

COMPANY NO: 03587074

COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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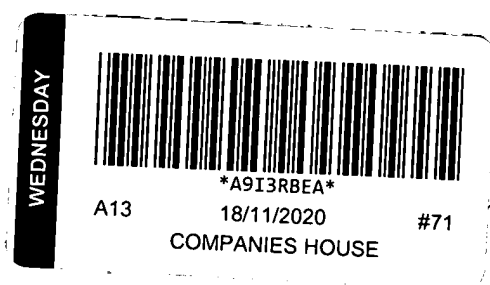
ARTICLES OF ASSOCIATION

OF

ERC EQUIPOISE LIMITED

INCORPORATED 25 JUNE 1998

As adopted by special resolution dated 9 November 2020



Company Number: 03587074

**COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
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**ERC EQUIPOISE LIMITED**

As adopted via special resolution on 9 November 2020

**PART 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1 Defined terms**

**1.1** In the Articles, unless the context requires otherwise:

**Act:** means the Companies Act 2006;

**Articles:** means these articles of association as from time to time altered;

**Auditors:** means the auditors of the company from time to time (or if there are no such auditors, the Company's accountants);

**Bad Leaver:** means a Shareholder who ceases to be an employee or Director of, or a consultant to, a Group Company in the circumstances set out in Article 32.2(b)(iii) and who is not a Good Leaver.

**bankruptcy:** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**Board:** a valid quorum of the Directors acting as the board of directors of the Company;

**Board Invitee:** has the meaning set out in Article 29.10;

**Borrower:** any person defined as a "Borrower" under any Loan Agreement;

**Borrower Shares** has the meaning defined in any Loan Agreement;

**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;

**Chairman:** means the chairman of the Board, as discussed in Article 12;

**Chairman of the Meeting:** means the chairman of a Shareholders' meeting, as discussed in Article 41.2

**Companies Acts:** means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company;

**Conflict:** has the meaning given in Article 14.1;

**Conflict Authorisation:** has the meaning given in Article 14.2;

**Connected:** in relation to a person, has the meaning given section 1122 of the Corporation Tax Act 2010;

**Controlling Interest:** means an interest in Shares conferring on the holder or holder's control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**Director:** means a director of the Company, and includes any person occupying the position of director, by whatever name called;

**distribution recipient:** has the meaning given in Article 33;

**Disposal:** means the disposal by the Company or a Group Company of all, or a substantial part of, its business and assets (in one transaction or as a series of transactions) to a Third Party Purchaser which to avoid doubt, shall include the disposal by any Group Company of any subsidiary to such a purchaser);

**document:** includes, unless otherwise specified, any document sent or supplied in electronic form; electronic form: has the meaning given in section 1168 of the Act;

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

**Employee Trust:** any trust which is established for the benefit of the employees of the Company or any Group Company and/or any of the persons referred to in section 1166 of the Act, which at the date of the adoption of these articles includes The Equipoise Solutions Limited Employee Benefit Trust;

**Exit:** means a Share Sale or a Disposal;

**Family Trust:** means a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) under which the only persons being (or capable of being) beneficiaries are the Member and/or his Privileged Relations, and no power of control over the voting powers conferred by such Shares (if any) is exercisable at any time by or subject to the consent of any person other than the trustees or such individual beneficial owner or his Privileged Relations;

**fully paid:** in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

**Good Leaver:** a Shareholder who ceases to be an employee or director of, or a consultant to, a Group Company in the circumstances set out in Article 32.2(b)(iii) and for the following reasons:

- (a) voluntary and permanent retirement where the remaining members of the Board have determined that such party is a Good Leaver (and such determination shall not be unreasonably withheld);
- (b) redundancy (as defined in section 139(1) of the Employment Rights Act 1996); and/or
- (c) wrongful dismissal,

or otherwise where it is determined by the Board (excluding the Shareholder in question) that the Shareholder in question is to be treated as a Good Leaver.

**Group:** means the Company and its subsidiaries (if any) from time to time and Group Company shall be construed accordingly;

**hard copy form:** has the meaning given in section 1168 of the Act;

**holder:** in relation to shares means the person whose name is entered in the register of shareholders as the holder of the shares;

**instrument:** means a document in hard copy form;

**Issue Price:** means in respect of any Share, the Subscription Price paid (or agreed to be paid) in respect of that Share, including any share premium;

**Loan:** has the meaning defined in any Loan Agreement;

**Loan Agreement:** any written loan agreement entered into between the Company and a Borrower for the purchase of shares in the Company;

**Market Value:** has the meaning set out in Article 29.5;

**Member or Shareholder:** a registered holder of a Share from time to time, as recorded in the register of members of the Company;

**model articles:** means the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of the Articles;

**New Securities:** means any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the date of adoption of these Articles.

**Ordinary B-Shares:** means the Ordinary B-Shares of £0.10 each in the capital of the Company from time to time being in issue and being subject to the rights set out in these Articles;

**Permitted Transferee:** means in respect of any Shareholder, any person or entity to whom the Shareholder is permitted to transfer its Shares to in accordance with Article 28;

**Privileged Relations:** means in relation to any Member, the Member's spouse for the time being or parent, sibling and all lineal descendants of that Member (including for this purpose any step-child or adopted child of the Member or his lineal descendants) but so that, other than as regards defining what constitutes a Family Trust, no lineal descendant may be a Privileged Relation whilst a minor;

**proxy notice:** has the meaning given in Article 47;

**Relevant Agreement:** means any agreement relating (in whole or part) to the Company which is binding from time to time on the Company and the shareholders and which (expressly or by implication) supplements and/or prevails over any provisions of these articles;

**Relevant Shares:** means in relation to a Shareholder all Shares held by:

- (a) the Shareholder in question; and
- (b) any Permitted Transferee of that Shareholder (other than those Shares held by those persons that the remaining Shareholders declare themselves satisfied were not acquired directly or indirectly from the Shareholder or by reason of his/her relationship with the Shareholder);
- (c) any Representative of the Shareholders,

and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice;

**Representatives:** means the personal representatives of a deceased Member.

**Shareholder or Member:** a registered holder of a Share from time to time, as recorded in the register of Members of the Company;

**Shares:** means a share in the capital of the Company of whatever class which, at the date of adoption of these Articles, means the Ordinary B-Shares;

**special resolution:** has the meaning given in section 283 of the Act;

**Share Option Scheme:** means the ERC Equipoise Enterprise Management Incentive Scheme and any other share option scheme of the Company which the Board identifies in writing as being a share option scheme for the purposes of any Relevant Agreement;

**Share Sale:** means the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) to a Third Party Purchaser which would, if completed, result in that Third Party Purchaser (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest;

**Specified Consent:** means the prior written consent of a Specified Majority;

**Specified Majority:** means the holders of not less than 65% of all Shares that carry voting rights from time to time;

**Subscription Price:** means in relation to any share, the amount paid up or credited as paid up on such share, including the full amount of any premium at which each share was issued;

**subsidiary:** has the meaning given in section 1159 of the Act;

**Termination Date:** means the date on which a Shareholder ceases to be a Member of the Company;

**Transmittee:** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

**Third Party Purchaser:** means any person who is not a Shareholder from time to time or a person Connected to a shareholder; and

**writing:** means 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.

- 1.2 Unless the context otherwise requires, other words or expressions contained in the Articles bear the same meaning as in the Act as in force on the date when the Articles became binding on the Company.
- 1.3 Headings in the Articles are used for convenience only and shall not affect the construction or

interpretation of the Articles.

- 1.4 A reference in the Articles to an "article" or "Article" is a reference to the relevant article of the Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- (a) any subordinate legislation from time to time made under it; and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 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.
- 1.7 Words importing one gender shall be treated as importing any gender.
- 1.8 The model articles shall not apply to the Company.

## **2 Liability of shareholders**

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

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS' POWERS AND RESPONSIBILITIES**

### **3 Directors' general authority**

Subject to the remaining provisions of the Articles and any Relevant Agreement, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

### **4 Directors may delegate**

- 4.1 Subject to the other provisions of the Articles and any Relevant Agreement, the Directors may delegate any of the powers which are conferred on them under the Articles:
- (a) to such person or committee;
  - (b) by such means (including by power of attorney);
  - (c) to such an extent;
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions,
- as they think fit.
- 4.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 4.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **5 Committees**

- 5.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.

## **DECISION-MAKING BY DIRECTORS**

### **6 Proceedings of Directors**

- 6.1 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 6.2 (subject to Article 6.3 and Article 6.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 6.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 6.3 A decision taken in accordance with Article 6.2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 6.4 A decision may not be taken in accordance with Article 6.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with Article 6.8 and 6.9.
- 6.5 Meetings of the Directors shall take place at least twice a year. Any Director may call a meeting of the Directors, At least 7 Business Days' advance notice in writing of each such meeting shall be given to each Director, unless otherwise agreed by all Directors.
- 6.6 Notice of any Directors' meeting must indicate:
- (a) its proposed date and time;
  - (b) the business to be considered at that meeting, so far as practicable;
  - (c) where it is to take place; and
  - (d) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 6.7 Notice of a Directors' meeting shall be given to each Director, including Directors who may for the time being be absent from the United Kingdom (where such parties have given their address outside of the United Kingdom) but need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 6.8 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be four Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine, if a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.

- 6.9 If the number of Directors in office for the time being is less than the number fixed for a quorum, the Director(s) in office must not take any decision other than a decision to:
- (a) appoint further Directors; or
  - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.
- 6.10 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other Chairman of the Meeting) shall not have a second or casting vote and the matter shall be referred to the Shareholders to decide on a majority of votes (on the basis that each Share shall carry one vote).
- 6.11 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.
- 6.12 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

## **7 Participation in Directors' meetings**

- 7.1 Subject to the other provisions of the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:
- (a) the meeting has been called and takes place in accordance with the Articles, and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 7.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 7.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **8 Records of decisions to be kept**

- 8.1 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.
- 8.2 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent (but not necessarily hard copy) form, so that they may be read with the naked eye.

# **APPOINTMENT AND REMOVAL OF DIRECTORS**

## **9 Number of Directors**

Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall not be less than five.

## **10 Methods of appointing Directors**

- 10.1 Subject to the terms of any Relevant Agreement, any person who is willing to act as a Director, and is permitted by law to do so may be appointed as a Director.
- 10.2 In any case where, as a result of death or bankruptcy, the Company has no Shareholders and no Directors, the Transmittor(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a

natural person (including a Transmitttee who is a natural person), who is willing to act and is permitted to do so, to be a Director.

- 10.3 For the purposes of Article 10.2, where 2 or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.

## **11 Termination of Director's appointment**

- 11.1 A person ceases to be a Director as soon as:

- (a) that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law; or
- (b) a bankruptcy order is made against that person; or
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months; or
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- (f) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- (g) notification is received by the Company from a Shareholder utilising a right (if any) to remove a Director they have appointed pursuant to the terms of any Relevant Agreement; or
- (h) in the case of an executive Director only, that Director ceasing for any reason to be employed by the Company or any Group Company in circumstances where he does not remain, or immediately thereupon became, an employee of any other Group Company.

## **12 Directors and Chairman**

The Directors may recommend any non-executive Director to act as Chairman of the board of Directors (**Chairman**) and such recommendation shall be put to vote at the next annual general meeting, with the approval of a Specified Majority required to authorise any appointment. If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the Chairman of the meeting must be the first business of the meeting.

## **13 Transactions or other arrangements with the Company**

- 13.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the 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:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested;
- (c) shall 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;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

13.2 For the purposes of this article, references to proposed decisions and decision making processes include any Directors' meeting or part of a Directors' meeting.

13.3 Subject to Article 13.4, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive.

13.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

#### **14 Directors' conflicts of interest**

14.1 For the purposes of section 175 of the Act the Directors may, in accordance with the requirements set out in this Article 14 authorise any matter proposed to them by any Director which would, if not authorised constitute or give rise to a situation in which a Director has or can have, a direct or indirect interest which conflicts, or possibly may conflict with the interest of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) (Conflict).

14.2 Any authorisation under this Article 14 (**Conflict Authorisation**) will be effective only if:

- (a) the Director has disclosed to the other Directors the nature and extent of his interest in any Conflict, such disclosure to be made as soon as reasonably practicable;
- (b) the matter in question shall have been proposed by any Director for consideration at a meeting of Directors 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;
- (c) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and

- (d) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

14.3 Any Conflict Authorisation may (whether at the time of giving the authority or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and/or
- (c) be terminated or varied by the Directors at any time.

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

14.4 In giving a conflict authorisation, the Directors may decide (whether at the time of giving the authority or subsequently) that if a Director has obtained any information through his involvement in the conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person the Director is under no obligation to:

- (a) disclose such information to the Directors or to any Director or other officer or employee of the Company;
- (b) use or apply any such information in performing his duties as a Director of the Company, where to do so would amount to a breach of that confidence.

14.5 In giving a Conflict Authorisation the Directors may provide (whether at the time of giving the authority or subsequently) without limitation to Article 14.3(b) that the Director:

- (a) is excluded from discussions and/or the making of decisions (whether at meetings of Directors or otherwise) related to the Conflict;
- (b) is not given any documents or other information relating to the Conflict;
- (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.

14.6 Where the Directors give a Conflict Authorisation:

- (a) the terms of the Conflict Authorisation shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded);
- (b) the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict Authorisation;
- (c) the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of the conflict authorisation.

14.7 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 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.

## **15 Directors' remuneration**

- 15.1 Directors may undertake any services for the Company that the Directors decide.
- 15.2 Directors are entitled to such remuneration as the Directors determine:
- (a) for their services to the Company as Directors, and
  - (b) for any other service which they undertake for the Company.
- 15.3 Subject to the other provisions of the Articles, a Director's remuneration may:
- (a) take any form, and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- 15.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- 15.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

## **16 Directors' and secretary's expenses**

- 16.1 The Company may pay any reasonable expenses which the Directors and the secretary properly incur in connection with their attendance at:
- (a) meetings of Directors or committees of Directors;
  - (b) general meetings, or
  - (c) separate meetings of the holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

## **17 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.

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

## **18 Shares**

### General

- 18.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.
- 18.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

- 18.3 All Shares, of whatever class, shall rank in all respects pari passu as one class save as set out in Article 33 in respect of dividends.

Return of capital

- 18.4 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be distributed amongst the holders of the Shares pro-rata to the number of Shares held, regardless of share class.

Exit

- 18.5 On an Exit, the provisions of this Article 18 shall apply to determine the allocation of the proceeds of such Exit.
- 18.6 On a Disposal, the proceeds from the Disposal shall be distributed to the Shareholders pro rata according to the number of Shares held by each of them respectively, as if the same constituted one class of share.
- 18.7 On a Share Sale, the proceeds from the Share Sale shall be paid by all the Shareholders into a joint account at a UK clearing bank (to be agreed by the Shareholders immediately prior to the completion of the Share Sale) and the proceeds from the Share Sale shall be applied between the Shareholders pro rata according to the number of Shares held by each of them respectively, as if the same constituted one class of Share.
- 18.8 In the event of a Share Sale occurring where the whole or any part of the proceeds are to be received by the Shareholders in a form other than cash, the Shareholders shall enter into such arrangements in relation to such proceeds as they may agree to ensure that such non- cash consideration is applied by the Company and allocated amongst the Shareholders so as to achieve the same commercial effect as would be the case pursuant to Article 18.7 if such consideration had actually been received in cash.
- 18.9 In the event that the application of any provision of this Article 18 cannot be agreed between the Shareholders, any such matters in dispute shall be referred by the Board to an Independent Expert whose costs shall be borne by the Shareholders in such proportions as the Independent Expert may determine having regard to the conduct of the Shareholders and the merits of their arguments in relation to the matter(s) in dispute and whose decision shall be final and binding on all Shareholders (save in the case of manifest error).

**19 Directors' authority to allot shares**

- 19.1 Save as to the extent authorised by these articles, the Directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company.
- 19.2 Subject to the remaining provisions of this Article 19 and to any Relevant Agreement, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into;
- (c) otherwise deal in or dispose of,

any Shares or New Securities to any person, at any time and subject to any terms and conditions as the Directors think proper.

- 19.3 The authority referred to in Article 19.2:

- (a) shall be limited to a maximum nominal amount of £40,000;
- (b) shall apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution; and
- (c) may only be exercised for a period of five years commencing on the date on which these articles are adopted, save that the Directors may make an offer or agreement which would, or might, require ordinary shares to be allotted after the expiry of such authority and the Directors may allot ordinary shares in pursuance of an offer or agreement as if such authority had not expired.

## **20 Shareholders' rights of pre-emption**

- 20.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 20.2 If the Company proposes to allot any New Securities, then subject to Article 20.8, those New Securities shall not be allotted to any person unless the Company has first offered them subject to Article 20.7 to the existing holders (on the date of the offer) of Shares (each an Offeree) (as if they constituted Shares of the same class) and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders (as if the same constituted one class and as nearly as possible without involving fractions) and on the same terms, and at the same price, as those New Securities are being, or are to be, offered to any other person.
- 20.3 An offer made under Article 20.2 shall:
  - (a) be in writing and give details of the number, class and subscription price (including any share premium) of the New Securities being offered;
  - (b) remain open for a period of at least 20 Business Days from the date of service of the offer; and
  - (c) stipulate that any Offeree who wishes to subscribe for a number of New Securities in excess of the number to which he is entitled under Article 20.2 shall, in his acceptance, state the number of excess New Securities (**Excess Securities**) for which he wishes to subscribe.
- 20.4 If, on the expiry of an offer made in accordance with Article 20.2, the total number of New Securities applied for is anything less than the total number of New Securities so offered, the Directors shall allot the New Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 20.5 Any New Securities not accepted by Offerees pursuant to an offer made in accordance with Article 20.2 shall be used to satisfy any requests for Excess Securities made pursuant to Article 20.3(c). If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as if they constituted Shares of the same class and as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any remaining excess securities shall be offered to any other person(s) as the Directors determine (subject to any Relevant Agreement), at the same price and on the same terms as the offer to the Shareholders.
- 20.6 Any Shares (regardless of class) allotted and issued pursuant to this Article 20:
  - (a) to a holder of B Shares shall be designated as B Shares prior to registration;
  - (b) if to a non-Shareholder shall remain of the same class as at the time of the allotment;
  - (c) if to Shareholder that holds two or more classes of Shares shall remain of the same

class as at the time of the allotment,

save with Specified Consent to the contrary.

- 20.7 New Securities shall not be offered to any Shareholder that is excluded (either temporarily or permanently) from participating in the allotment and issue of New Securities under the terms of any Relevant Agreement or these Articles, whether pursuant to Article 32.6 or Article 32.6 or otherwise.
- 20.8 The provisions of Article 20.2 shall not apply to Shares (or New Securities) issued as a result of or in connection with:
- (a) a Share Option Scheme; or
  - (b) the acquisition of the shares, business or undertaking of any other person by the Company (as approved with Specified Consent).

## **21 Powers to issue different classes of share**

- 21.1 Subject to the other provisions of the Articles, and to the terms of any Relevant Agreement, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 21.2 Subject to the other provisions of the Articles, and to the terms of any Relevant Agreement, the Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors may, acting in accordance with the terms of any Relevant Agreement, determine the terms, conditions and manner of redemption of any such shares.

## **22 Company not bound by less than absolute interests**

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

## **23 Share certificates**

- 23.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the shares which that Shareholder holds.
- 23.2 Every certificate must specify:
- (a) in respect of how many Shares, of what class, it is issued;
  - (b) the nominal value of those Shares;
  - (c) that the Shares are fully paid; and
  - (d) any distinguishing numbers assigned to them.
- 23.3 No certificate may be issued in respect of shares of more than one class.

23.4 If more than one person holds a share, only one certificate may be issued in respect of it.

23.5 Certificates must:

- (a) have affixed to them the Company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

## **24 Replacement share certificates**

24.1 If a certificate issued in respect of a Shareholder's shares is:

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

that Shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

24.2 A Shareholder exercising the right to be issued with such a replacement certificate:

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, and indemnity and the payment of a reasonable fee as the Directors decide.

## **25 Share transfers**

25.1 Notwithstanding any other provision of these Articles, the Directors shall not register a transfer of any interest in a Share:

- (a) if it is to:
  - (i) someone under the age of eighteen years old;
  - (ii) an undischarged bankrupt;
  - (iii) a trustee in bankruptcy; or
  - (iv) a person who is of unsound mind; or
- (b) unless the transfer is made in accordance with Article 26, and 28-32 (inclusive),

and in either case, only if the transferee, if not already a party to any Relevant Agreement, has entered into a deed of adherence to, and in the form required by, any such Relevant Agreement.

25.2 For the purposes of ensuring that:

- (a) a transfer of any Share is in accordance with these Articles; or
- (b) no circumstances have arisen whereby a Shareholder is required to give or may be deemed to have given a Transfer Notice (as defined in Article 29.1) in respect of any Share,

the Directors may from time to time require any Shareholder to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors reasonably believes to have information relevant to such purpose provides, such information and evidence as the Directors may reasonably require for such purpose. Pending such information or evidence being provided, the Directors are entitled to refuse to register any relevant transfer of Shares.

- 25.3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- 25.4 The Company may retain any instrument of transfer which is registered.
- 25.5 The transferor remains the holder of a Share until the transferee's name is entered in the register of shareholders as holder of it.

## **26 Transmission of shares**

- 26.1 If title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.
- 26.2 A Transmitttee who produces such evidence of entitlement to Shares as the Directors may properly require, subject to the other provisions of the Articles (including Article 31 (Compulsory Transfer)), and pending any transfer of the Shares to another person, has the same rights as the holder had.
- 26.3 But, subject to Article 10.2, Transmitttees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

## **27 Transmitttees bound by prior notices**

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

## **28 Permitted Transfers**

- 28.1 Any Share may at any time be transferred by any Shareholder:
  - (a) to any person with the prior written consent of all the other Shareholders;
  - (b) (being an individual) to the trustee or trustees of a Family Trust, and by any such trustee or trustees to the beneficial owner, or to any other person or persons shown to the reasonable satisfaction of the Directors to be a trustee or trustees for the time being (on a change of trustee) of the Family Trust in question, provided always that share transfers made by a Shareholder to a Permitted Transferee under this Article 28.1(b) shall be strictly subject to Article 28.4;
  - (c) (being an individual) to his or her Privileged Relation(s), and by any such Privileged Relations(s) to the Shareholder, or to any other person or persons shown to the reasonable satisfaction of the Directors to be a Privileged Relation of the Shareholder, provided always that any share transfers made by a Shareholder to a Permitted Transferee under this Article 28.1(c) shall be strictly subject to Article 28.4;
  - (d) by the trustees of any Employee Trust that holds Shares to any employee of a Group Company provided that such transfer is made in accordance with the terms of any rules, regulations or deeds that govern the operation of the Employee Trust in question;

- (e) to any qualifying person on exercise of any relevant options held pursuant to the Share Option Scheme and with Board consent, and to avoid doubt "transfer" for the purposes of this Article shall include the creation and granting of rights to qualifying parties to acquire existing shares pursuant to the Share Option Scheme;
- (f) in accordance with Article 29 (Pre-emption on transfer of Shares);
- (g) in accordance with Article 30 (Drag Along); and
- (h) in accordance with Article 32 (Compulsory Transfer).

28.2 Where Shares are held by a Permitted Transferee by virtue of a transfer permitted under Articles 28.1(b) or 28.1(c), whether such transfer was made before or after the date of adoption of these articles, and any such Permitted Transferee ceases to be:

- (a) a nominee of the beneficial owner of the Shares; or
- (b) a trustee of the Family Trust or the beneficial owner of the Shares; or
- (c) a Privileged Relation of the original transferor of the Shares (including by reason of death),

such Permitted Transferee will, on or before such cessation, transfer such Shares to the original transferor of those Shares, unless the remaining Members unanimously agree otherwise.

28.3 If a Permitted Transferee fails or refuses to execute and deliver any transfer in respect of any Shares pursuant to its obligations under Article 28.2, the Directors may authorise any Director to execute and deliver the necessary transfer(s) on the defaulting Permitted Transferee's behalf. The Directors will authorise the registration of the transfer, and of the transferee as a holder of the Shares so transferred, once appropriate stamp duty (if any) has been paid. After registration, the title of the transferee as the registered holder will not be affected by any irregularity in or invalidity of such proceedings, which will not be questioned by any person.

28.4 Any Permitted Transferee holding Shares transferred to him pursuant to Article 28.1(b) or Article 28.1(c) whether before or after the date of adoption of these Articles shall be deemed to have irrevocably appointed the Shareholder who transferred such Shares to him as his proxy in respect of such Shares, with the intention that the proxy, to the exclusion of the registered holder of such Shares, shall exclusively be entitled to exercise all voting and/or class rights attaching to such Shares from time to time and the Company shall be required and entitled to send all communications to such proxy and not the registered holder of the Shares and shall recognise the action of the proxy only and no further instrument of appointment shall be required to be deposited with the Company in respect of any such appointment.

## 29 Pre-emption on transfer of Shares

### Transfer Notice

29.1 Except as permitted under Article 28 (Permitted Transfers) or as provided for in Articles 30 (Drag Along) or 31 (Compulsory transfers), any Member (**Seller**) who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share or interest therein, give notice in writing (**Transfer Notice**) to the Company of his wish.

29.2 Subject to Article 29.3, a Transfer Notice shall:

- (a) state the number and class of Shares (**Sale Shares**) which the Seller wishes to transfer;

- (b) state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares;
- (c) state the price per Share (**Proposed Price**) at which the Seller wishes to transfer the Sale Shares;
- (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this Article 29 (**Total Transfer Condition**);
- (e) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this Article 29; and
- (f) not be capable of variation or cancellation without the consent of the Board.

29.3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with Article 32):

- (a) it shall relate to all the Shares of whatever class, registered in the name of the Seller;
- (b) it shall not contain a Total Transfer Condition;
- (c) the Transfer Price shall be determined in accordance with Article 32.5;
- (d) it shall be irrevocable; and
- (e) the Seller may retain any Sale Shares for which Buyers (as defined in Article 29.16) are not found.

#### Transfer Price

29.4 The Sale Shares will be offered for sale in accordance with this Article 29 at the following price (**Transfer Price**):

- (a) subject to the consent of the Directors (other than the Seller, if he is a Director), the Proposed Price; or
- (b) such other price as may be agreed between the Seller and the Directors, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice.

29.5 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with Article 29.4(b) the Directors shall forthwith instruct the Auditors to determine and certify the Market Value of each Sale Share within 10 Business Days of such request being made by the Directors. In determining the **Market Value** of the Sale Shares the Directors will instruct the Auditors to proceed on the basis that:

- (a) the Market Value is the sum which a willing buyer would agree with a willing seller as being the purchase price for the Sale Shares;
- (b) any difficulty in applying any of the bases set out above shall be resolved by the Auditors as they, in their absolute discretion, think fit.

29.6 The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the Shareholders, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Market Value shall, subject to Article 29.7, be borne as directed by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company.

29.7 Where either:

- (a) the Seller revokes the Transfer Notice in accordance with Article 29.8; or
- (b) in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles, the Market Value is less than the price proposed by the Directors to the Seller not less than 5 Business Days prior to receipt of the Auditors' report by the Company, then the Auditors' fees shall be borne wholly by the Seller.

29.8 Where the Market Value is less than the Proposed Price the Seller may, by notice served on the Company within 5 Business Days of the date on which the notification of the Market Value was first served on the Seller by the Company or the Auditors, revoke any Transfer Notice which was not stated to be, or which is not deemed by virtue of any provision of these Articles to be, irrevocable.

29.9 If the Auditors shall be unable, unwilling or shall fail to determine the Transfer Price, or if the Seller and the Directors cannot agree that the Auditors are suitable to determine the Transfer Price, then such matters will be determined by an independent chartered accountant of not less than ten years' standing who shall be nominated by agreement between all the Shareholders. If the parties are unable to agree on the appointment of an expert or his terms of appointment within seven days of any party serving details of a suggested expert on the other parties, any party may request the Chartered Institute of Accountants in England & Wales to appoint a suitably qualified chartered accountant of repute (and experienced in the valuation of private companies) and of at least 10 years' experience to be the expert and agree the terms of appointment with such expert. The provisions of this Article 29 that refer to Auditors shall apply mutatis mutandis to such person so nominated pursuant to this Article 29.9.

#### Board Invitees

29.10 In these Articles, the expression Board Invitee shall mean any of:

- (a) the Company (subject to compliance by the Company with the provisions of the Act);
- (b) the trustees of any Employee Trust,

as selected by the Directors (other than the Seller, if he is a Director) in the period of 10 Business Days after the date on which the Transfer Price is agreed or determined in accordance with these Articles. The Directors have ultimate discretion as to whether or not to appoint a Board Invitee in respect of any proposed transfer of Shares.

#### Offer Notice

29.11 Subject to Article 29.12, the Directors shall serve a notice (**Offer Notice**) on all Members and any Board Invitees (as the case may be) to whom the Sale Shares are to be offered in accordance with these Articles within 20 Business Days of whichever is the first to occur of:

- (a) the period prescribed in Article 29.10 for the selection of Board Invitees having expired; or
- (b) the identity of all Board Invitees having been determined with the consent of the Director; or
- (c) the Directors determining no Board Invitee is to be appointed for the purposes of the transfer; or
- (d) or, if later, on the Transfer Price being agreed or determined in accordance with these Articles.

29.12 An Offer Notice shall not be sent, and no Sale Shares shall be treated as offered to, the Seller or any Shareholder who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name.

29.13 An Offer Notice shall:

- (a) state the Transfer Price;
- (b) contain the other information set out in the Transfer Notice;
- (c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase; and
- (d) expire, and the offer made therein shall be deemed to be withdrawn, on a date which is not less than 10 nor more than 20 Business Days after the date of the Offer Notice.

29.14 For the purposes of allocating the Sale Shares amongst the Shareholders and any Board Invitees, Sale Shares will be treated as offered:

- (a) firstly, to the Board Invitees; and
- (b) secondly, to the extent not already accepted by persons in Article 29.14(a), to all Members holding Shares of any class, as if one class of share.

Allocation of Sale Shares

29.15 After the expiry of the period specified in the Offer Notice or, if sooner, upon all relevant offerees holding shares of a class specified in Article 29.14 having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the **Allocation Date**), the Directors shall allocate the Sale Shares in accordance with the applications received in the priorities and in respect of each class of persons set out in the table in Article 29.14 provided that:

- (a) if there are applications from any class of offerees for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any

applicant more Sale Shares than he applied for) to the number of Shares of the class entitling them to receive such offer held by each of them respectively;

- (b) the allocation of any fractional entitlements to Sale Shares amongst the Members of a particular class of Shares shall be dealt with by the Directors, or Board Invitee, in such manner as they see fit; and
- (c) the allocation of Sale Shares between two or more Board Invitees shall be at the absolute discretion of the Directors.

29.16 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an **Allocation Notice**) to the Seller and each Shareholder or Board Invitee to whom Sale Shares have been allocated pursuant to Article 29.15 (each a **Buyer**). An Allocation Notice shall state:

- (a) the number and class of Sale Shares allocated to that Buyer;
- (b) the name and address of the Buyer;
- (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;
- (d) the information (if any) required pursuant to Article 29.18; and
- (e) subject to Article 29.18, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.

29.17 Subject to Article 29.18, completion of the sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer.

29.18 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with Article 29.15 is less than the total number of Sale Shares, then:

- (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (**Further Offer**) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price;
- (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 20 Business Days) specified in the Allocation Notice;
- (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of Articles 29.15(a) to 29.15(c); and
- (d) following the allocation of any Sale Shares amongst the Buyers in accordance with paragraph (c) above, and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with Article 29.16 but omitting paragraph (d) of that Article 29.16.

29.19 Subject to Article 29.20, the service of an Allocation Notice (or a revised Allocation Notice in accordance with Article 29.18) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified therein on the terms offered to that Buyer.

- 29.20 If after following the procedure set out in this Article 29 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then:
- (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this Article 29 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this Article 29. In that instance, the provisions of Article 29.22 shall apply;
  - (b) if the Transfer Notice did not contain a Total Transfer Condition, then the provisions of Article 29.22 shall apply to any such unallocated shares; and
  - (c) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.

Default by the Seller

- 29.21 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this Article 29, the Directors (excluding any Director that is a Seller) may authorise any Director (who shall, for this purpose, be deemed to have been irrevocably appointed as the attorney of the Seller) to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer. The Company may receive the purchase money from a Buyer on behalf of the Seller and thereafter shall, subject to due stamping, enter the name of that Buyer in the register of Members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this Article 29.21 the validity of the proceedings shall not be questioned by any person. The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors) to the Company.

Transfers following exhaustion of pre-emption rights

- 29.22 If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this Article 29 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in Article 29.20(c), sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that:
- (a) no Share shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Member without the prior written consent of the Board (acting reasonably); and
  - (b) if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of the Board.

**30 Drag along**

- 30.1 If any Shareholder or Shareholders, where such Shareholder(s) hold a Specified Majority (**Selling Shareholders**), wish to transfer all of their interest in their Shares (**Sellers' Shares**) to a bona fide arm's-length Third Party Purchaser (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in such Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 30.

- 30.2 Subject to Article 30.1, the Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 30;
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - (c) the consideration payable for the Called Shares calculated in accordance with Article 30.4 (**Drag Along Consideration**); and
  - (d) the proposed date of completion of transfer of the Called Shares.
- 30.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 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.
- 30.4 The Drag Along Consideration shall be the same consideration per Called Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Proposed Buyer in respect of each Seiler's Share.
- 30.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 30.
- 30.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
  - (b) that date is less than 20 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 20 Business Days after the date of service of the Drag Along Notice.
- 30.7 Within 5 Business Days of the Drag Along Notice being served on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Called Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 5 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 30.4 but only to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 30.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 30.4 in trust for the Called Shareholders without any obligation to pay interest.
- 30.8 In the event that a Drag Along Notice lapses pursuant to Article 30.3, the Called Shareholders shall be entitled to the return of the stock transfer forms 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 30 in respect of their Called Shares.
- 30.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting

Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this Article 30.

- 30.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to a Share Option Scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 30 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.
- 30.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 29.
- 30.12 Any Transfer Notice or deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

### **31 Transfers of Shares: Tag along rights**

31.1 If:

- (a) any Shareholder(s) (**Transferring Shareholder(s)**) wish(es) to transfer the legal or beneficial interest in any Shares to any Third Party Purchaser; and
- (b) that transfer would (if registered) result in the Third Party Purchaser (**Proposed Transferee**) and any person with whom he is acting in concert acquiring a Controlling Interest,

then the Transferring Shareholder(s) shall notify the Directors in writing (**Proposed Transferee's Notice**) of such intended transfer not less than 20 Business Days prior to the date on which such sale is proposed to be made. The Directors shall send a copy of the Prospective Transferee's Notice and a copy of the irrevocable offer referred to in Article 31.3 to each Remaining Shareholder (as defined in Article 31.3) immediately on receipt of the same.

31.2 The Proposed Transferee's Notice shall set out:

- (a) the number and class of Shares which the Transferring Shareholder(s) propose(s) to transfer;
- (b) (where the Shares are to be transferred solely for a consideration payable in cash, including by means of a loan note) the nature and the amount of the consideration for the acquisition of the Shares (expressed as a price per Share) or (in any other case, including a case where a choice of consideration is offered) the nature of the consideration payable per Share and, in either case, the date on which the consideration would be payable;

- (c) the identity of the Proposed Transferee and (if it is a company or a partnership) the person(s) believed by the Transferring Shareholder(s) to control that company;
- (d) in accordance with Article 31.5 the date on which the offer set out in Article 31.3 is deemed to expire; and
- (e) the date on which the sale is proposed to be made.

- 31.3 The Proposed Transferee's Notice shall be accompanied by a written irrevocable offer by the Proposed Transferee to buy all of the Shares held by each Shareholder other than the Transferring Shareholder(s), together with all the Shares which shall be held by each person other than the Transferring Shareholder(s) who at the date of such offer has rights (whether or not contingent) granted by the Company to acquire Shares and who exercise those rights during the period for which the offer remains open for acceptance, such Shareholders and other persons being referred to in these Articles as Remaining Shareholders.
- 31.4 The price per Share offered by the Proposed Transferee to the Remaining Shareholders shall be calculated on the basis that the grossed up aggregated consideration paid or payable by the Proposed Transferee (calculated on the basis that he is acquiring the entire issued and to be issued share capital) shall be allocated amongst each class of Share in accordance with the provisions of Article 18.7 to 18.9 together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Transferring Shareholders which can reasonably be regarded as an addition to the price.
- 31.5 The offer referred to in Article 31.3 shall remain open for acceptance for not less than 10 Business Days after the date of the Proposed Transferee's Notice and shall provide for the purchase of any Shares to which it relates to be completed at the same time as the purchase of the Shares held by the Transferring Shareholder(s), which may not be earlier than five Business Days after the end of the period within which the offer is open for acceptance.
- 31.6 Any Remaining Shareholder may, within the period during which the offer referred to in Article 31.4 remains open for acceptance, notify the Transferring Shareholder(s) and the Proposed Transferee in writing that it wishes to accept that offer.
- 31.7 If the Proposed Transferee does not, at the same time set out in its offer for completion of the purchase of any Shares, buy the relevant number of Shares in respect of which notice has been given by a Remaining Shareholder under Article 31.6, no Transferring Shareholder may sell any of the Shares registered in its name to the Proposed Transferee and the Directors shall refuse to register any transfer prohibited by this Article 31. The provisions of this Article 31 shall not apply where the transfer which would otherwise cause this article to apply is made by the Transferring Shareholder pursuant to Article 32 (Compulsory Transfers).
- 31.8 Transfers of shares by the Remaining Shareholders in accordance with this Article 31 are not subject to the provisions of Article 29 (Pre-emption on transfer of Shares).

## **32 Compulsory transfers**

- 32.1 If any of the events set out in Article 32.2 (**Compulsory Transfer Events**) happen to a Shareholder (in this Article, the **Seller**), then the Board may, without prejudice to any other rights or remedies which they may have, at any time within 12 months of becoming aware of the Compulsory Transfer Event, serve written notice (**Default Notice**) on the Seller and the Company in respect of all Relevant Shares relating to the Seller (**Compulsory Transfer Shares**) notifying them that the event is a Compulsory Transfer Event in respect of that Seller. A Transfer Notice served in respect of any of the Compulsory Transfer Shares before the date of the Compulsory Transfer Event shall automatically lapse.
- 32.2 A Compulsory Transfer Event shall occur where:
- (a) a Shareholder dies; or

- (b) a Shareholder or any Permitted Transferee of a Shareholder holding Shares:
- (i) is adjudicated bankrupt or makes a voluntary arrangement or composition with his creditors; or
  - (ii) becomes permanently incapacitated, such incapacity, in the reasonable opinion of the Board, being sufficiently serious to prevent him from carrying out his normal duties; or
  - (iii) being an employee or director of, or a consultant to, a Group Company, ceasing to be such an employee, director or consultant (including where such cessation occurs as a result of a Group Company ceasing to be a Group Company) where the Member does not remain, or immediately thereupon become, an employee or director of, or a consultant to, another Group Company; or
  - (iv) materially breaches any provision of these Articles or any Relevant Agreement which breach has not been remedied to the reasonable satisfaction of the Board; or
  - (v) materially breaches any provision of any employment agreement or consultancy agreement which breach has not been remedied to the reasonable satisfaction of the Board; or
  - (vi) is found guilty by a court or any authority of competent jurisdiction of any serious arrestable criminal offence.
- (c) any of the following occur in respect of a Shareholder:
- (i) the passing of a resolution for the liquidation of the Shareholder other than a solvent liquidation for the purpose of the reconstructions or amalgamation of all or part of the Shareholder's group (the structure of which has been previously approved by the other shareholders in the Company in writing) in which a new company assumes (and is capable of assuming) all the obligations of the Shareholder; or
  - (ii) the presentation at court by any competent person of a petition for the winding up of the Shareholder; or
  - (iii) a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the Shareholder; or
  - (iv) the issue at court by any competent person of a notice of intention to appoint an administrator to the Shareholder, a notice of appointment of an administrator to the Shareholder or an application for an administration order in respect of the Shareholder; or
  - (v) the appointment of a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the Shareholder; or
  - (vi) any change in the ultimate beneficial owner of the Shareholder; or
  - (vii) the death of an ultimate beneficial owner of the Shareholder;
  - (viii) where the Shareholder is a trustee holding the Shares for the benefit of a beneficiary, any change in the beneficiary of such trust;
  - (ix) the appointment of any new directors or officers of the Shareholder (save where such appointment has been approved in advance by a Specified Majority);

- (x) the removal of any director or officer of the Shareholder (save where such appointment has been approved in advance by a Specified Majority);
- (xi) any person enforcing any charge created over any shares held by the Shareholder in the Company; or
- (xii) a process having been instituted that will lead to the Shareholder being dissolved and its assets being distributed among the Shareholder's creditors, shareholders or other contributors; or
- (xiii) in the case of the events set out in Articles 32.2(c)(i), (ii) or (iv) or (v) above, any competent person taking any analogous step in any jurisdiction in which the Shareholder operates, is present or carries on business; or

32.3 If a Shareholder becomes aware of any event which gives rise to, or which may with the passing of time give rise to, a Compulsory Transfer Event, that Shareholder shall forthwith give notice thereof to the Directors and the other Shareholders.

32.4 Upon service of a Default Notice the Seller (and if relevant any of his Permitted Transferees, Representatives or assigns) (collectively such parties being the Relevant Shareholders) shall be deemed to have served a Transfer Notice in respect of all the Compulsory Transfer Shares then held by each of them respectively. Such deemed Transfer Notice shall be deemed to have been served on the same date that the relevant Default Notice is served and shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares

32.5 If the Seller (or any of his Permitted Transferees if they hold shares in the Company) fails to complete the transfer of shares required under this Article, the Company:

- (a) is irrevocably authorised to appoint any person as agent to transfer the Compulsory Transfer Shares on the Seller's behalf (or on behalf of the Seller's Permitted Transferees if they hold shares in the Company) and to do anything else that the Buyer may reasonably require to complete the sale; and
- (b) may receive the purchase price in trust for the Seller (or his Permitted Transferees), giving a receipt that shall discharge the Buyer.

32.6 For the avoidance of doubt, the Seller shall have no ability to revoke any Transfer Notice or deemed Transfer Notice served under this Article 32 without the consent of all of the Board.

32.7 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of Article 29 as if the Compulsory Transfer Shares were Sale Shares except that notwithstanding any other provisions of these Articles, the Transfer Price in respect of Compulsory Transfer Shares shall:

- (a) in the event that the Compulsory Transfer Event falls within Article 32.2(a), 32.2(b)(i) or 32.2(b)(ii), be the aggregate Market Value of such Compulsory Transfer Shares; and

- (b) in the event that the Compulsory Transfer Event falls within Article 32.2(b)(iii), be:
  - (i) if the Shareholder is a Good Leaver, the aggregate Market Value of such Compulsory Transfer Shares;
  - (ii) if the Shareholder is a Bad Leaver, restricted to the lower of the aggregate Issue Price of such Compulsory Transfer Shares and the aggregate Market Value of such Compulsory Transfer Shares;
- (c) in the event that the Compulsory Transfer Event falls within Article 32.2(b)(iv) to 32.2(b)(vi) (inclusive), or within Article 32.2(c), be restricted to the lower of the aggregate Issue Price of such Compulsory Transfer Shares and the aggregate Market Value of such Compulsory Transfer Shares.

32.8 Forthwith upon service of a Default Notice:

- (a) no New Securities shall be issued or required to be offered under any provision of these Articles to the Relevant Shareholders;
- (b) no Sale Shares shall be required to be offered under any provision of these Articles to the Relevant Shareholders;
- (c) the Relevant Shareholders shall forthwith cease to be required in order to form a quorum at meetings of Shareholders or to be entitled to exercise any voting rights in respect of the Shares registered in their name;
- (d) the Compulsory Transfer Shares shall cease to be entitled to receive dividends or other distributions otherwise attaching to those Shares;
- (e) any Director appointed by a Relevant Shareholder shall forthwith cease to be required in order to form a quorum at any meeting of the Directors or to be entitled to exercise any vote at any such meeting; and
- (f) save as set out in this Article 32, a Relevant Shareholder may not sell or dispose of its Shares or any interest in them.

The Directors (other than the Seller) may reinstate the rights referred to in Article 32.8 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to this Article 32 on completion of such transfer.

Transfers pursuant to a Loan Agreement

32.9 Forthwith upon the occurrence of an Event of Default under the Loan Agreement;

- (a) no New Securities shall be issued or required to be offered under any provision of these Articles to the Borrower;
- (b) no Sale Shares shall be required to be offered under any provision of these Articles to the Borrower;
- (c) the Borrower shall forthwith cease to be required in order to form a quorum at meetings of Shareholders or to be entitled to exercise any voting rights in respect of the Shares registered in their name;
- (d) the Borrower Shares shall cease to be entitled to receive dividends or other distributions otherwise attaching to those Shares;

- (e) any Director appointed by a Borrower shall forthwith cease to be required in order to form a quorum at any meeting of the Directors or to be entitled to exercise any vote at any such meeting; and
- (f) save as set out in this Article 32, a Borrower may not sell or dispose of its Shares or any interest in them.

The Directors (other than the Borrower) may reinstate the rights referred to in Article 32.9 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to this Article 32 on completion of such transfer.

- 32.10 If a Borrower does not fulfil his obligations under a Loan Agreement (for any reason) he irrevocably agrees to the Company or a relevant Group Company selling Borrower Shares on behalf of the Borrower to satisfy the remaining amount of a Loan (after deduction of brokerage and any other charges or taxes on the sale). The Borrower hereby irrevocably agrees that the net proceeds of sale of those withheld Borrower Shares can be used to discharge an amount equal to the outstanding amount of the Loan.
- 32.11 The price payable for any Borrower Shares transferred pursuant to Article 32.10 shall:
  - (a) if the Borrower is either a Good Leaver or a Bad Leaver, be determined in accordance with the Article 32.7; and
  - (b) in any other event shall be equal to the price per share that the Borrower paid for the Borrower Shares.
- 32.12 The number of Borrower Shares to be transferred pursuant to this Article shall be rounded up to the nearest whole number of Borrower Shares so as to achieve the full satisfaction of the outstanding amount of the Loan. Following such rounding, any surplus net sale proceeds shall be returned to the Borrower.
- 32.13 The Borrower appoints the Company (acting by any of its directors from time to time) as his agent and attorney to sell Borrower Shares as specified in this Article and deal with the proceeds of sale. The Company is able to nominate a purchaser of its choice, which may include the Company itself, any other Board Invitee or any other party and such Borrower Shares do not need to be offered in accordance with the pre-emption procedure in Article 29.
- 32.14 The Company may appoint one or more persons to act as substitute agent(s) and attorney(s) for the Borrower and to exercise one or more of the powers conferred on the Company (or Group Company) by this clause. The Company may subsequently revoke any such appointment.
- 32.15 The power of attorney in Articles 32.13 and 32.14 is irrevocable, save with the consent of the Company or a Group Company, and is given by way of security to secure the interest of the Company (for itself and as trustee under the Loan Agreement on behalf of any relevant Group Company) in respect of the Loan.
- 32.16 To enable the Company to effect the sale envisaged in Article 32.10, the Borrower irrevocably agrees that he will, within 5 Business Days of a demand by the Company:
  - (a) deposit with the Company share certificates that the Borrower has a good right to deposit and transfer, free from any option, lien, charge or encumbrance in sufficient quantities to enable the Company to satisfy all outstanding amounts of the Loan; and
  - (b) give to the Company such other documents as the Company may require (duly executed by the Borrower) to enable the Company to sell the Shares.

#### **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **33 Procedure for declaring dividends**

- 33.1 Subject to the provisions of the Act (as amended from time to time and any Relevant Agreement), the Company acting with Specified Consent may, upon the recommendation of the Directors, declare an interim or final dividend but in each case no dividend shall exceed the amount recommended by the Directors in respect of that class of share.
- 33.2 Where any dividend is declared, the Directors may direct that such dividend be paid in respect of one or more classes of shares to the exclusion of any other class or classes, or in respect of all classes of shares. For the avoidance of doubt any such dividend shall require the authorisation of the Company acting with Specified Consent.
- 33.3 Where a dividend is declared in respect of two or more classes of shares the Company may, by the consent of a Specified Majority, differentiate between the classes as to the amount of percentage of dividend payable, but in default the shares in each such classes shall be deemed to rank *pari passu* in all respects as if they constituted one class of shares.
- 33.4 If the Directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### **34 Payment of dividends and other distributions**

- 34.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:
- (a) transfer to a bank or building society account specified by the distribution recipient in writing;
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing;
  - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
  - (d) any other means of payment as the Directors agree with the distribution recipient in writing.
- 34.2 In the Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:
- (a) the holder of the Share; or
  - (b) if the Share has two or more joint holders, whichever of them is named first in the register of shareholders; or
  - (c) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree.

### **35 No interest on distributions**

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

- (a) the terms on which the Share was issued; or
- (b) the provisions of a Relevant Agreement.

### **36 Unclaimed distributions**

36.1 All dividends or other sums which are:

- (a) payable in respect of Shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

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

36.3 If:

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

### **37 Non-cash distributions**

37.1 Subject to the terms of issue of the share in question, the Company acting with Specified Consent may decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

37.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and (c) vesting any assets in trustees,

provided that in any case any such dividend is approved with Specified Consent.

### **38 Waiver of distributions**

38.1 Subject to Article 38.2, distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:

- (a) the share has more than one holder; or
- (b) (more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

38.2 Notice in writing waiving an entitlement to a dividend or other distribution pursuant to Article 38.1 shall be in a form agreed with the Company.

## **CAPITALISATION OF PROFITS**

**39 Authority to capitalise and appropriation of capitalised sums**

39.1 Subject to the other provisions in the Articles or any Relevant Agreement, the Directors may:

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (capitalised sum) to the persons who would have been entitled to it if it were distributed by way of dividend (persons entitled) and in the same proportions.

39.2 Capitalised sums must be applied:

- (a) on behalf of the persons entitled; and
- (b) in the same proportions as a dividend would have been distributed to them.

39.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

39.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

39.5 Subject to the other provisions in the Articles the Directors may:

- (a) apply capitalised sums in accordance with Articles 39.3 and 39.4 partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article.

**PART 4**  
**DECISION-MAKING BY SHAREHOLDERS ORGANISATION**  
**OF GENERAL MEETINGS**

**40 Attendance and speaking at general meetings**

- 40.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 40.2 A person is able to exercise the right to vote at a general meeting when:
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 40.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 40.4 In determining attendance at a general meeting, it is immaterial whether any two or more Shareholders attending it are in the same place as each other.
- 40.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

**41 General meetings**

- 41.1 No business other than, subject to Article 41.2, the appointment of the Chairman of the Meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 41.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the Chairman of the Meeting must be the first business of the meeting.

**42 Attendance and speaking by Directors and non-shareholders**

- 42.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.
- 42.2 The Chairman of the Meeting may permit other persons who are not: (a)
- (a) Shareholders of the Company; or
  - (b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings;
  - (c) to attend and speak at a general meeting.

#### **43 Adjournment**

- 43.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, The Chairman of the Meeting must adjourn it.
- 43.2 The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if:
- (a) the meeting consents to an adjournment, or
  - (b) it appears to the Chairman of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 43.3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting.
- 43.4 When adjourning a general meeting, the Chairman of the Meeting must:
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 43.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.
- 43.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

#### **VOTING AT GENERAL MEETINGS**

##### **44 Voting: general**

- 44.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.
- 44.2 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 44.3 As regards voting, subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the Articles, on a show of hands every Member who is present in person or (being a corporation) is present by a representative shall have one vote and on a poll every Member who is present in person or by a proxy or (being a corporation) is present by a representative shall (except as hereinafter provided) have one vote for every Share in the capital of the Company of which he is the holder.

## **45 Errors and disputes**

45.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

45.2 Any such objection must be referred to the Chairman of the Meeting; whose decision is final.

## **46 Poll votes**

46.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

46.2 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.

46.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the Chairman of the Meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

46.4 Polls must be taken immediately and in such manner as the Chairman of the Meeting directs.

## **47 Content of proxy notices**

47.1 Proxies may only validly be appointed by a notice in writing (proxy notice) which:

- (a) states the name and address of the Shareholder appointing the proxy;
- (b) identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
- (d) 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 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.

47.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

47.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

47.4 Unless a proxy notice indicates otherwise, it must be treated as:

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

#### **48 Delivery of proxy notices**

- 48.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 48.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 48.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 48.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the Appointor's behalf.

#### **49 Amendments to resolutions**

- 49.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine); and
  - (b) the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.
- 49.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
  - (a) the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 49.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **50 Notices**

50.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article 50.1, no account shall be taken of any part of a day that is not a working day.

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

#### **51 Indemnity and insurance**

51.1 Subject to Article 51.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (a) 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 in the actual or purported execution and/or discharge of his duties, or in relation thereto, 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 other Group 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 51.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

51.2 This Article 51 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.

51.3 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.

51.4 In this Article 51:

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

## **52 Purchase of Shares**

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of:

- (a) £15,000; and
- (b) the value of 5% of the Company's share capital.