

Company number. 03834015

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

BIG OZ INDUSTRIES LIMITED (the Company)

PASSED ON 13<sup>th</sup> September 2016

The following resolutions were duly passed on the date set out above as written ordinary and special resolutions (as indicated) of the Company pursuant to Chapter 2 of Part 13 of the Companies Act 2006

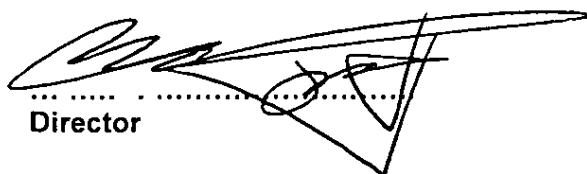
ORDINARY RESOLUTION

- 1 A) **THAT** the Directors are generally and unconditionally authorised for the purposes of sections 549 and 551 of the Act to exercise all the powers of the Company to allot shares in the Company and/or to grant rights to subscribe for, or to convert any security into shares in the Company on and subject to such terms as the Directors may determine. The authority hereby conferred shall, subject to section 551 of the Act, be for a period expiring on the fifth anniversary of the date of this Resolution unless renewed, varied or revoked by the Company in General Meeting and shall supersede any other such authorities existing at the date hereof all of which are hereby revoked. The maximum nominal amount of shares that may be allotted pursuant to such authority shall be £250,000.

B) **THAT** the Directors shall be entitled under the authority conferred by paragraph (A) of this Resolution or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require shares of the Company to be allotted after the expiry of such authority and the Directors may allot shares or grant rights to subscribe for or to convert any security into shares in pursuance of such offer or agreement notwithstanding the authority conferred by this resolution has expired.

SPECIAL RESOLUTION

- 2 **THAT** the articles of association in the form attached to these Written Resolutions be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing articles of association of the Company with immediate effect.

  
.....  
Director

FRIDAY



A30 16/09/2016 #192  
COMPANIES HOUSE

**Company Number: 03834015**

**THE COMPANIES ACTS 1985 AND 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION  
OF  
BIG OZ INDUSTRIES LIMITED**



**PENNINGTONS  
MANCHES**

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THE COMPANIES ACTS 1985 AND 2006  
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BIG OZ INDUSTRIES LIMITED

(Adopted by written special resolution passed on 13 September 2016)

1. Application of Model Articles

- 1.1 The Model Articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the adoption of these Articles (**Model Articles**) shall apply to the Company, except insofar as they are varied or excluded by, or are inconsistent with, the following Articles
- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles, unless the context otherwise requires, shall have the same meanings in these Articles.
- 1.3 Articles 7, 8, 9, 10, 11, 12, 13, 14, 17(1), 18, 26(5), 45(1)(d), 52 and 53 of the Model Articles shall not apply to the Company
- 1.4 The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) shall not apply to the Company

2. Interpretation

- 2.1 In these Articles, unless the context otherwise requires, the following words have the following meanings

**Acting in Concert** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers for the time being in force,

**Address** includes a number or address used for the purposes of sending or receiving documents or information by electronic means;

**A Ordinary Shares** means the A ordinary shares of £1 each in the capital of the Company,

**Authenticated** means (subject to section 1146 of the Companies Act) authenticated in such manner as the Board may in its absolute discretion determine,

**Board** means the board of Directors from time to time and any committee of such board constituted for the purpose of taking any action or decision contemplated by these Articles,

**B Ordinary Shares** means the B ordinary shares of £1 each in the capital of the Company,

**Business Day** means a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for the transaction of non-automated banking business,

**Chairman** has the meaning given in Article 14.6,

**Companies Act** means the Companies Act 2006 (as amended, consolidated and restated from time to time),

**Connected Persons** has the meaning given in sections 993 and 994 of ITA 2007 and connected with shall be construed accordingly,

**Controlling Interest** means an interest in Shares giving to the holder or holders of Shares control of the Company within the meaning of section 995 of ITA 2007,

**Director** means a director of the Company from time to time,

**Document** includes summons, notice, order or other legal process and registers,

**Electronic form** and **electronic means** have the meanings given to them in section 1168 of the Companies Act,

**Family Trusts** in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder and/or his Privileged Relations,

**Group** means the Company and any Member of the Same Group as the Company and Group Company shall be construed accordingly,

**Holding company** has the meaning given to it in the Companies Act,

**Hurdle Shares** means the hurdle shares of £1 each in the capital of the Company;

**Hurdle Value** means an amount equal to or greater than twice the pre-money valuation of the Company applicable on a Series A Funding or, if no Series A Funding completes on or before 30 June 2017, means £3,000,000,

**IPO** means the admission of all or any of the Shares or securities representing those shares (including without limitation depository interests, American depository receipts, American depository shares and/or other instruments) on NASDAQ or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

**ITA 2007** means the Income Tax Act 2007,

**Leaver** means a person who ceases or has ceased to be a director or employee of, or consultant to (either directly or through an intermediate party), the Company (or any other Group Company) and does not continue as, or become, a director or employee of, or consultant (either directly or through an intermediate party) to the Company or any Group Company,

**Member of the Same Group** as regards any company, a subsidiary of that company, a company which is from time to time its holding company, and any other subsidiary of any such holding company,

**New Securities** means any Shares or other securities convertible into, or carrying the right to subscribe for those Shares, issued by the Company after the date on which these Articles are adopted, including any Treasury Shares sold or transferred by the Company after the date on which these Articles are adopted,

**Non-Qualifying IPO** means an IPO which is not a Qualifying IPO,

**Ordinary Shares** means the A Ordinary Shares and the B Ordinary Shares;

**Qualifying IPO** means an IPO in which the issue price per Ordinary Share issued at the time of such IPO is not less than the Hurdle Value divided by the number of Ordinary Shares in issue immediately prior to completion of such IPO,

**Participate** in relation to a Board meeting, has the meaning given in Article 14 4,

**Permitted Transfer** means a transfer of Shares in accordance with Article 8,

**Permitted Transferee** means in relation to a Shareholder

- (i) who is an individual, any of his Privileged Relations, Family Trusts or the trustees of those Family Trusts; or
- (ii) that is a company, any Member of the Same Group, or
- (iii) any other transferee of Shares where the transfer is permitted by virtue of the provisions of Articles 8 1 to 8 7,

**Privileged Relation** means the spouse, civil partner, widow or widower of a Shareholder and the Shareholder's children and grandchildren (including step and adopted children), and step and adopted children of the Shareholder's children,

**Proceeds of Sale** means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale after the deduction of any fees, costs and expenses payable by the Company or the Shareholders from such consideration in respect of such Share Sale,

**Realisation Price** means the value of each Ordinary Share (excluding Treasury Shares) in issue immediately prior to an IPO, determined by reference to the price per share at which Ordinary Shares are to be offered for sale, placed or otherwise marketed pursuant to such IPO,

**Sale Shares** means the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice,

**Seller** means the transferor of Shares pursuant to a Transfer Notice or Deemed Transfer Notice,

**Series A Funding** means an equity funding transaction (or transactions) pursuant to in which the Company raises a minimum of £1,000,000 in aggregate pursuant to the issue of any Share or other equity security to subscribers or investors completing on or before 30 June 2017,

**Shareholder** means a holder of Shares (but excluding the Company as the holder of any Treasury Shares),

**Shares** means shares in the capital of the Company from time to time,

**Share Sale** means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale,

**Subsidiary** shall have the meaning given to it in the Companies Act and a company shall be treated, for the purposes only of the membership requirement contained in subsection 1159(1)(b) and (c) of the Companies Act, as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee,

**Termination Date** means

- (i) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,
- (ii) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,
- (iii) where a holder of Hurdle Shares dies, the date of his death,
- (iv) where a holder of Hurdle Shares is a Director but not an employee, the date on which he ceases to be a Director,
- (v) where a holder of Hurdle Shares is a consultant (either directly or through an intermediate party), the date on which the consultancy arrangements in respect of him are terminated,

and in any other case, the date on which the employment agreement is terminated,

**Transfer Notice** means a notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any Shares. Where such notice is, in accordance with these Articles, deemed to have been served, it shall be referred to as a Deemed Transfer Notice,

**Transfer Price** means such price per Sale Share (i) as is agreed in writing by the Seller and the Board or, in the absence of agreement within 20 Business Days of service of the Transfer Notice, (or, in the case of a Deemed Transfer Notice, within 20 Business Days of the date on which the Board first has knowledge of the facts giving rise to the service of such a notice), or (ii) such price as is determined in accordance with Article 7, or (iii) as specified in Article 9 1 (as the case may be),

**Treasury Shares** means Shares held by the Company as treasury shares, from time to time, within the meaning set out in section 724(5) of the Companies Act,

**Valuer** means such firm of chartered accountants in England and Wales as is appointed in accordance with Articles 7 1 and 7 2, and

**Writing or written** means printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words, symbols or other

information in a legible and non-transitory form, including (subject to the provisions of the Companies Act) in electronic form

2 2 References to the bankruptcy or insolvency of a person or the appointment of a liquidator, administrator or administrative receiver, or entry into compositions or arrangements with creditors shall include any analogous events or proceedings in any relevant jurisdiction

2 3 References to a person include a natural person, body corporate or unincorporated body as the context requires

2 4 References to **Shares in issue** or **issued share capital** shall, unless stated otherwise, exclude any Treasury Shares.

2 5 References to the **holder** or **holders** of Shares shall, unless stated otherwise, exclude the Company holding Treasury Shares.

### 3. **Share Capital**

3 1 The share capital of the Company at the date of adoption of these Articles consists of A Ordinary Shares, B Ordinary Shares and Hurdle Shares

3.2 Except as otherwise provided in these Articles, the A Ordinary Shares, B Ordinary Shares and Hurdle Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares

3 3 The A Ordinary Shares shall confer on each holder of A Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company. Holders of B Ordinary Shares and Hurdle Shares shall have no right to receive notice of or to attend, speak or vote at any general meetings of the Company or to receive and vote on proposed written resolutions of the Company

3 4 The profits of the Company which are resolved to be divided amongst the members in any year shall be applied in paying to the holders of the respective classes of Shares dividends at such respective rates (if any) as the Company in general meeting shall determine and so that a dividend or dividends may be declared on one or several classes of Shares to the exclusion of any class or classes and that dividends at different rates may be declared on one or several classes of Shares, save that dividends may not be declared on Hurdle Shares. The directors may pay an interim dividend or dividends on one or several classes of Shares to the exclusion of any class or classes and may pay interim dividends at different rates on the respective classes of Shares, save that interim dividends may not be declared on Hurdle Shares

3.5 If on a return of assets on liquidation, capital reduction or other return of capital (other than a conversion, redemption or purchase of Shares) the assets of the Company remaining after the payment of its liabilities (**Surplus Assets**) are

3 5 1 less than the Hurdle Value, the Surplus Assets shall be applied (to the extent that the Company is lawfully able to do so) among the Shareholders *pro rata* to the aggregate number of A Ordinary Shares, B Ordinary Shares and Hurdle Shares held by them as if they all constituted Shares of the same class,



3.5.2 equal to or more than the Hurdle Value

- (i) 5% of the Surplus Assets shall be distributed (to the extent that the Company is lawfully able to do so) among the holders of the Hurdle Shares pro rata to the aggregate number of Hurdle Shares held by them and the Hurdle Shares shall thereafter have no further rights to any further distribution of capital, dividend or otherwise, and
- (ii) 95% of the Surplus Assets shall be distributed (to the extent that the Company is lawfully able to do so) among the holders of the A Ordinary Shares and B Ordinary Shares pro rata to the aggregate number of A Ordinary Shares and B Ordinary Shares held by them

3.6 If on a Share Sale the Proceeds of Sale are

3.6.1 less than the Hurdle Value, the Proceeds of Sale shall be distributed among the Shareholders pro rata to the aggregate number of A Ordinary Shares and B Ordinary Shares sold as if they all constituted Shares of the same class (and for the avoidance of doubt, no Proceeds of Sale shall be distributed in respect of the Hurdle Shares),

3.6.2 equal to or more than the Hurdle Value

- (i) 5% of the Proceeds of Sale shall be distributed among the holders of the Hurdle Shares pro rata to the aggregate number of Hurdle Shares held by them and the Hurdle Shares shall thereafter have no further rights to any further distribution of capital, dividend or otherwise other than pursuant to Article 3.7, and
- (ii) 95% of the Proceeds of Sale shall be distributed among the holders of the A Ordinary Shares and B Ordinary Shares pro rata to the aggregate number of A Ordinary Shares and B Ordinary Shares held and sold by them

3.7 The directors shall not register any transfer of Shares if the Proceeds of Sale are not distributed in the manner set out in Article 3.6 save in respect of any Ordinary Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety on completion of the Share Sale

- (i) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in accordance with Article 3.6, and
- (ii) the Shareholders shall take any action required by the Board to ensure that the Proceeds of Sale in their entirety are distributed in accordance with Article 3.6

3.8 Immediately prior to a non-Qualifying IPO, in respect of any Hurdle Shares, the relevant holder of such Hurdle Shares shall transfer such shares at par value immediately prior to such non-Qualifying IPO at the absolute discretion of the Board to any director(s), Shareholder(s) or employee(s) of the Company as the Board shall determine, and if a relevant holder of Hurdle Shares fails to transfer his relevant Hurdle Shares in accordance with the provisions of this Article 3.8, the relevant holder of Hurdle Shares shall be deemed to appoint any person nominated for such purpose by the Board to be his agent to execute all necessary documents to give

effect to such provisions

- 3 9 Immediately prior to a Qualifying IPO the Company shall reorganise its share capital (including by allotting additional Ordinary Shares) so that the holders of Shares listed in such IPO will be entitled to the same proportion of the market capitalisation of the Company as if the Shares so listed had been sold at the Realisation Price and the proceeds of such sale been distributed under the provisions of Article 3 6.2 Any allotment shall be conditional upon completion of the Qualifying IPO, when any allotted Shares shall be issued
- 3 10 The additional Ordinary Shares referred to in Article 3.9 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and those additional Ordinary Shares shall be issued at par fully paid
- 3 11 The capitalisation referred to in Article 3 10 shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with this Article 3 If the Company is not legally permitted to carry out such capitalisation the holders of the Hurdle Shares shall be entitled to subscribe in cash at par for that number of additional Ordinary Shares as would otherwise have been issued pursuant to Article 3 9 To the extent that there is insufficient share capital to effect the said issue the Directors shall procure (so far as they are able) that the Company's share capital is increased to the extent necessary to permit the issue required and all Shareholders shall vote in favour of the necessary resolutions to effect the increase

#### **4. Further issues of Shares and pre-emption**

- 4 1 Subject to the remaining provisions of this Article 4, the Directors are generally and unconditionally authorised, for the purpose of section 551 of the Companies Act, to exercise any power of the Company to offer, allot or grant rights to subscribe for, or convert securities into, or otherwise deal in, or dispose of, any Shares to any person, at any time and subject to any terms and conditions as the Directors think proper
- 4 2 In accordance with sections 567 and 573 of the Companies Act, sections 561 and 562 (inclusive) of the Companies Act shall not apply to the allotment by the Company of equity securities (and for the avoidance of doubt, the term allotment of equity securities includes the sale of Shares that, immediately before such sale, were held by the Company as Treasury Shares)
- 4 3 Save as provided in Article 4 5, unless otherwise agreed by holders of at least 75% of the A Ordinary Shares, if the Company proposes to allot any New Securities, those New Securities shall not be allotted to any person unless the Company has first offered them to all holders of A Ordinary Shares (other than any holder of A Ordinary Shares who at that time is required to give a Transfer Notice in accordance with these Articles or who is deemed to have given a Transfer Notice under these Articles) on the same terms, and at the same price, as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders of A Ordinary Shares (as nearly as possible without involving fractions) Such offer

4.3 1 shall be in writing, and give details of the number and subscription price of

the New Securities and shall stipulate a period during which the offer is open for acceptance which shall be not less than 15 Business Days from the date of such offer, and

- 4 3 2 may stipulate that any holder of A Ordinary Shares who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall, in his acceptance, state the number of excess New Securities (**Excess Securities**) for which they wish to subscribe
- 4 4 Any New Securities not accepted by holders of A Ordinary Shares pursuant to the offer made to them in accordance with Article 4 3 shall be used for satisfying any requests for Excess Securities made pursuant to Article 4 3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of A Ordinary Shares held by the applicants immediately before the offer was made to Shareholders in accordance with Article 4 3 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any holder of A Ordinary Shares beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the Directors may determine, at the same price and on the same terms as the offer to the holders of A Ordinary Shares
- 4 5 The pre-emption provisions contained in Articles 4 3 to 4 4 shall apply to a sale or transfer of Treasury Shares as permitted by section 727(1)(a) or 727(1)(b) of the Companies Act and for the purposes of Articles 4 3, 4 4 and 4 6 references to an **allotment** or **issue** of New Securities shall include the sale or transfer of Treasury Shares (and related terms such as **allot** or **allotted** or **issued** shall be construed accordingly)
- 4 6 The pre-emption provisions contained in Articles 4 3 to 4 4 shall not apply to the allotment of bonus shares
- 5. Transfer of Shares**
- 5.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share or the renunciation or assignment of any rights to receive or subscribe for that Share, and reference to a Share includes a beneficial or other interest in a Share
- 5 2 No Share may be transferred unless the transfer is made in accordance with these Articles
- 5 3 Notwithstanding any other provision of these Articles, Hurdle Shares may only be transferred in accordance with Article 8 (Permitted Transfers), Article 9 (Compulsory Transfers), Article 10 (Mandatory Offer) or Article 11 (Drag Along)
- 5 4 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have served a Transfer Notice immediately in respect of all Shares held by him
- 5 5 Any transfer of a Share by way of sale that is required to be made under these Articles shall be deemed to include a warranty that the transferor sells the Share with full title guarantee

5 6 The Directors may refuse to register a transfer

5 6 1 of a Share unless it is lodged at the office or at such other place as the Directors may appoint and is accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,

5 6 2 in favour of more than four transferees,

5 6 3 of a Share to a bankrupt, a minor or a person of unsound mind, or

5 6.4 of a Share to an employee, Director or prospective employee or prospective director of a Group Company who, in the opinion of the Board, is subject to taxation in the United Kingdom, where that person has not entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

5 7 The Directors may, as a condition to the registration of any transfer of any Share, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) If any condition is imposed in accordance with this Article 5 7, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

5 8 To enable the Directors to determine whether or not there has been any transfer of a Share in breach of these Articles, the Directors may require any holder, or the legal personal representatives of any deceased holder, or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to provide the Company with any information and evidence that the Directors request regarding any matter which they deem relevant to that purpose If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares in writing of that fact and the following shall occur

5 8 1 the relevant Shares shall cease to confer any rights to vote or to receive dividends or other distributions otherwise attaching to those Shares or to any further shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant holder, and

5 8.2 the holder may be required at any time following receipt of the notice, to transfer some or all of his Shares to any person(s) at the price that the Directors may require by notice in writing to that holder

5 9 The rights referred to in Article 5 8 1 may be reinstated by the Directors at such time as they think fit or, if earlier, shall be reinstated on the completion of any transfer referred to in Article 5 8 2

5 10 Where these Articles or the Directors require (in accordance with these Articles) a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within 10 Business Days of demand being made by the Directors, a Transfer Notice shall be deemed to have been given at the end of that period. A Transfer Notice that is required to be given or is deemed to have been given under these Articles shall be treated as having specified that

5 10 1 there is no Minimum Transfer Condition (as defined in Article 6 2 4), and

5 10 2 the Seller wishes to transfer all of the Shares held by him at the Transfer Price

## **6. Pre-emption Rights**

6 1 Except where the provisions of Article 8 (Permitted Transfers) and Article 11 (Drag Along) apply and subject to the provisions in Article 9 (Compulsory Transfers) and Article 10 (Mandatory Offer), any transfer of Shares by a Shareholder (excluding, for the avoidance of doubt, any transfer or sale of Treasury Shares) shall be subject to the pre-emption rights in this Article 6.

6 2 A Seller shall, before transferring or agreeing to transfer any Shares, give a Transfer Notice to the Company specifying

6 2 1 the number of Sale Shares he wishes to sell,

6 2.2 if he so elects to specify, the price (in cash) at which he wishes to transfer the Sale Shares,

6.2.3 if he wishes to sell the Sale Shares to a third party, the name of, and cash price offered by, the proposed transferee who has indicated a willingness to purchase the Sale Shares together with details of such other material terms of the proposed sale as the Seller shall reasonably deem appropriate, and

6 2 4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold (**Minimum Transfer Condition**) and in the absence of being so specified, the Transfer Notice shall be deemed not to include a Minimum Transfer Condition

6 3 Except as provided in Article 7 8, once given (or deemed to have been given under these Articles), a Transfer Notice and Deemed Transfer Notice may not be withdrawn or varied.

6 4 A Transfer Notice and a Deemed Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares in the manner prescribed by these Articles and at the Transfer Price

6 5 If no price for the Sale Shares has been stipulated by the Seller in the Transfer Notice or if the Board does not agree with any price stipulated by the Seller in the Transfer Notice, the Seller and the Board shall, within 20 Business Days of service of the Transfer Notice, or in the case of a Deemed Transfer Notice, within 20 Business Days of the date on which the Board first has knowledge of the facts giving rise to the service of such a notice, seek to reach agreement as to the Transfer Price. If the Transfer Price has not been agreed within this period, the provisions of Article 7 shall

apply. As soon as practicable and in any event within 20 Business Days following the later of agreement or determination (under Article 7) of the Transfer Price, the Board shall offer the Sale Shares for sale to the holders of A Ordinary Shares (other than the Seller or any other Shareholder who at that time is required to give a Transfer Notice in accordance with these Articles or who is deemed to have given a Transfer Notice under these Articles) (**Continuing Shareholders**) in proportion (as nearly as may be without involving fractions) to the number of A Ordinary Shares then held by them respectively and in the manner set out in Articles 6 6 to 6 11

6 6 Each offer shall be in writing and give details of

6 6 1 the total number of the Sale Shares offered,

6 6 2 the Transfer Price of the Sale Shares offered;

6 6 3 any Minimum Transfer Condition,

6 6 4 the number of Sale Shares offered to the Shareholder (**Pro-Rata Entitlement**); and

6 6 5 the period (being not less than 15 Business Days after the date of the offer (inclusive) within which the offer may be accepted (**Offer Period**))

Such offer shall stipulate that any holder of A Ordinary Shares who wishes to buy a number of Sale Shares in excess of their Pro-Rata Entitlement, shall in his acceptance, state the maximum number of surplus Sale Shares (**Surplus Shares**) which they wish to buy. Acceptances of the offer must be in writing and may not be varied or withdrawn

6.7 The Board shall at the end of the Offer Period provisionally allocate the Sale Shares to each Continuing Shareholder who has accepted the offer in the proportion (as nearly as possible without involving fractions) that his existing holding of A Ordinary Shares bears to the total number of A Ordinary Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares and Surplus Sale Shares (if any) which he has stated he is willing to buy

6.8 Any Sale Shares not accepted by Continuing Shareholders shall be used for satisfying any request for Surplus Shares. If there are insufficient Surplus Shares to satisfy such requests, the Surplus Shares shall be allocated to each Continuing Shareholder who has applied for Surplus Shares in the proportion (as nearly as possible without involving fractions) that his existing holding of Shares (including the Sale Shares allocated to him under Article 6 7) bears to the existing holdings of such Shares (including the Sale Shares allocated to them under Article 6 7) held by those Continuing Shareholders who have applied for Surplus Shares

If the number of Surplus Shares applied for is less than the number of Surplus Shares, the Board shall provisionally allocate the Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (**Non-allocated Surplus Shares**) may be allocated to any other person nominated by the Board and otherwise, may be transferred by the Seller in accordance with Article 6 13. If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under

Article 6 7 and this Article 6 8 shall be conditional on the fulfilment of the Minimum Transfer Condition

6 9 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for by Shareholders, or otherwise allocated by the Board, is less than the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been provisionally allocated under Article 6 7 and Article 6 8, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

6 10 If

6 10.1 the Transfer Notice does not include a Minimum Transfer Condition and allocations have been made under Articles 6.7 or 6.8 in respect of some or all of the Sale Shares; or

6 10 2 the Transfer Notice includes a Minimum Transfer Condition and allocations have been made under Articles 6 7 or 6 8 in respect of not less than the number of Sale Shares as specified in the Minimum Transfer Condition,

then the Board shall, within 1 Business Day of the end of the Offer Period, give written notice of allocation (**Allocation Notice**) to the Seller and each Shareholder and to such other person nominated by the Board in accordance with Article 6 8 to whom Sale Shares have been allocated (**Applicant**) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the aggregate price payable therefore and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days but not more than 20 Business Days after the date of the Allocation Notice)

6 11 On the service of an Allocation Notice, the Seller shall be bound to transfer the Sale Shares specified in such Allocation Notice in accordance with the requirements specified in it and the Applicants shall be bound to pay the Transfer Price in accordance with the requirements specified in such Allocation Notice

6 12 If the Seller fails to comply with the requirements of this Article 6

6 12.1 the Chairman of the Company (or, failing him, one of the Directors, or some other person nominated by a resolution of the Board) shall be deemed to be the duly appointed agent of the Seller and may, on behalf of the Seller

(i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants, and

(ii) receive the Transfer Price and give a good discharge for it, and

6 12 2 the Company shall

(i) (subject to the transfer being duly stamped or certified as exempt from stamp duty) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and

(ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or

otherwise hold the Transfer Price on trust for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity for any lost certificate, in a form acceptable to the Board, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

6 13 Subject to the provisions of Articles 6 14 and 6 15, if

6.13 1 the Transfer Notice has lapsed in accordance with Article 6.9, or

6 13.2 if any Sale Shares remain unallocated after having been offered to the Shareholders or otherwise allocated by the Board in accordance with this Article 6, then the Seller may, within 60 Business Days from the end of the Offer Period, transfer the Sale Shares (in the case of a lapsed Transfer Notice) or such number of the Sale Shares as remain unallocated to any person at a price per Sale Share at least equal to the Transfer Price

6 14 The transfer of Sale Shares under Article 6.13 (following the lapse of a Transfer Notice) shall continue to be subject to any Minimum Transfer Condition and if the total number of Shares to be transferred by the Seller in accordance with Article 6 13, is less than the specified Minimum Transfer Condition, then the Seller's right to transfer Shares under Article 6 13 shall cease with immediate effect and no such transfer shall be permitted

6.15 The Seller's right to transfer Shares under Article 6 13 does not apply if the Board reasonably considers that:

6.15 1 the transferee is a person (or a nominee for a person) who the Directors determine, in their absolute discretion, is a competitor with (or a Connected Person of a competitor with) the business of any Group Company; or

6 15 2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or

6 15 3 the Seller has failed or refused to provide promptly information available to him and reasonably requested by the Board to enable it to form any opinion mentioned above

## **7. Valuation**

7 1 If the Transfer Price has not been agreed between the Seller and the Board within 20 Business Days of service of the Transfer Notice or, in the case of a Deemed Transfer Notice, within 20 Business Days of the date on which the Board first has knowledge of the facts giving rise to the service of such a notice, the Board shall within 15 Business Days from the end of such period either

7 1 1 appoint a Valuer, in accordance with Article 7.2, to determine the fair value of the Sale Shares by calculating the fair value of each of the Sale Shares as at the date of service of the Transfer Notice or as at the date a Deemed Transfer Notice is regarded as having been given, as the case may be, or

7 1.2 if the fair value per Share has been determined by a Valuer within the



preceding three months, specify that the fair value of the Sale Shares the subject of the Transfer Notice, or Deemed Transfer Notice, as the case may be, shall be calculated by multiplying such previous fair value per Share by the number of Sale Shares the subject of the Transfer Notice

- 7 2 The Valuer shall be the auditors of the Company from time to time or, if there are no auditors or if they decline to act or if either the Seller (other than a Seller who is required to give a Transfer Notice in accordance with these Articles or who is deemed to have given a Transfer Notice under these Articles) or the Board object to the Company's auditors acting as the Valuer, such other firm of chartered accountants in England and Wales as the Board shall agree with the Seller, such agreement of the Seller not to be unreasonably withheld or delayed (save that it shall not be necessary to obtain the agreement of any Seller who is required to give a Transfer Notice in accordance with these Articles or who is deemed to have given a Transfer Notice under these Articles), or, in default of agreement within such 15 Business Days period as is referred to in Article 7 1, as is appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales) to determine the fair value of the Sale Shares as at the date of service of the Transfer Notice or Deemed Transfer Notice, as the case may be, who shall for all purposes of these Articles be deemed to be the Valuer. The Seller shall co-operate in good faith with the Board with regard to the appointment of the Valuer and the agreement of reasonable terms of appointment of the Valuer.
- 7 3 The fair value of the Sale Shares shall be determined by the Valuer on the assumption that the sale is between a willing seller and a willing buyer without taking any account of whether the Sale Shares comprise a majority or minority interest in the Company.
- 7 4 The Valuer shall be requested to determine the fair value within 20 Business Days of their appointment and notify the Board of their determination. The Board shall furnish a certified copy of such valuation to the Seller.
- 7 5 Subject to any obligations of confidentiality, the Valuer may have access to all accounting records or other relevant documents of the Company.
- 7 6 The Valuer shall act as an expert and not an arbitrator and the Valuer's determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 7 7 The costs of the Valuer shall be borne by the Company and/or the Seller in such proportions as the Valuer shall direct unless the Seller shall, in accordance with Article 7 8, give notice of cancellation of his intention to transfer the Sale Shares in which case the Seller shall bear such costs.
- 7 8 Following the service upon him of the certified copy of the valuation, the Seller shall, (other than in the case of a Deemed Transfer Notice and other than where the Shareholder is required to give a Transfer Notice in accordance with these Articles, where no such right to revoke shall exist) have 10 Business Days in which to revoke the Transfer Notice and cancel the authority of the Company to sell the Sale Shares, such cancellation to be by notice in writing to the Board.

## **8. Permitted Transfers**

- 8 1 Notwithstanding the provisions of Article 6, a Shareholder (the **Original**

**Shareholder)** may transfer, without restriction as to price or otherwise, all or any of his Shares (other than Hurdle Shares) to a Permitted Transferee

- 8 2 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares it holds to

8 2 1 the Original Shareholder, or

8 2 2 a Member of the Same Group as the Original Shareholder,

(which in either case is not bankrupt, in liquidation, receivership or administration nor has entered into a composition or arrangement with creditors generally) failing which a Transfer Notice shall be deemed to have been given immediately on the expiration of the 15 Business Days in respect of such Shares

- 8 3 Where Shares are held by the trustees of a Family Trust, the trustees may transfer Shares to

8 3 1 the Original Shareholder,

8 3 2 another Privileged Relation of the Original Shareholder,

8 3 3 another Family Trust of the Original Shareholder, or

8 3 4 to the new (or remaining) trustees upon a change of trustees of a Family Trust

without restriction as to price or otherwise

- 8 4 If a Permitted Transfer is made to the spouse or civil partner of the Original Shareholder, the Permitted Transferee shall within 15 Business Days of ceasing to be the spouse or civil partner of the Original Shareholder (whether by reason of divorce or otherwise) either

8 4 1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or

8 4 2 give a Transfer Notice to the Company in accordance with Article 6,

failing which a Transfer Notice shall be deemed to have been given immediately on the expiration of the 15 Business Days in respect of the relevant Shares

- 8 5 Where, under a deceased Shareholder's will (or the laws as to intestacy), the persons legally or beneficially entitled to any Shares (whether immediately or contingently) are Privileged Relations of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Shares to those Privileged Relations who are Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 8 5 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without any restriction as to price or otherwise

- 8.6 Subject to Article 8 5, on the death (other than of a joint holder), bankruptcy, liquidation, receivership of, or the appointment of an administrator to, or the entry into a composition or arrangement with its creditors generally by, a Permitted Transferee,

his personal representatives or trustee in bankruptcy or its liquidator, administrative receiver or administrator, as the case may be, or in the case of the entry into a composition or arrangement with creditors generally, such Permitted Transferee shall execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee within 15 Business Days after the date of the grant of probate, the making of the bankruptcy order or the passing of a resolution or making of an order for winding up or the appointment of the administrative receiver or administrator or entry into such composition or arrangement with creditors generally. The transfer shall be to the Original Shareholder, if still living (and not bankrupt, in liquidation, receivership or administration and provided it has not entered into a composition or arrangement with its creditors generally) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder and may be made without any restriction as to price or otherwise. If the transfer is not executed and delivered within that 15 Business Days period, or if the Original Shareholder has died or is bankrupt or is in liquidation, receivership or administration, or has entered into a composition or arrangement with creditors generally, the personal representatives or trustee in bankruptcy or liquidator or administrative receiver or administrator or Permitted Transferee shall be deemed to have given a Transfer Notice.

- 8.7 Notwithstanding any other provision of this Article 8, a transfer of any Shares approved by holders of at least 75% of the A Ordinary Shares may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## **9. Compulsory Transfers**

- 9.1 If a holder of Hurdle Shares becomes a Leaver, that Leaver (or his personal representatives if he is deceased) shall be deemed to have given a Transfer Notice on the Termination Date in respect of all of the Hurdle Shares held by such Leaver. In such circumstances the Transfer Price shall be £1 for all the Hurdle Shares held by him and the Transfer Notice shall be deemed to offer the Hurdle Shares in the manner determined by the Board to any person which the Board nominates for such purpose.

- 9.2 Save as set out in Article 9.1, if any Shares remain registered in the name of a deceased Shareholder for longer than one year after the date of his death, the Directors may require the legal personal representatives of that deceased Shareholder either,

9.2.1 to effect a Permitted Transfer of those Shares (including an election to be registered in respect of the Permitted Transfer), or

9.2.2 to show, to the satisfaction of the Directors, that a Permitted Transfer will be effected before (or promptly on) the completion of the administration of the estate of the deceased Shareholder.

If either paragraph 9.2.1 or 9.2.2 of this Article 9.2 is not fulfilled to the satisfaction of the Directors, a Transfer Notice shall be deemed to have been given in respect of such Shares on such date as the Directors determine.

- 9.3 If a Shareholder is adjudged bankrupt or makes any arrangement or composition with his creditors generally, then, except where Article 8.6 applies, that Shareholder and his Permitted Transferees shall immediately be deemed to have given a Transfer

Notice in relation to all Shares held by them

- 9 4 If a Shareholder that is a company suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it (or a material part of its business) or enters into a composition or arrangement with its creditors generally, then, except where Article 8 6 applies, that Shareholder and its Permitted Transferees shall immediately be deemed to have given a Transfer Notice in respect of all Shares held by them.

## **10. Mandatory Offer on a Change of Control**

- 10 1 Except in the case of transfers pursuant to Article 8 (Permitted Transfers), Article 9 (Compulsory Transfers) or Article 11 (Drag Along), after going through the pre-emption procedure set out in Article 6, the provisions of Article 10 2 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any Shares (**Proposed Transfer**) which would, if carried out, result in any person (other than a person who is at that time an existing Shareholder) (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company (disregarding, for the avoidance of doubt, any Shares held as Treasury Shares)
- 10 2 Before completing the Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to each of the other Shareholders to buy all of the Shares held by them for a consideration in cash equal to that to which they would be entitled if the total consideration proposed to be paid by the Buyer on the Proposed Transfer were distributed to those Shareholders proposing to transfer Shares pursuant to such Proposed Transfer and the Accepting Shareholders (as defined below) in accordance with the provisions of Article 3 6
- 10 3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days (**Offer Period**) before the proposed sale date (**Sale Date**) To the extent not described in any accompanying documents, the Offer Notice shall set out
- 10 3 1 the identity of the Buyer,
  - 10 3 2 the purchase price and other terms and conditions of payment,
  - 10 3.3 the Sale Date, and
  - 10 3 4 the number of Shares proposed to be purchased by the Buyer from each such Shareholder (**Offer Shares**)
- 10 4 If the Buyer fails to make the Offer to all holders of Shares in the Company then, except where Article 11 7 applies, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer intended to effect the Proposed Transfer
- 10 5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by all Accepting Shareholders
- 10 6 The Proposed Transfer is subject to the pre-emption provisions of Article 6, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions

## **11. Drag Along**

- 11.1 If the holders of 75% or more of the A Ordinary Shares in issue for the time being (calculated exclusive of any Treasury Shares) (**Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Shareholders have the option to require all the other Shareholders on the date of the request (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**).
- 11.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that
- 11.2.1 the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 11,
  - 11.2.2 the person to whom the Called Shares are to be transferred,
  - 11.2.3 the consideration payable for the Called Shares calculated in accordance with Article 11.4, and
  - 11.2.4 the proposed date of the transfer.
- 11.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 11.4 The Called Shareholders shall sell each Called Share with full title guarantee. The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 3.6.
- 11.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 11.
- 11.6 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.
- 11.7 Provided that the Buyer is ready, willing and able to complete the sale of the Called Shares on the completion date determined in accordance with Article 11.6, the rights of pre-emption set out in these Articles and the requirement for a mandatory offer under Article 10 shall not apply to any transfer of shares to a Proposed Buyer (or as they may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 11.8 On the completion date determined in accordance with Article 11.6, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to

the Company and, against delivery of such documents, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to Article 11 4 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 11 4 in trust for the Called Shareholders without any obligation to pay interest

- 11 9 To the extent that the Proposed Buyer has not, on the completion date determined in accordance with Article 11 6, put the Company in funds to pay the consideration due pursuant to Article 11 4, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further obligations under this Article 11 in respect of their Shares
- 11 10 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by him, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent to execute all necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or their nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 11
- 11 11 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares or on the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 11 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## **12. Appointment and Removal of Directors**

### **12 1 Maximum number of Directors**

Unless and until the Company by ordinary resolution determines otherwise, there shall be no minimum and no maximum number of directors

### **12 2 Methods of appointing Directors**

12 2 1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director

- (i) by ordinary resolution, or
- (ii) by a decision of the Directors

12 2 2 For so long as Mark Lynch or any of his Permitted Transferees hold at

least 50% of the A Ordinary Shares, Mark Lynch shall be entitled to appoint and maintain in office two directors of the Company and to remove any director so appointed and, upon his removal, to appoint another director in his place.

### 12 3 Termination of Directors' appointment

A person ceases to be a Director as soon as

- 12 3 1 that person ceases to be a Director by virtue of any provision of the Companies Act or is prohibited from being a director by law,
- 12 3 2 a bankruptcy order is made against that person,
- 12 3 3 a composition is made with that person's creditors generally in satisfaction of that person's debts,
- 12 3 4 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,
- 12 3 5 notification is received by the Company from the Director that the Director is resigning from office as Director, and such resignation has taken effect in accordance with its terms,
- 12 3 6 he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period (and his alternate Director (if any) has not during such period attended in his place) and the Directors resolve that his office be vacated,
- 12 3 7 he is convicted of a criminal offence (other than a motoring offence not involving a term of imprisonment) and the Directors resolve that his office should be vacated.

## 13. Alternate Directors

### 13 1 Appointment and removal of alternates

- 13 1 1 Any Director (the **appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to
  - (i) exercise that Director's powers, and
  - (ii) carry out that Director's responsibilities,

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

- 13 1 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors
- 13 1 3 The notice must
  - (i) identify the proposed alternate, and

- (ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

## 13 2 Rights and responsibilities of alternate Directors

13 2.1 An alternate Director may act as alternate Director to more than one Director and has the same rights, in relation to any decision of the Directors, as the alternate's appointor

13 2 2 Except as these Articles specify otherwise, Alternate Directors

- (i) are deemed for all purposes to be Directors,
- (ii) are liable for their own acts and omissions,
- (iii) are subject to the same restrictions as their appointors, and
- (iv) are not deemed to be agents of, or for, their appointors

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

13 2 3 A person who is an alternate Director but not a Director

- (i) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating),
- (ii) may participate in a unanimous decision of the Directors (but only if his appointor is eligible to vote in relation to that decision but does not participate), and
- (iii) shall not be counted as more than one Director for the purposes of Articles 13.2 3(i) and 13 2 3(ii)

13 2 4 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is eligible to vote in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present

13 2 5 An alternate Director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company

## 13 3 Termination of Alternate Directorship

An alternate Director's appointment as an alternate terminates

13 3 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,



13 3 2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;

13.3.3 on the death of the alternate's appointor; or

13 3 4 when the alternate's appointor's appointment as a Director terminates

#### **14. Directors Decision-Making**

##### **14 1 Directors to take decisions collectively**

14 1 1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 14 2

14 1 2 If

(i) the Company only has one Director, and

(ii) no provision of the Articles requires it to have more than one Director,

the general rule does not apply, and the Director may take decisions without regard to any of the provisions of these Articles relating to Directors' decision-making, including those set out in Article 14 5

##### **14 2 Unanimous decisions**

14 2.1 A decision of the directors is taken in accordance with this Article when all eligible Directors indicate to each other by any means that they share a common view on a matter

14 2 2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing

14 2 3 References in this Article to **eligible Directors** are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Board meeting

14 2 4 A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting

##### **14 3 Calling a Board meeting**

14 3 1 Any Director may call a Board meeting by giving notice of the meeting to the Directors or by authorising the Company secretary (if any) to give such notice

14 3 2 Notice of any Board meeting must indicate

(i) its proposed date and time,

(ii) where it is to take place, and

(iii) 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

14.3 3 Notice of a Board meeting must be given to each Director, but need not be in writing.

14 3 4 Notice of a Board meeting 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.

#### 14 4 Participation in Board meetings

14 4.1 Subject to the Articles, Directors participate in a Board meeting, or part of a Board meeting, when.

(i) the meeting has been called and takes place in accordance with the Articles, and

(ii) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

14 4 2 In determining whether Directors are participating in a Board meeting, it is irrelevant where any Director is or how they communicate with each other.

14.4 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.

#### 14 5 Quorum for Board meetings

14 5 1 At a Board meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

14 5 2 The quorum for Board meetings may be fixed from time to time by a decision of the Directors, but it must never be less than two, and unless otherwise fixed it is two.

14 5 3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:

(i) to appoint further Directors, or

(ii) to call a general meeting so as to enable the Shareholders to appoint further Directors.

#### 14.6 Chairing of Board meetings

14 6 1 The Directors may appoint a Director to chair their meetings.

14 6 2 The person so appointed for the time being is known as the chairman.

14 6 3 The Directors may terminate the chairman's appointment at any time.

14 6 4 If the chairman is not participating in a Board meeting within ten minutes of the time at which it was to start, the participating Directors must appoint

one of themselves to chair it

**14 7 Casting vote**

14 7.1 If the numbers of votes for and against a proposal are equal, the chairman or other Director chairing the meeting shall have a casting vote

14 7 2 Article 14 7 does not apply if, in accordance with the Articles, the chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes

**15. Conflicts of Interest of Directors**

15 1 Subject to the provisions of the Companies Act and provided that he has previously disclosed the nature and extent of such duty or interest to the Directors in accordance with the provisions of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

15.1 1 may vote at a Board meeting, and form part of a quorum present at that meeting, or participate in any decision making of the Directors in relation to such transaction or arrangement with the Company,

15 1 2 may be a party to, or otherwise interested in, any such transaction or arrangement, and

15 1 3 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest nor shall the receipt of any remuneration or other benefit constitute a breach of his duty under section 176 of the Act

15 2 For the purposes of section 175 of the Companies Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company

15 3 Authorisation of a matter under Article 15 2 shall be effective only if

15 3.1 the matter in question shall have been proposed in writing for consideration at the Board meeting or in accordance with the Board's normal procedures or in such other manner as the Directors may approve,

15.3 2 any requirement as to the quorum at the Board meeting at which the matter is considered is met without counting the Director in question and any other interested Director (together the **Interested Directors**) save that if there are only two Directors holding office, the quorum for that part of the meeting dealing with the matter is to be authorised under Article 15 2, shall be any Director who is not interested in the matter and Article 14 5.2 shall be amended accordingly,

15 3 3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been

counted, and

- 15.3.4 in taking the decision, the Directors act in a way they consider, in good faith, will be most likely to promote the Company's success
- 15.4 Any authorisation of a matter pursuant to Article 15.2 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised
- 15.5 Any authorisation of a matter under Article 15.2 shall be subject to such conditions or limitations as the Directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently, and may be varied or terminated by the Directors (excluding the Interested Directors) at any time. Such conditions or limitations may include (without limitation).
- 15.5.1 (without prejudice to a Director's general obligations of confidentiality) the application to the interested Director of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the matter,
- 15.5.2 the exclusion of the interested Director from all information relating to, and discussion by the Company of, the matter, and
- 15.5.3 that, where the interested Director obtains (other than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
- 15.6 A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation
- 15.7 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under Article 15.2 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit
- 15.8 Subject to compliance by him with his duties as a Director under Part 10 of the Companies Act (other than the duty in section 175(1) of the Companies Act which is the subject of this Article 15.8), a Director (including the chairman of the Board (if any) and any other non-executive Director) may, at any time.
- 15.8.1 be an officer of, employed by, or hold Shares or other securities (whether directly or indirectly) in, the Company, or
- 15.8.2 be a director or other officer of, employed by or hold shares or other securities (whether directly or indirectly) in, or otherwise be interested, whether directly or indirectly, in any other Group Company,
- (in either case a **Group Company Interest**) and notwithstanding his office or the existence of an actual or potential conflict between any Group Company Interest and the interests of the Company which would fall within the ambit of that section 175(1), the relevant Director

- (i) shall be entitled to attend any Board meeting or part of a Board meeting at which any matter which may be relevant to the Group Company Interest may be discussed, and to vote on any resolution of the Directors or a committee thereof relating to such matter, and any Board papers relating to such matter shall be provided to the relevant Director at the same time as the other Directors (save that a Director may not vote on any resolution in respect of matters relating to his employment with the Company or other Group Company),
- (ii) shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives in consequence of any Group Company Interest and any contract, transaction or arrangement relating to a Group Company Interest shall not be liable to be avoided on the grounds of any such benefit, and
- (iii) will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him by virtue of his Group Company Interest and otherwise than by virtue of his position as a Director, if to do so would breach any duty of confidentiality to any other Group Company or third party

15.9 Any Director who has a Group Company Interest shall, as soon as reasonably practicable following the relevant interest arising, disclose to the Board the existence of such interest and the nature and extent of such interest so far as the relevant Director is able at the time the disclosure is made provided that no such disclosure is required to be made of any matter in respect of which the relevant Director owes any duty of confidentiality to any third party. A disclosure made to the Board under this Article 15.9 may be made either at a Board meeting or by notice in writing to the Company marked for the attention of the Directors

15.10 Notwithstanding the provisions of Article 15.8, the Directors (excluding the Interested Directors) may at any time impose such conditions or limitations on the authorisations given under Article 15.8 and may vary or terminate any such authorisations in respect of a particular Group Company Interest

## **16. Proxies**

16.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

16.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

16.3 In calculating any period of hours for the purpose of this Article 16, no account shall be taken of any day or part of a day that is not a Business Day

## **17. Communications**

- 17.1 Any document or information required or permitted to be given by or to the Company, any Shareholders and Directors under these Articles or the Companies Act, other than a notice convening a Board meeting, shall, unless otherwise specified in these Articles, be in writing and, subject to the Companies Act and any specific requirements of these Articles, may be given.
- 17 1 1 personally or by sending it by post or other delivery service in a prepaid envelope addressed to the recipient at its registered address, or any other address notified to the sender for the time being for the service of documents or information, or by leaving it at any such address or by any other means authorised in writing by the recipient concerned,
  - 17 1 2 by sending it in electronic form to an address for the time being notified to the sender by the recipient for that purpose,
  - 17 1 3 in the case of any document or information to be given by the Company, by making it available on a website
- 17 2 If properly addressed, a document or information sent or supplied by or to the Company in accordance with Article 17 1 shall be deemed to be received
- 17 2 1 in the case of a document or information delivered personally or left at the recipient's address, when delivered or left,
  - 17 2 2 in the case of a document or information sent by post or other delivery service, 48 hours after sending,
  - 17 2 3 in the case of a document or information sent by electronic means, 24 hours after sending;
  - 17 2 4 in the case of a document or information made available on a website:
    - (i) when the document or information was first made available on the website, or
    - (ii) if later, when the recipient received (or is deemed to have received) notice of the fact that the document or information was made available on the website
- 17.3 In the case of documents or information sent or supplied by the Company, proof that an envelope containing a document or information was properly addressed, prepaid and posted (or consigned to the relevant delivery service or, in the case of a document or information delivered personally or left at the recipient's address, was properly addressed and delivered personally or left at the recipient's address) shall be conclusive evidence that the document or information was given. In the case of documents or information sent or supplied by the Company, proof that a document or information contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the document or information was given
- 17 4 A document or information sent in electronic form shall not be treated as received by the Company if it is rejected by computer virus protection arrangements

- 17.5 Where a document or information is sent or supplied to the Company it must be authenticated. Where a document or information is sent or supplied to the Company by a person on behalf of another, the Company may require reasonable evidence of the authority of the former to act on behalf of the latter
- 17.6 In the case of joint holders of a Share, all documents or information required to be given by the Company may be given either to each of the joint holders or to the joint holder whose name stands first in the register of Shareholders in respect of the joint holding and documents or information so given shall be sufficiently given to all the joint holders
- 17.7 A Shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which documents or information may be given to him or an address to which documents or information may be given to him in electronic form shall be entitled to have documents or information given to him at such address but otherwise, subject to the Companies Act, no such Shareholder shall be entitled to receive any document or information from the Company.
- 17.8 A Shareholder present, either in person or by proxy or (being a corporation) by a duly authorised representative, at any meeting of the Company or of the holders of any class of Shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called

## **18. Indemnity and Insurance**

- 18.1 Subject to Article 18.2, but without prejudice to any indemnity to which they may otherwise be entitled, each relevant director shall be indemnified out of the Company's assets against
- 18.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company, and
- 18.1.2 any other liability incurred by that director as an officer of the Company or an associated company
- 18.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act or by any other provision of law
- 18.3 Subject to the provisions of, and so far as may be permitted by, the Companies Act, the Company shall be entitled to fund by way of loan (or make arrangements for him to avoid incurring) the expenditure of every relevant director incurred or to be incurred in defending any criminal or civil proceedings or any investigation or other action proposed to be taken by a regulatory authority or in connection with any application for relief
- 18.4 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss
- 18.5 In this Article
- 18.5.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate,

- 18.5.2 a **relevant director** means any director or former director of the Company or an associated company, and
- 18.5.3 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company