

Till + Whitehead Limited

**Shareholders' Special Resolution – Adopt New Articles of Association**

Co. No 46963

28/3/17 **SHAREHOLDERS' SPECIAL RESOLUTION**

That the new Articles of Association in the form attached to this resolution<sup>1</sup> be approved and adopted as the Articles of Association of the Company in substitution for and to the entire exclusion of the existing Articles of Association.

  
Company Secretary

TH THURSDAY



A18	*A63RO0VL*	#63
	06/04/2017	
	COMPANIES HOUSE	
A31	*A639PGRS*	#30
	30/03/2017	
	COMPANIES HOUSE	

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

TILL AND WHITEHEAD LIMITED

(Adopted by special resolution passed on *28<sup>th</sup> March* 2017)

## INTRODUCTION

### 1. INTERPRETATION

#### 1.1 In these Articles, the following words have the following meanings:

**A Shares:** the A ordinary shares of £1 each in the capital of the Company;

**Appointor:** has the meaning given in article 12.1;

**Articles:** the Company's articles of association for the time being in force;

**B Shares:** the B ordinary shares of £1 each in the capital of the Company;

**Board:** the board of directors of the Company from time to time;

**Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

**CA 2006:** the Companies Act 2006;

**Civil Partner:** in relation to a shareholder, a civil partner as defined in the Civil Partnership Act 2004;

**Conflict:** 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;

**Controlling Interest:** an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**Deemed Transfer Notice:** a Transfer Notice that is deemed to have been served under any provisions of these Articles;

**Eligible Director:** a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter;

**Fair Value:** in relation to shares, as determined in accordance with article 18;

**Family Trust:** in relation to a shareholder, a trust set up wholly for the benefit of that shareholder and/or that shareholder's Privileged Relations and/or such other persons as the may be permitted by the Board from time to time;

**Interested Director:** has the meaning given in article 9.1;

**Model Articles:** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;

**Ordinary Shares:** the ordinary shares of £1 each in the capital of the Company;

**Original Shareholder:** a shareholder who transfers his shares to a Permitted Transferee in accordance with article 16;

**Permitted Transfer:** a transfer of shares made in accordance with article 16;

**Permitted Transferee:** in relation to a shareholder, any of his Privileged Relations or the trustees of his Family Trust(s) or such other person as may be agreed between the relevant shareholder and the Board;

**Privileged Relation:** the spouse or Civil Partner of a shareholder and the shareholder's lineal descendants and the siblings of a shareholder and such sibling's lineal descendants (in each case including step and adopted children);

**Proposed Sale Price:** has the meaning given in article 15.1;

**Sale Shares:** has the meaning given in article 15.1;

**Seller:** has the meaning given in article 15.1;

**Shareholders' Majority:** means shareholders holding at least 75% of the voting rights attaching to all the issued shares;

**Transfer Notice:** has the meaning given in article 15.1;

**Transfer Price:** has the meaning given in article 15.5;

**Valuers:** an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 14 Business Days of the expiry of the 20 Business Day period referred to in article 15.5, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);

**Writing or written:** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 15 to article 17, article 19 and article 20, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax);

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles,

subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these Articles.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

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

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 27(2)(a) and (b) shall be amended by the insertion, in each case, of the words "and to any other agreement to which the holder was party at the time of his death" after the words "subject to the articles".

- 2.6 Model Article 28(2) shall be amended by the deletion of the word "If" and the insertion of the words "Subject to the articles and to any other agreement to which the holder was party at the time of his death, if" in its place.
- 2.7 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **DIRECTORS**

### **3. DIRECTORS' MEETINGS**

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.
- 3.4 Each director has one vote at a meeting of directors.
- 3.5 If at any time before or at any meeting of the directors or of any committee of the directors all directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.6 A committee of the directors must include at least 2 directors. The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

### **4. UNANIMOUS DECISIONS OF DIRECTORS**

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7.

## **5. NUMBER OF DIRECTORS**

The number of directors shall not be less than 2. No shareholding qualification for directors shall be required.

## **6. CALLING A DIRECTORS' MEETING**

6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by a majority of the directors) to each director or by authorising the Company secretary (if any) to give such notice.

6.2 Notice of any directors' meeting must be accompanied by:

- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
- (b) copies of any papers to be discussed at the meeting.

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

## **7. QUORUM FOR DIRECTORS' MEETINGS**

7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors.

7.2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned to such time and place as the Chairman determines. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those Eligible Directors present will constitute a quorum.

## **8. CHAIRING OF DIRECTORS' MEETINGS**

The directors may appoint any person as chairman of the board of directors. The chairman shall have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the director shall be entitled to appoint another director to act as chairman at the meeting.

## **9. DIRECTORS' INTERESTS**

9.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the CA 2006 to avoid conflicts of interest.

9.2 Any authorisation under this article will be effective only if:

- (a) to the extent permitted by the CA 2006, 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.

9.3 Any authorisation of a Conflict under this article 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 will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) 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

- (f) 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.
- 9.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 9.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 9.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.8 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.
- 9.9 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared under article 9.8.
- 9.10 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, 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 such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;



- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of directors) or to participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a 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 CA 2006)) 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 CA 2006.

## **10. RECORDS OF DECISIONS TO BE KEPT**

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

## **11. APPOINTMENT OF DIRECTORS**

- 11.1 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.

## **12. ALTERNATE DIRECTORS**

- 12.1 Any director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of shares but not otherwise.

- 12.2 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.
- 12.3 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.
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 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.
- 12.6 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).
- 12.7 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.
- 12.8 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.

12.9 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) on the death of the alternate's Appointor; or
- (d) when the alternate director's Appointor ceases to be a director for whatever reason.

## **SHARES**

### **13. SHARE CAPITAL**

13.1 The shares of each class of shares shall entitle the holders thereof to the respective rights and privileges and subject them to the respective restrictions and provisions hereinafter appearing. The Ordinary Shares, the A Shares and the B Shares shall, except where otherwise provided herein, confer upon the holders thereof the same rights.

13.2 The following rights shall attach to the Ordinary Shares, the A Shares and the B Shares:

- (a) Capital
  - (i) On a return of capital on liquidation, sale or otherwise (except on a purchase or redemption by the Company of any shares), the surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares held and according to the amount paid up or credited as paid up on each such share.
  - (ii) The holders of the A Shares and the B Shares shall not be entitled to any return of capital on liquidation, sale or otherwise.
- (b) Income
  - (i) Subject to article 13.2(b)(ii), the profits available for distribution of the Company in respect of each financial year shall be distributed by way of dividend as the directors may by resolution declare and authorise, in such amount(s) and at such time(s) as they may think, on one or more classes of the shares and, for the avoidance of doubt, different amount(s) of dividend (if any) may be declared on each class of share.
  - (ii) As at the date of adoption of these Articles, the maximum amount of profits available for distribution that may be distributed pursuant to article 13.2(b)(i) shall not exceed the following amounts unless authorised otherwise by the shareholders by passing an ordinary resolution:

<b>Class of share</b>	<b>Maximum amount of dividends</b>
A Shares	£300,000.00
B Shares	£50,000.00

(c) Voting

- (i) The Ordinary Shares shall entitle the holders thereof to receive notice of all general meetings and shall entitle the holders of the Ordinary Shares to attend or vote at any general meeting or on a written resolution.
- (ii) On a show of hands, every member holding one or more Ordinary Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote (unless the proxy is himself a shareholder).
- (iii) On a poll or a written resolution, every member holding one or more Ordinary Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for each Ordinary Share which he is the holder.
- (iv) The A Shares and the B Shares shall not entitle the holders thereof to receive notice of any general meeting and shall not entitle the holders of the A Shares or the B Shares to attend or vote at any general meeting or on a written resolution.

13.3 Except with the written consent of the Board, no share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.

13.4 On the transfer of any share as permitted by these Articles:

- (a) a share transferred to a non-shareholder shall remain of the same class as before the transfer; and
- (b) except with the written consent of the Board, a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.

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

13.5 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of

the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

13.6 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:

- (a) any alteration in the Articles;
- (b) any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and
- (c) any resolution to put the Company into liquidation.

13.7 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the CA 2006.

#### **14. SHARE TRANSFERS: GENERAL**

14.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

14.2 No share shall be transferred unless the transfer is made in accordance with these articles or with the prior written consent of the Board.

14.3 Subject to article 14.4, the directors must register any duly stamped or certified exempt transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

14.4 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 14.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.

- 14.5 To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to those shares be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. Such directors may reinstate these rights at any time.
- 14.6 Any transfer of shares by way of a sale that is required to be made under these articles shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.
- 14.7 Any Transfer Notice served in respect of the transfer of any shares (and any related Transfer Notice deemed to have been served by a Permitted Transferee under article 15.3) which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of the Deemed Transfer Notice.
- 15. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**
- 15.1 Except where the provisions of article 16, article 17, article 19 or article 20 apply, a shareholder (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (**a Transfer Notice**) to the Company giving details of the proposed transfer including:
- (a) if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
  - (b) the price (in cash) at which he wishes to sell the Sale Shares (**Proposed Sale Price**).
- 15.2 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 15.3 If an Original Shareholder serves a Transfer Notice under article 15.1, or is deemed to have served a Transfer Notice under article 17, any Permitted Transferee of that Original Shareholder to whom shares have been transferred in accordance with article 16.1 is also deemed to have served a Transfer Notice in respect of all his shares on the same date as the Original Shareholder's Transfer Notice is served or is deemed to have been served (in the case of a Deemed Transfer Notice).
- 15.4 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Any Deemed Transfer

Notice in respect of a Permitted Transferee's shares under article 15.3 will be withdrawn at the same time as the withdrawal by the Original Shareholder of his Transfer Notice under this article 15.4. Except as provided in this article, a Deemed Transfer Notice may not be withdrawn.

- 15.5 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the Original Shareholder(s) or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 18. The Transfer Price for each Sale Share of a Permitted Transferee the subject of a Deemed Transfer Notice under article 15.3 shall be the same as the Transfer Price for each Sale Share of the Original Shareholder.
- 15.6 As soon as practicable following the determination of the Transfer Price, the directors shall (unless the Transfer Notice is withdrawn in accordance with article 15.4) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 15 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 15.7 The directors shall offer the Sale Shares to the shareholders (except for the Seller) case excluding any shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice.
- 15.8 The directors shall offer the Sale Shares first to the shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 15.9 If:
- (a) at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each shareholder who has applied for Sale Shares in the proportion which his existing holding of shares of the class being offered bears to the total number of shares of that class (excluding those held by the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the shareholders shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
  - (b) not all Sale Shares are allocated following allocations in accordance with article 15.9(a), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 15.9(a). The procedure set out in this article 15.9(b) shall apply on any number of consecutive occasions until either all Sale

Shares have been allocated or all applications for Sale Shares have been satisfied; and

- (c) at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the shareholders in accordance with their applications. The balance (the **Surplus Shares**) may, with the prior written consent of the Board, be transferred to the buyer identified in the Transfer Notice (if any) in accordance with article 15.10.

15.10 The directors shall, when no further offers or allocations are required to be made under article 15.7 to article 15.9 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each shareholder to whom Sale Shares have been allocated (each an **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 10 Business Days, but not more than 30 Business Days, after the date of the Allocation Notice).

15.11 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicant may reasonably require to show good title to the Sale Shares, or to enable him to be registered as the holder of the Sale Shares.

15.12 If the Seller fails to comply with article 15.11:

- (a) the chairman (or, failing him, any other director or some other person nominated by a resolution of the directors) may, as agent 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 no Applicant shall be obliged to see to the distribution of the Transfer Price); and
  - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale 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(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board may reasonably require to prove good title to those Sale Shares, to the Company.

15.13 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the 60 Business Days following the date of service of the Allocation Notice, transfer



the Surplus Shares to the buyer identified in the Transfer Notice (if any) at a price at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Surplus Shares to a third party buyer if that buyer was not identified in the Transfer Notice.

**16. PERMITTED TRANSFERS**

- 16.1 Subject to articles 16.2 and 16.3, an Original Shareholder may transfer any of the issued shares of the class held by that Original Shareholder on the date of adoption of these Articles to any of his Permitted Transferees or to another shareholder without being required to follow the steps set out in article 15.
- 16.2 An Original Shareholder may only transfer shares to the trustees of a Family Trust if the Board is satisfied:
- (a) with the terms of the Family Trust and, in particular, with the powers of the trustees;
  - (b) with the identity of the trustees; and
  - (c) that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 16.3 An Original Shareholder may only transfer shares to a Permitted Transferee, provided that such transfer is for a minimum of 4,000 shares, unless the Board approves otherwise in writing. For the avoidance of doubt, this article 16.3 does not apply in respect of a transfer of shares to another shareholder.
- 16.4 Subject to articles 16.2 and 16.3, any shareholder holding shares as a result of a Permitted Transfer made by an Original Shareholder in accordance with this article 16 may, at any time, transfer his shares back to that Original Shareholder or to another Permitted Transferee of such Original Shareholder, without being required to follow the steps set out in article 15.
- 16.5 If a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, that Privileged Relation shall within 20 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise but not by reason of death) execute and deliver to the Company a transfer of the shares held by him to the Original Shareholder (or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which he shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 15 and article 17.2.
- 16.6 On the death or bankruptcy of a Privileged Relation (other than a joint holder), his personal representatives or trustee in bankruptcy (as the case may be) shall offer the shares held by the Privileged Relation for transfer to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, within 20 Business Days after the grant of probate or the making of the bankruptcy order (as the case may be), for such

consideration as may be agreed between the Original Shareholder and the personal representatives or trustee in bankruptcy (as the case may be). If:

- (a) a transfer of the shares has not been executed and delivered within 20 Business Days of the grant of probate or the making of the bankruptcy order (as the case may be); or
- (b) the Original Shareholder is himself the subject of a bankruptcy order,

the personal representatives or trustee in bankruptcy (as the case may be) shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 15 and article 17.2.

- 16.7 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 20 Business Days of that Family Trust ceasing to be wholly for the benefit of the settlor and/or the settlor's Privileged Relations execute and deliver to the Company a transfer of the shares held by them or the Family Trust to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, for such consideration as may be agreed between them, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 15 and article 17.2.

## **17. COMPULSORY TRANSFERS**

- 17.1 Subject to article 16.6, a shareholder is deemed to have served a Transfer Notice under article 15.1 immediately before any of the following events:

- (a) an order being made for the shareholder's bankruptcy; or
- (b) an arrangement or composition with any of the shareholder's creditors being made; or
- (c) the shareholder convening a meeting of his creditors, or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
- (d) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
- (e) any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or
- (f) the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
- (g) the death of a shareholder in circumstances where the shares of the deceased shareholder are not being transferred to a Permitted Transferee; or
- (h) such shareholder is guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests; or

- (i) the shareholder committing a material or persistent breach of these Articles or any shareholders' agreement to which he is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the holder(s) of a majority of the shares of the other class requiring such remedy.

17.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and, subject to article 17.2(b), the Transfer Price for the Sale Shares shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares; and
- (b) if the Seller is deemed to have given a Transfer Notice as a result of article 17.1(g), the Transfer Price shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 18.

17.3 A Deemed Transfer Notice under article 17.1(i) shall immediately and automatically revoke:

- (a) a Transfer Notice served by the relevant shareholder or any of his Permitted Transferees (and any Transfer Notices deemed to have been served by any of his Permitted Transferees under article 15.3, where the relevant shareholder is an Original Shareholder) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 17.1(i); and
- (b) a Deemed Transfer Notice deemed to be served by the relevant shareholder under any of the events set out in article 17.1(a) to article 17.1(i) (inclusive) (and any Transfer Notices deemed to have been served by any of his Permitted Transferees) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 17.1(i) (as the case may be).

## **18. VALUATION**

18.1 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.

18.2 The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:

- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;

- (d) the Sale Shares are sold free of all encumbrances;
- (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
- (f) to take account of any other factors that the Valuers reasonably believe should be taken into account.

18.3 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.

18.4 To the extent not provided for by this article 18, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.

18.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.

## 19. TAG ALONG

19.1 After first giving a Transfer Notice and going through the procedure set out in article 15 (Pre-Emption Rights on the Transfer of Shares), the provisions of article 19.2 to article 19.6 shall apply if a Shareholders' Majority (**Sellers**) proposes to transfer their shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**) acquiring a Controlling Interest in the Company.

19.2 Before making a Proposed Transfer, the Sellers shall procure that the Buyer makes an offer (**Offer**) to each shareholder to purchase all of the shares held by them for a consideration in cash per Share that is at least equal to the price per Share offered by the Buyer in the Proposed Transfer (**Specified Price**).

19.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the Specified Price and other terms and conditions of payment;
- (c) the Transfer Date; and
- (d) the number of shares proposed to be purchased by the Buyer (**Offer Shares**).

- 19.4 If the Buyer fails to make the Offer in accordance with article 19.2 and article 19.3, the Sellers shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 19.5 If the Offer is accepted by the shareholders in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder.
- 19.6 The Proposed Transfer is subject to the rights of pre-emption set out in article 15, but the purchase of the Offer Shares shall not be subject to those provisions.

## **20. DRAG ALONG**

- 20.1 If a Shareholders' Majority wish to transfer all (but not some only) of their respective shares to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Shareholders' Majority may require all other holders of shares in the Company to sell and transfer their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 20.2 The Shareholders' Majority may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Shareholders' Majority's shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the relevant Called Shareholder is required to transfer all of his Called Shares pursuant to this article 20;
  - (b) the person to whom the Called Shares are to be transferred;
  - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Original Shareholders' shares; and
  - (d) the proposed date of the transfer.
- 20.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Shareholders' Majority have not sold their respective shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Shareholders' Majority may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20.4 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 20.
- 20.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Shareholders' Majority's shares unless:

- (a) the Shareholders' Majority and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
  - (b) that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 20 Business Day after service of the Drag Along Notice.
- 20.6 Neither the proposed sale of the Shareholders' Majority 's shares to the Proposed Buyer nor the sale of the Called Shares by the Called Shareholders shall be subject to the rights of pre-emption set out in article 15.
- 20.7 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form(s) for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 20.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 20.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form(s) and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 20 in respect of their shares.
- 20.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 20.7) transfer(s) in respect of all of the Called Shares held by him, that Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Shareholders' Majority to be his agent to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 20.9.

## **DECISION MAKING BY SHAREHOLDERS**

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

- 21.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy.

- 21.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

**22. CHAIRING GENERAL MEETINGS**

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholders present (with consent of any directors present) shall be entitled to appoint another shareholder present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

**23. POLL VOTES**

- 23.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.
- 23.2 Article 44(3) of the Model Articles 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 article.

**24. PROXIES**

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

**ADMINISTRATIVE ARRANGEMENTS**

**25. MEANS OF COMMUNICATION TO BE USED**

- 25.1 Subject to article 25.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - (b) if sent by pre-paid United Kingdom first class post or another next working day delivery service providing proof of postage to an address in the United Kingdom, at 9.00 am

on the second Business Day after posting or at the time recorded by the delivery service; or

- (c) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
- (d) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (e) if sent or supplied by email, at the time of transmission; or
- (f) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
- (g) if deemed receipt under the previous paragraphs of this article 25.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

25.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (c) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

25.3 Any notice, document or other information served on, or delivered to, an intended recipient under article 15, article 16, article 17, article 19 or article 20 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website.

## **26. INDEMNITY AND INSURANCE**

26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported 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 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 26.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

26.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.

26.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

26.4 In this article:

- (a) a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- (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 or any pension fund or employees' share scheme of the Company.