7 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, article 16.6 shall apply only if the conflict arises out of a matter which falls within article 16.1 or has been authorised under section 175(5)(a) of the Act.

### *Additional steps to be taken by a Director to manage a conflict of interest*

- 16.8 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
  - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

### *Requirement of a Director to declare an interest*

- 16.9 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by article 16.1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:
- (a) falling under article 16.1(g);

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- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these articles.

### *Shareholder approval*

16.10 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this article 16.

16.11 For the purposes of this article 16:

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

## **17. NOTICES OF GENERAL MEETINGS AND QUORUM**

17.1 Every notice convening a general meeting may be given in accordance with section 308 of the Act, that is, in hard copy form, electronic form or by means of a website and shall comply with the provisions of section 325(1) of the 2006 Act as to giving information to members in regard to their right to appoint proxies. Notices of, and other communications relating to, any general meeting which any member is entitled to receive shall be sent to the Directors and to the auditors of the Company.

17.2 The quorum for a general meeting shall be two qualifying persons (as defined in section 318 of the Act) present at the general meeting, except when the Company has only one Shareholder, when the quorum shall be one such qualifying person.

17.3 Where a general meeting is adjourned under Model Article 41 because a quorum is not present or if during a meeting a quorum ceases to be present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present shall form a quorum, and Model Article 41 shall be modified accordingly.

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- 17.4 Ordinary resolutions and special resolutions may be passed as written resolutions in accordance with the Act. A proposed written resolution will lapse if it is not passed before the period of 28 days beginning with the circulation date. A written resolution shall be deemed to have been executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders, the signature of any one shall be sufficient.

## 18. LIEN, CALLS ON SHARES AND FORFEITURE

- 18.1 The Company has a lien (the "**Company's Lien**") over every Ordinary Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Ordinary Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

### 18.2 Enforcement of the Company's Lien

- (a) Subject to the provisions of this article 18.2, if:
  - (i) a Lien Enforcement Notice has been given in respect of an Ordinary Share; and
  - (ii) the person to whom the notice was given has failed to comply with it,the Company may sell that Ordinary Share in such manner as the Directors decide.
- (b) A Lien Enforcement Notice:
  - (i) may only be given in respect of an Ordinary Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - (ii) must specify the Ordinary Share concerned;
  - (iii) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
  - (iv) must be addressed either to the holder of the Ordinary Share or to a transmittee of that holder; and
  - (v) must state the Company's intention to sell the Ordinary Share if the notice is not complied with.
- (c) Where Ordinary Shares are sold under this article 18.2:
  - (i) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and

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- (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- (d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
  - (i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
  - (ii) second, to the person entitled to the Ordinary Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Ordinary Shares before the sale for any money payable by that person (or his estate or any joint holder of the Ordinary Shares) after the date of the Lien Enforcement Notice.
- (e) A statutory declaration by a Director that the declarant is a Director and that an Ordinary Share has been sold to satisfy the Company's Lien on a specified date:
  - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Ordinary Share; and
  - (ii) subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the Share.

### 18.3 Call notices

- (a) Subject to these articles and the terms on which Ordinary Shares are allotted, the Directors may send a notice (a "**Call Notice**") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a "**Call**") which is payable to the Company at the date when the Directors decide to send the Call Notice.
- (b) A Call Notice:
  - (i) may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;
  - (ii) must state when and how any Call to which it relates is to be paid; and
  - (iii) may permit or require the Call to be made in instalments.
- (c) A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.
- (d) Before the Company has received any Call due under a Call Notice the Directors may:

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- (i) revoke it wholly or in part; or
  - (ii) specify a later time for payment than is specified in the notice,
- by a further notice in writing to the Shareholder in respect of whose Shares the Call is made.
- (e) A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share:
  - (i) on allotment;
  - (ii) on the occurrence of a particular event; or
  - (iii) on a date fixed by or in accordance with the terms of issue.

### 18.4 Forfeiture

- (a) If a person is liable to pay a Call and fails to do so by the Call payment date:
  - (i) the Directors may issue a notice of intended forfeiture to that person; and
  - (ii) until the Call is paid, that person must pay the company interest on the Call from the Call payment date at the relevant rate.
- (b) A notice of intended forfeiture:
  - (i) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
  - (ii) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
  - (iii) must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
  - (iv) must state how the payment is to be made; and
  - (v) must state that if the notice is not complied with, the Ordinary Shares in respect of which the Call is payable will be liable to be forfeited.
- (c) At any time before the Company disposes of a forfeited Ordinary Share, the Directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit.

## 19. PARTLY PAID SHARES

- 19.1 Model Article 21(1) shall not apply to the Company and shares may be issued other than fully paid.

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- 19.2 If the subscription price of any share (including any premium) is partly paid, the rights to dividend of any such share shall be abated in the same proportion as the unpaid amount bears to the total subscription price.

## **20. MEANS OF COMMUNICATION TO BE USED**

- 20.1 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, 24 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - (c) if properly addressed and sent or supplied by electronic means, six hours after the document or information was sent or supplied; and
  - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article 20, no account shall be taken of any part of a day that is not a Business Day, save for the purposes of determining whether sufficient notice of a general meeting has been given.

- 20.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

## **21. DIRECTORS' EXPENSES**

Model Article 20 shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".

## **22. INDEMNITY**

- 22.1 Subject to the provisions of and so far as may be permitted by, the Act:



(a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no Director or any associated company is indemnified by the Company against:

(i) any liability incurred by the Director to the Company or any associated company; or

(ii) any liability incurred by the Director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature (however arising); or

(iii) any liability incurred by the Director:

(A) in defending any criminal proceedings in which he is convicted;

(B) in defending civil proceedings brought by the Company or any associated company in which judgment (within the meaning set out in section 234(3) of the Act) is given against him; or

(C) in connection with an application for relief under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) in which the court refuses to grant him relief (within the meaning set out in section 234(3) of the Act),

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in articles 22.1(a)(i) and 22.1(a)(iii)(B) applying;

(b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

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- 22.2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each Director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

### 23. OBJECTS

The Company's objects are unrestricted.

### 24. LIABILITY OF SHAREHOLDERS

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

### 25. BORROWING POWERS

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

### 26. DATA PROTECTION

- 26.1 Each of the Shareholders, Directors and each Bath Observer (from time to time) consent to the processing of their personal data by the Company, its Shareholders and Directors (each a "**Recipient**") for due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.
- 26.2 The personal data that may be processed for such purposes under this Article 26 shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or any regulated authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
- (a) a member of the same group as the Recipient ("**Recipient Group Companies**");
  - (b) to employees, directors and professional advisors of that Recipient or the Recipient Group Companies; and
  - (c) to funds managed by any of the Recipient Group Companies.
- 26.3 Each of the Shareholders and Directors consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.