

**PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION**

**of
WARRPROP LIMITED (Company)
(Registered Number: 01635057)**

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COMPANIES HOUSE

Circulation Date: 21 July 2016

Passed: 21 July 2016

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (CA 2006), the directors of the Company propose that resolutions 1 and 3 below are passed as special resolutions, and resolution 2 below is passed as an ordinary resolution (Resolutions)

SPECIAL RESOLUTION

THAT the articles of association of the Company attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of the Company's existing articles of association including (for the avoidance of doubt) any provisions of the memorandum of association deemed to be incorporated therein by virtue of section 28 of CA 2006

ORDINARY RESOLUTION

THAT, subject to the passing of resolution 1 above, the 40,000 issued ordinary shares of £1 each in the capital of the Company be re-designated as 10,000 A ordinary shares of £1 each, 10,000 B ordinary shares of £1 each, 10,000 C ordinary shares of £1 each and 10,000 D ordinary shares of £1 each, and each shareholder's existing shareholdings be re-designated into an equal number of A, B, C and D ordinary shares of £1 each.

SPECIAL RESOLUTION

THAT, subject to the passing of resolutions 1 and 2 above, the rights attached to each of the issued shares in the capital of the Company be varied in accordance with the rights attributed to the relevant classes of shares as set out in the new articles of association of the Company.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions

The undersigned, being those members of the Company entitled to vote on the Resolutions on the circulation date stated above, hereby irrevocably agree to the Resolutions

Signed by DAVID WARREN	<u>David Warren</u>
Date	<u>21 July 2016</u>

Signed by JOAN WARREN	<u>Joan Warren</u>
Date	<u>21 July 2016</u>

NOTES

- You can choose to agree to all of the Resolutions or none of them, but you cannot agree to only one or some of the Resolutions
 - If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning the signed version
 - by email to liz.barton@cnpps.co.uk, or
 - by hand or by post to Cripps LLP, Wallside House, 12 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EG marked for the attention of Liz Barton
- You may not return the Resolutions to the Company by any other method

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

- Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- Unless, by the date falling 28 days after the Circulation Date stated above, sufficient agreement has been received for the Resolutions to pass, they will lapse If you agree to the Resolutions, please ensure that your agreement reaches us before or on this date

ARTICLES OF ASSOCIATION

(Adopted by special resolution on 21 July 2016)

of

WARRPROP LIMITED
Company number: 01635057

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

WARRPROP LIMITED ("Company")

Company number: 01635057

(Adopted by special resolution passed on 21 July 2016)

INTRODUCTION

1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires

A Shares:	means the A ordinary shares of £1 00 each in the capital of the Company, having the rights set out in article 15,
Act:	means the Companies Act 2006,
Appointor:	has the meaning given in article 11 1,
Articles:	means the Company's articles of association for the time being in force,
Auditors:	means the auditors of the Company for the time being or, where the Company has not appointed auditors, the accountants of the Company from time to time,
B Shares:	means the non-voting B ordinary shares of £1 00 each in the capital of the Company, having the rights set out in article 15,
Board:	means the board of directors of the Company from time to time,
Business Day:	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,
C Share Entitlement:	has the meaning given in article 15 4,
C Shares:	means the non-voting C ordinary shares of £1 00 each in the capital of the Company, having the rights set out in article 15,
Conflict:	has the meaning given in article 7 1,
D Shares:	means the non-voting D ordinary shares of £1 00 each in the

capital of the Company, having the rights set out in article 15,

eligible director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter),

Fair Value: means the value as determined in accordance with article 20,

Family Trust: has the meaning given in article 16 2 2,

Model Articles: means 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,

Shareholder: means any person holding Shares from time to time and **Shareholders** means all of them together, and

Shares: means the shares in the capital of the Company in issue from time to time

- 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 Act shall have the same 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 A **person** includes a natural person, corporate or unincorporated body (whether or not having a separate legal personality)
- 1 6 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established
- 1 7 Words in the singular include the plural and vice versa
- 1 8 A reference to one gender shall include a reference to the other genders
- 1 9 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1 9 1 any subordinate legislation from time to time made under it, and
- 1 9 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 10 Any phrase introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

- 1 11 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles
- 1 12 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company
- 1 13 Article 7 of the Model Articles shall be amended by
- 1 13 1 the insertion of the words "for the time being" at the end of article 7(2)(a), and
- 1 13 2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1 14 Article 20 of the Model Articles shall be amended by the insertion of the words "*(including alternate directors) and the secretary*" before the words "*properly incur*"
- 1 15 In article 25(2)(c) of the Model Articles, the words "*evidence, indemnity and the payment of a reasonable fee*" shall be deleted and replaced with the words "*evidence and indemnity*"
- 1 16 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", *subject to article 10,*" after the word "*But*"
- 1 17 Article 29 of the Model Articles shall be amended by the insertion of the words ", *or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2),*" after the words "*the transmittee's name*"
- 1 18 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "*either*" and "*or as the directors may otherwise decide*" Article 31(d) of the Model Articles shall be amended by the deletion of the words "*either*" and "*or by such other means as the directors decide*"

2 LIABILITY OF SHAREHOLDERS

The liability of Shareholders is limited to the amount, if any, unpaid on the Shares held by them from time to time

DIRECTORS

3 UNANIMOUS DECISIONS

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

4 CALLING A DIRECTORS' MEETING

Any director may call a directors' meeting by giving not less than 7 days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the Company secretary (if any) to give such notice

5 QUORUM FOR DIRECTORS' MEETINGS

- 5 1 Subject to article 5 2, the quorum for the transaction of business at a meeting of directors is any two eligible directors
- 5 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one director of the Company or there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director
- 5 3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision
- 5 3 1 to appoint further directors, or
- 5 3 2 to call a general meeting so as to enable the Shareholders to appoint further directors

6 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

- 6 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- 6 1 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- 6 1 3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- 6 1 4 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,
- 6 1 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
- 6 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

7 DIRECTORS' CONFLICTS OF INTEREST

- 7 1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)
- 7 2 Any authorisation under this article 7 will be effective only if
- 7 2 1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
 - 7 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
 - 7 2 3 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
- 7 3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently)
- 7 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
 - 7 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
 - 7 3 3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
 - 7 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
 - 7 3 5 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
 - 7 3 6 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
- 7 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

7 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

7 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

8 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 permanent form, so that they may be read with the naked eye

9 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum and the minimum number shall be one

10 APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the Company has no Shareholders and no directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

11 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

11 1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

11 1 1 exercise that director's powers, and

11 1 2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor

11 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors

11 3 The notice must

11 3 1 identify the proposed alternate, and

11 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

12 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

12 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor

12 2 Except as the Articles specify otherwise, alternate directors

12 2 1 are deemed for all purposes to be directors,

12 2 2 are liable for their own acts and omissions,

12 2 3 are subject to the same restrictions as their appointors, and

12 2 4 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 3 A person who is an alternate director but not a director

12 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),

12 3 2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and

12 3 3 shall not be counted as more than one director for the purposes of articles 12 3 1 and 12 3 2

12 4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

12 5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company

13 TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates

13 1 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

13 1 2 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,

13 1 3 on the death of the alternate's appointor, or

13 1 4 when the alternate's appointor's appointment as a director terminates

14 SECRETARY

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

15 SHARE CAPITAL

15 1 The share capital of the Company at the date of adoption of these Articles is divided into A Shares, B Shares, C Shares and D Shares and each share shall rank *pari passu* save as set out in this article

15 2 Subject to article 15 7, the holders of A Shares only shall have the right to

15 2 1 receive notice of or to attend or vote at any general meeting of the Company and each holder shall have one vote per share,

15 2 2 receive a copy of and to vote on a written resolution of the Company

15 3 The holders of B Shares only shall have the right to participate in the profits of the Company available for distribution and shall have the right to receive a dividend to be declared at the discretion of the Board

15 4 The holders of C Shares shall have the right to participate in any return of assets of the Company, after the payment of its liabilities, on liquidation, capital reduction or otherwise and the right to participate in the proceeds of sale of the Shares in the Company to a third party up to an amount equal to £600,000 (**C Share Entitlement**)

15 5 The holders of D Shares shall have the right to participate pro rata in the supply of any distribution or otherwise paid by the Company pursuant to article 15 4, or in the proceeds of sale of the Shares in the Company to a third party, the supply or proceeds (as the case may be) being any amount which is due to the holders of Shares in the Company following the payment of the C Share Entitlement and the payment of £1 in aggregate to each holder of A Shares and/ or B Shares

15 6 The B Shares, C Shares and D Shares are not transferrable to any person or entity except with the written consent of all of the holders of the A Shares and then only in accordance with these Articles

15 7 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

16 TRANSFER OF SHARES

16 1 No Shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any Share or any interest in any Share, except as permitted by these Articles or with the prior written consent of all of the holders of the A Shares

16 2 Any Share may at any time be transferred

16 2 1 if the Company, in its sole discretion and if it is legally able to do so, buys back the Shares at the Fair Value or such other value as agreed between the Company and the relevant Shareholder(s), or

- 16 2 2 if Shares are held by the trustees of a trust or settlement set up wholly for the benefit of an individual Shareholder and/ or that Shareholder's spouse, children, grandchildren (or other relatives that a Shareholder may, in its discretion, decide from time to time) (**Family Trust**), to the new (or remaining) trustees upon a change of trustees of any such Family Trust, without any price or other restriction, or
- 16 2 3 if in accordance with article 17 below
- 16 3 Except for a transfer of Shares in accordance with article 16 2 above or to which the Board gives prior written consent, no Shares may be transferred by any Shareholder unless all his Shares are transferred (and not part only) and he transfers the entire legal and beneficial interest in them and the following provisions are complied with
- 16 3 1 Any Shareholder (**Seller**) wishing to transfer his Shares (**Sale Shares**) shall give notice in writing (**Transfer Notice**) to the Company and all the other Shareholders (**Ongoing Shareholders**) specifying the details of the proposed transfer, including the identity of the proposed buyer(s) (if any) and the price for the Sale Shares
- 16 3 2 Within 10 Business Days of receiving the Transfer Notice, the Company shall be entitled to give written notice to the Seller and the Ongoing Shareholders that it wishes to (subject to it being legally able to do so)
- 16 3 2 1 buy back the Sale Shares at the price specified in the Transfer Notice, or
- 16 3 2 2 buy back the Sale Shares but that the price specified in the Transfer Notice is too high
- 16 3 3 If the Company gives notice under article 16 3 2 2, the Company shall be entitled to instruct the Auditors, within 15 Business Days of receiving the Transfer Notice, to determine the Fair Value of the Sale Shares in accordance with article 20 and the Auditors shall serve notice of their determination as to the Fair Value on the Company and the Seller
- 16 3 4 Within 10 Business Days of receiving the Auditor's determination as to the Fair Value of the Sale Shares, the Company shall give the Seller and the Ongoing Shareholders written confirmation whether it
- 16 3 4 1 wishes to purchase the Sale Shares at either the price specified in the Transfer Notice or the Fair Value, or
- 16 3 4 2 does not wish to purchase the Sale Shares
- 16 3 5 Within 20 Business Days of receiving the Transfer Notice where the Company has not served notice in accordance with article 16 3 2 above or within 5 Business Days of the Company's notice under article 16 3 4 2, any of the Ongoing Shareholders may give written notice to the Seller (**Notice to Purchase**) saying that they wish to
- 16 3 5 1 purchase all or some of the Sale Shares at the price specified in the Transfer Notice, or

- 16 3 5 2 purchase all or some of the Sale Shares but that the price specified in the Transfer Notice is too high
- 16 3 6 if any Ongoing Shareholder wishes to purchase any of the Sale Shares but considers the price specified in the Transfer Notice to be too high, the parties shall endeavour to agree a price. If the parties fail to reach agreement within 10 Business Days of the Notice to Purchase
- 16 3 6 1 the Auditors shall determine the Fair Value of the Sale Shares in accordance with article 20 and shall serve notice of their determination as to the Fair Value on the Seller and the Ongoing Shareholders, or
- 16 3 6 2 where the Company has instructed the Auditors to determine the Fair Value of the Sale Shares under article 16 3 3, such Fair Value determination will apply and be binding on the parties
- 16 3 7 if the Seller does not agree with the Fair Value as certified in the Auditors' written notice (whether under article 16 3 3 or article 16 3 6 1), he may revoke the Transfer Notice by notice in writing to the Company and the Ongoing Shareholders
- 16 3 7 1 within 10 Business Days of delivery of the Auditors' written notice under article 16 3 3 or article 16 3 6 1, or
- 16 3 7 2 where article 16 3 6 2 applies, within 25 Business Days of the Notice to Purchase
- If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these Articles
- 16 3 8 if any Ongoing Shareholder does not agree with the Fair Value as certified in the Auditors' written notice (pursuant to article 16 3 6), he may revoke his Notice to Purchase by notice in writing to the Company and the Seller
- 16 3 8 1 within 10 Business Days of delivery of the Auditors' written notice under article 16 3 6 1, or
- 16 3 8 2 where article 16 3 6 2 applies, within 25 Business Days of the Notice to Purchase
- 16 3 9 for the avoidance of doubt each Ongoing Shareholder who expresses a desire to purchase the Sale Shares shall be entitled to such Sale Shares in the first place pro rata to his current shareholding in the Company. If not all the Ongoing Shareholders express a desire to purchase their allocation of Sale Shares the remaining Ongoing Shareholders who have expressed an interest will be entitled to such excess Sale Shares pro rata their existing holding
- 16 3 10 Completion of the sale of any Sale Shares pursuant to this article 16 shall take place in accordance with article 19
- 16 3 11 If any or all of the Sale Shares are not purchased by the Company or the Ongoing Shareholders pursuant to this article 16 the Seller is entitled, subject to the unanimous prior written consent of those Ongoing Shareholders entitled to vote at a general meeting of the Company, to transfer the remaining Sale

Shares to the third party buyer identified in the Transfer Notice (if any) or such other third party buyer at a price not less than the price specified in the Transfer Notice (or the Fair Value, if lower)

17 DRAG ALONG

- 17 1 If all the holders of the A Shares carrying the right to vote at a general meeting of the Company and in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in their Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**)
- 17 2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify
- 17 2 1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 17,
- 17 2 2 the person to whom the Called Shares are to be transferred,
- 17 2 3 the consideration payable for the Called Shares which shall, for each Called Share, be
- 17 2 3 1 in the case of any Called Shares which are A Shares or B Shares, the aggregate amount of £1 in respect of each separate shareholding of A Shares and B Shares,
- 17 2 3 2 in the case of any Called Shares which are C Shares, a proportion of the C Share Entitlement which is equal to the proportion that each C Share bears to the total number of C Shares then in issue,
- 17 2 3 3 in the case of any Called Shares which are D Shares, a proportion of the balance of the total consideration payable by the Proposed Buyer (after deducting the sums due to the Called Shareholders under articles 17 2 3 1 and 17 2 3 2) which is equal to the proportion that each D Share bears to the total number of D Shares then in issue, and
- 17 2 4 the proposed date of the transfer
- 17 3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 17 4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 17
- 17 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 Sellers' Shares unless

- 17 5 1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders, or
- 17 5 2 that date is less than 15 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 15 Business Days after service of the Drag Along Notice
- 17 6 The rights of pre-emption set out in these Articles shall not apply to any transfer of Shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served
- 17 7 Within 15 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares pursuant to this article 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 pursuant to this article in trust for the Called Shareholders without any obligation to pay interest
- 17 8 If and to the extent that the total price payable by a Proposed Buyer is less than the aggregate amount of (i) the sum of £1 in respect of each separate shareholding of A Shares and/ or B Shares then in issue and (ii) the C Share Entitlement, the consideration shall be paid in terms of priority, to the holders of the A Shares and the B Shares equally, and then, as to any balance, to the holders of the C Shares, in accordance with article 17 2 3
- 17 9 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to this article, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article in respect of their Shares
- 17 10 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares and to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this article 17 10
- 17 11 Following the issue of a Drag Along Notice, any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares in the Company or on the conversion of any convertible security of the Company (a **New Shareholder**), shall be deemed to have been served with a Drag Along Notice on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 17 shall apply with the necessary changes to

the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder

18 EVENTS OF DEFAULT

18 1 A Shareholder (other than any trustee of a Family Trust) is deemed to have served a Transfer Notice under article 16 3 immediately before any of the following events

18 1 1 his death, or

18 1 2 a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors,

and for the purposes of this article and article 16, that Shareholder's personal representatives or trustee in bankruptcy (as the case may be) shall be the **Seller**

18 2 The deemed Transfer Notice has the same effect as a Transfer Notice, except that

18 2 1 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 the parties shall refer the question of a valuation to the Auditors in accordance with article 20,

18 2 2 the Auditors are required to determine the Fair Value for the Sale Shares,

18 2 3 the Seller does not have a right of withdrawal following a valuation by the Auditors,

18 2 4 on the completion of any sale in accordance with this article, the buyer is not required to procure the discharge of any security given by the Seller or to procure the release of any debts of the Company to him, and

18 2 5 if any or all of the Sale Shares are not purchased by the Company or the Ongoing Shareholders pursuant to the deemed Transfer Notice, the Seller is entitled to transfer the remaining Sale Shares to a third party buyer at a price not less than Fair Value, subject to the unanimous prior written consent of those Ongoing Shareholders entitled to vote at a general meeting of the Company

19 COMPLETION OF SHARE TRANSFER

19 1 Completion of the sale and purchase of Shares under article 16 or article 18 1 shall take place on the date following 40 Business Days after the day of delivery of the Transfer Notice, unless the Auditors have been requested to determine Fair Value in which case completion shall take place within 20 Business Days of delivery of the Auditors Fair Value notice

19 2 Any Shares bought back by the Company shall be cancelled

19 3 On completion of a purchase by the Company and cancellation of any Sale Shares

19 3 1 each Ongoing Shareholder who is eligible to vote shall vote in favour of any resolution to approve a buyback of the relevant Sale Shares by the Company (to the extent that the Company is legally and financially able to do so),

19 3 2 the Seller shall deliver, or procure that there is delivered to the Company, such documents as the Company reasonably requires to meet the legal requirements

of a buyback and cancellation of the Sale Shares by the Company, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Company may reasonably require to show good title to the Sale Shares, and

19 3 3 the Company shall pay the purchase price for the Sale Shares being bought back and cancelled by bank transfer for cleared funds (or such other method of payment agreed between the Company and the Seller)

19 4 On completion of a purchase of any Sale Shares by the Ongoing Shareholders and/ or any third party buyer

19 4 1 the Seller shall deliver, or procure that there is delivered to the third party buyer and/or the Ongoing Shareholders, a duly completed share transfer form transferring the legal and beneficial ownership of the Sale Shares to the third party buyer or the Ongoing Shareholders (as the case may be), together with the relevant share certificates and such other documents as the third party buyer and/or the Ongoing Shareholders may reasonably require to show good title to the Sale Shares, or to enable them to be registered as the holders of the Sale Shares,

19 4 2 subject to article 19 4 3, the Ongoing Shareholders shall, and/ or the Company shall procure that a third party buyer shall, pay the purchase price for the Sale Shares by bank transfer of cleared funds (or such other method of payment agreed between the third party buyer and/ or the Ongoing Shareholders and the Seller,

19 4 3 the Ongoing Shareholders may elect to pay for the Sale Shares by 12 equal successive monthly instalments, the first such payment to be paid by bankers draft on the date specified for completion and the following 11 monthly instalments being paid on the last Business Day of each month following, whereupon the Company will remit the amount of each instalment received (less any reasonable fees and expenses) immediately to the Seller at the Seller's last known address, to the extent that the relevant Ongoing Shareholders have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the relevant Ongoing Shareholder(s). The Company shall hold the amounts due to the Seller pursuant to this article in trust for the Seller without any obligation to pay interest. The balance of the purchase price for the time being outstanding shall bear interest at the rate of 2% per annum above the base rate for the time being of the Bank of England and such interest shall be computed on a day to day basis as from the date specified for completion and shall be paid at the same date as the instalments above referred to. If any instalment or any accrued interest shall not be paid for more than three instalments on the due date, then the whole of the balance then outstanding shall become immediately due and payable and further if any one instalment is not paid on the due date, the amount due in respect of the unpaid instalment shall bear interest from the due date until the date of actual payment at the rate of 4% per annum above the base rate for the time being of the Bank of England. Any interest rate specified in this article shall, in the event that it is lower than the RPI at the time, be adjusted to at least be equal to the RPI effective at the time, and

19 4 4 if following the sale the Seller holds no further Shares in the Company, the Seller shall, if he is a director, deliver his resignation as a director and/or procure that there are delivered to the Company resignations from any directors

appointed by the Seller, such resignations to take effect at completion of the sale of the Shares

19 5 The Shares are sold by the Seller with full title guarantee

19 6 The Shareholders shall procure the registration (subject to due stamping by the Company, Ongoing Shareholders and/ or a third party buyer, as the case may be) of the transfers and/ or purchase and cancellation of Sale Shares in the Company effected pursuant to this article and each of them consents to such transfers and registrations under these Articles

20 FAIR VALUE

20 1 The Fair Value for any Shares to be transferred under these Articles shall be

20 1 1 in the case of A Shares and B Shares, the aggregate sum of £1 in respect of each separate shareholding of A Shares and/ or B Shares,

20 1 2 in the case of C Shares, a proportion of the C Share Entitlement which is equal to the proportion that each C Share bears to the total number of C Shares then in issue,

20 1 3 in the case of D Shares, a proportion of the fair value of the entire issued share capital of the Company (less sums attributed to the A Shares, B Shares and C Shares under articles 17 2 3 1 and 17 2 3 2) which is equal to the proportion that each D Share bears to the total number of D Shares then in issue, and

20 2 In determining the Fair Value of the entire issued share capital of the Company, the Auditors shall apply the following assumptions

20 2 1 the sale is between a willing seller and a willing buyer,

20 2 2 no premium or discount shall be applied in respect of the size of the Seller's shareholding,

20 2 3 the Shares are sold free of all restrictions, liens, charges and other encumbrances, and

20 2 4 the sale is taking place on the date the Auditors were requested to determine the Fair Value

21 ISSUE OF FURTHER SHARES

21 1 If the Company wishes to issue further Shares, the Shareholders shall procure (so far as is possible in the exercise of their rights and powers) that the Company gives notice to each Shareholder holding Shares in the same class as those shares which are to be issued stating the number of Shares to be issued and the price of the Shares

21 2 Each such Shareholder shall then have the option, but not the obligation, to subscribe for, at the price stated in the notice, that proportion of the Shares proposed to be issued which the number of Shares held by him bears to the total number of Shares of that class in issue at the time the Company gives its notice. Each Shareholder may exercise the option by giving notice to the Company, at any time within 10 Business Days following the Company's notice, accompanied by a banker's draft made payable to the Company in respect of full payment for the Shares to be subscribed for

- 21 3 Any Shares referred to in the Company's notice, in respect of which the Shareholders do not exercise their options, may be issued by the Company in accordance with its notice, provided that any such issue is completed within 20 Business Days after the Company's notice
- 21 4 Notwithstanding any other provision of this article 21, 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 except with the written consent of all of the holders of the A Shares

DECISION MAKING BY SHAREHOLDERS

22 POLL VOTES

- 22 1 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
- 22 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

23 PROXIES

- 23 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "*is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate*"
- 23 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "*and a proxy notice which is not delivered in such manner shall be invalid unless the directors, in their discretion, accept the notice at any time before the meeting*" as a new paragraph at the end of that article

ADMINISTRATIVE ARRANGEMENTS

24 MEANS OF COMMUNICATION TO BE USED

- 24 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 24 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- 24 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 24 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

- 24 1 4 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, no account shall be taken of any part of a day that is not a Business Day

- 24 2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act

25 INDEMNITY AND INSURANCE

- 25 1 Subject to article 25 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- 25 1 1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

25 1 1 1 in the actual or purported execution and/or discharge of his duties, or in relation to them, and

25 1 1 2 in relation to the Company's (or any associated Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated Company's) affairs, and

- 25 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25 1 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

- 25 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

- 25 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

- 25 4 In this article

25 4 1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate,

25 4 2 a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated Company (including any Company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the

Company (or associated Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor), and

25 4 3 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated Company or any pension fund or employees' share scheme of the Company or associated Company