

Company number: 4187081

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION

- of -

TRUPHONE LIMITED

Passed on 26th April 2012

Pursuant to chapter 2 of part 13 of the Companies Act 2006, the following special resolution was passed on the 26th April 2012

SPECIAL RESOLUTION

The Shareholders hereby consent to the amendment of the articles of association in the form circulated to all Shareholders on the 5th April 2012



Signed

Position ~~Director~~ Company Secretary



The Companies Act 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
TRUPHONE LIMITED

(Adopted by Written Resolution passed on 26th April 2012)

1 Preliminary

- 1 1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles (the "Model Articles") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles
- 1 2 The regulations contained or incorporated in Table A in the First Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the Company
- 1 3 In these Articles, articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 21, 26(5), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company

2 Interpretation

In these Articles the following expressions have the following meanings unless inconsistent with the context

"the Act" the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force,

"Acting in Concert" bears the meaning given to it in the City Code on Takeovers and Merges published by the Panel on Takeovers and Merges (as from time to time),

"these Articles" these Articles of Association as amended from time to time by special or written resolution,

"Associate" in relation to any person means

- (a) any person who is an associate of such person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined), or
- (b) any Member of the same Group,

"Auditors"	the auditors of the Company from time to time,
"B Ordinary Shares"	the B Ordinary Shares of 0.001p each in the capital of the Company
"Bad Leaver"	a person who ceases to be an Employee at any time by reason of dismissal by the Company or any of its Subsidiary Undertakings and does not continue as either a director or employee in relation to any of them where such cessation occurs in circumstances (i) where the Employee is guilty of gross misconduct, (ii) by mutual agreement, or (iii) leaves pursuant to the terms of a compromise agreement,
"Board"	the board of Directors and any committee of the board of Directors constituted for the purpose of taking any action or decision contemplated by these Articles,
"Competitor"	such entity as the Board determines (acting reasonably and in good faith) to be a competitor of the Company,
"Civil Partner"	in relation to a Shareholder a civil partner (as defined in the Civil Partnerships Act 2004) of that Shareholder,
"Controlling Interest"	an interest in the aggregate of fifty per cent (50%) plus one Ordinary Share or more of the total voting rights conferred by all the issued Ordinary Shares,
"Conversion Date"	the date of conversion of D Ordinary Shares pursuant to Article 3.4,
"the Directors"	the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company,
"D Ordinary Shares"	the D Ordinary Shares of 0.001p each in the capital of the Company,
"Eligible Director"	a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors,
"Employee"	a person who is a director and/or employee and/or consultant of the Company and/or any of its subsidiaries,
"executed"	includes any mode of execution,
"Family Trusts"	as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of

trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual member and/or Privileged Relations of that individual member, and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons,

"Fund Manager"

a person whose principal business is to make, manage or advise upon share investments,

"Good Leaver"

an Employee who ceases to be a director or employee of the Company or any of its Subsidiary Undertakings and does not continue as either a director or employee in relation to any of them in circumstances where the Employee is not a Bad Leaver,

"Group Undertaking"

shall have the meaning set out in the Act,

"Holding Company"

shall have the meaning set out in the Act,

"IPO"

the admission of all or any of the Shares or securities representing such Shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be admitted to or traded or quoted on Nasdaq or the Official List of the United Kingdom Listing Authority or on 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),

"ITEPA"

Income Tax (Earnings and Pensions) Act 2003,

"a Member of the same Fund Group"

if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) or a nominee of any such person as aforesaid

- (a) any participant or partner in or member of any such fund, partnership, company or other entity or to the holders of any unit trust which is a participant or partner in or

	member of any such fund, partnership, company or other entity,
	(b) any fund managed by that Fund Manager, or
	(c) any Holding Company or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Holding Company of that Fund Manager,
"a Member of the same Group"	as regards any company, a company which is for the time being a Holding Company or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Holding Company,
"office"	the registered office of the Company,
"Officer"	in relation to a body corporate includes a director, manager or secretary,
"Ordinary Shareholders"	the holders of Ordinary Shares,
"Ordinary Shares"	the ordinary shares of 0.001p each in the capital of the Company (which, for the avoidance of doubt, are not B Ordinary Shares or D Ordinary Shares),
"Permitted Transferee"	means <ul style="list-style-type: none"> (a) in relation to a Shareholder who is an individual any of his Privileged Relations or Trustees, (b) in relation to a Shareholder which is an undertaking (as defined in section 1161 of the Act) means any Member of the same Group, (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group, and (d) in relation to any Shareholder, any nominee or special purpose vehicle used for investment purposes of that Shareholder (where that Shareholder and/or his Privileged Relations are the sole beneficiaries or have sole beneficial title of such entity),
"Privileged Relation"	in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate children and their issue),
"Qualifying IPO"	the closure of an underwritten IPO at which the

	market capitalisation is £100,000,000 or more,
"Qualifying Person"	has the meaning given in section 318(3) of the Act,
"Qualifying Sale"	a share sale of the Company where the equity valuation of all the issued shares in the Company exceeds £100,000,000,
"seal"	the common seal of the Company (if any),
"secretary"	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary,
"Shareholders"	the holders of Shares from time to time and "Shareholder" shall be constructed accordingly,
"Share Option Scheme"	any share option scheme in favour of the Employees,
"Shares"	the Ordinary Shares, the B Ordinary Shares and the D Ordinary Shares and "Share" shall be constructed accordingly,
"Subsidiary Undertaking"	shall have the meaning set out in the Act,
"Trust"	a trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual, whereby a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons,
"Trustees"	in relation to a Shareholder means the trustee or the trustees of a Family Trust or a Trust, and
"the United Kingdom"	Great Britain and Northern Ireland

Unless the context otherwise requires, words or expressions contained in these Articles and in the Model Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company

3 Share capital

- 3 1 Except as otherwise provided in these Articles, the Ordinary Shares and D Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares
- 3 2 Allotment of Shares pre-emption
- (a) Unless otherwise agreed by ordinary resolution passed in general meeting or as a written resolution passed in accordance with part 13 of the Act, all Shares which the Directors propose to allot or issue shall be dealt with in accordance with the following provisions of this Article 3 2(a)
 - (i) any Shares proposed to be issued or allotted shall first be offered to the Ordinary Shareholders in proportion to the number of existing Ordinary Shares held by them respectively,
 - (ii) each such offer shall be made by notice specifying the total number of Shares being offered to the Ordinary Shareholders as a whole, the proportionate entitlement of the Ordinary Shareholder to whom the offer is made and the price per Share and shall require each Ordinary Shareholder to state in writing within a period (not being less than seven days) specified in the notice whether he is willing to take more or less than his proportionate entitlement and, if so, what number of the said Shares,
 - (iii) an offer, if not accepted within the period specified in the notice as regards any Shares, will be deemed to be declined as regards those Shares After the expiration of such period if a holder of Ordinary Shares does not accept the Share allocation in respect of their respective proportions in full, the Shares not so accepted shall be used to satisfy any claims for additional Shares (notified in response to the invitation referred to in Article 3 2(a)(ii)) as nearly as may be in proportion to the number of Shares already held by the holder of Ordinary Shares claiming additional Shares, provided that no holder of Ordinary Shares shall be obliged to take more Shares than he shall have applied for If any Shares shall not be capable of being offered to any holder of Ordinary Shares in proportion to their existing holdings, except by way of fractions, the same shall be offered to the holders of Ordinary Shares, or some of them, in such proportions as the Board may think fit,
 - (iv) any Shares not capable of being offered as aforesaid except by way of fractions shall not be issued, and
 - (v) any Shares not accepted pursuant to such offer and further offers made in accordance with this Article 3 2(a) shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, but on the same terms as specified in the notice given pursuant to Article 3 2(a)(ii)
 - (b) The provisions of Article 3 2(a) shall have effect subject to section 551 of the Act
 - (c) In accordance with section 567(1) of the Act, sections 561(1) and 562(1) to (5) (inclusive) of the Act shall not apply to the Company
 - (d) The provisions of Article 3 2(a) shall not apply to

- (i) Options granted or Shares issued pursuant to a Share Option Scheme,
 - (ii) Shares or securities issued in consideration of the acquisition by the Company of any company or business, and
 - (iii) Shares issued pursuant to the conversion of any securities issued by the Company or Shares issued or granted in order for the Company to comply with its obligations under these Articles
- (e) No Shares shall be allotted to any Employee, Director, prospective Employee or prospective Director unless such person has entered into a joint election under section 431 ITEPA election with the Company

3.3 Dividends

- (a) As regards dividends, the Company shall apply any distributable profits which the Directors resolve to distribute in any given year in paying a dividend to the Shareholders, other than the holders of B Ordinary Shares and D Ordinary Shares, in respect of their holdings of Shares *pari passu* as between the Shareholders and *pro rata* to the number of Shares held by each of them
- (b) Article 31(1) of the Model Articles shall be amended by
 - (i) the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing",
 - (ii) the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing"

3.4 Conversion of D Ordinary Shares

- (a) All of the D Ordinary Shares in issue at the time of a Qualifying Sale shall automatically convert into Ordinary Shares upon the date of the Qualifying Sale
- (b) All of the D Ordinary Shares in issue at the time of a Qualifying IPO shall automatically convert into Ordinary Shares upon the date of a Qualifying IPO
- (c) On or before the Conversion Date each holder of D Ordinary Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Company) in respect of the D Ordinary Shares being converted (together with such other evidence (if any) as the Board may reasonably require to prove good title to the D Ordinary Shares) to the Company at its registered office for the time being
- (d) Upon the Conversion Date, each D Ordinary Share shall (without further authority than is contained in these Articles) be converted into such number of Ordinary Shares as have the same par value as each D Ordinary Share and the Ordinary Shares resulting from such conversion shall in all other respects rank *pari passu* with the existing issued Ordinary Shares
- (e) The Company shall on the Conversion Date enter the holder of the D Ordinary Shares so converted on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder of the D Ordinary Shares delivering the relevant certificate (or indemnity or other evidence) in respect of the D Ordinary Shares in accordance with this

Article, the Company shall within 10 Business Days thereafter forward to such holder of the D Ordinary Shares by post to his address shown in the register of members, at his own risk, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares. In the meantime, transfers of Ordinary Shares shall be certified against the Register.

- 3.5 The holders of D Ordinary Shares shall not be entitled to receive any information of any type from the Company and waive (or elect to waive) any present or future entitlement to receive such information.

3.6 B Ordinary Shares

- (a) The following additional definitions apply to the B Ordinary Shares

(i) **"Equity Value"** means

- (1) in the case of a liquidation of the Company, the Liquidation Surplus, or
- (2) in the case of a Sale, the Sale Proceeds, or
- (3) in the case of an IPO, the amount equivalent to the Sale Proceeds had a Sale occurred and had the Sale Proceeds been the market capitalisation of the Company at the time of the IPO (excluding any new money raised in the IPO),

- (ii) **"Invested Amount"** means £20,000,000 + any capital invested, by way of equity, into the Company after 1 March 2012,

- (iii) **"Return"** shall mean (i) in the case of a holder who is an Employee or Director, an amount equal to

(Equity Value – the Invested Amount) x 10%, or

(ii) in the case of a holder who is no longer an Employee or Director, an amount equal to zero (0) unless otherwise determined by the Board,

- (iv) **"Return per B Share"** an amount equal to 0.1% of the Return,

- (v) **"Hurdle Condition"** the Equity Value being greater than £150,000,000,

- (vi) **"Liquidation Surplus"** means such cash sum (and the cash equivalent value of any Non-Cash Asset as determined in accordance with Article 3.6(i) as remains on a liquidation or winding-up of the Company after all of its liabilities have been paid and all its assets have been realised,

- (vii) **"Measurement Date"** means the date on which the Hurdle Condition is measured,

- (viii) **"Sale"** a sale of all of the Ordinary Shares in the Company,

- (ix) **"Sale Proceeds"** the amount of the consideration payable on a Sale in respect of all the Ordinary Shares and any B Ordinary Shares that are included in the Sale, or if not all the Ordinary Shares are to be sold in the Sale, the consideration that would be payable if they had all been sold for the same consideration per share,

Capital

- (b) On a distribution of assets on a liquidation or winding up of the Company (a "**Winding Up**"), the order of priority pursuant to which payments to holders of shares in the capital of the Company shall be made out of any Liquidation Surplus shall be determined in accordance with the provisions of Article 3 6 (c) or Article 3 6 (d) below
- (c) If at the date of the Winding Up, the Hurdle Condition has not been met, then the Liquidation Surplus shall be paid to the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held by them. The holders of B Ordinary Shares shall have no right to participate in the assets of the Company
- (d) If at the date of the Winding Up, the Hurdle Condition has been met, then the Liquidation Surplus shall be paid in the following order of priority
 - (i) firstly, the holders of Ordinary Shares shall be paid, pro rata to the number of Ordinary Shares held by them, an amount equal to the Liquidation Surplus less the amounts payable to holders of B Ordinary Shares pursuant to Article 3 6 (d)(ii), and
 - (ii) secondly, the holders of the B Ordinary Shares shall be paid, pro rata to the number of B Ordinary Shares held by them, the balance of the Liquidation Surplus (being the Return per B Share multiplied by the number of B Ordinary Shares in issue on the Measurement Date)

Sale

- (e) In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale, the Sale Proceeds shall be paid to the Company and the Company shall apportion the Sale Proceeds between holders of Shares in the Company by reference to the provisions of Articles 3 6 (f) or Article 3 6 (g) below
- (f) If the Hurdle Condition has not been met as at the date of the Sale, the Sale Proceeds shall be paid to the holders of Ordinary Shares pro rata to the number of Ordinary Shares held by them. The holders of B Ordinary Shares shall have no right to receive any part of the Sale Proceeds
- (g) If the Hurdle Condition has been met as at the date of the Sale, the Sale Proceeds shall be paid to the Company who shall act as agent for the Shareholders. The Company shall procure that the Sale Proceeds are apportioned as follows
 - (i) firstly, the holders of Ordinary Shares shall be paid, pro rata to the number of Ordinary Shares held by them, an amount equal to the Sale Proceeds less the amounts payable to holders of B Ordinary Shares pursuant to Article 3 6(g) (ii),
 - (ii) secondly, the holders of the B Ordinary Shares shall be paid, pro rata to the number of B Ordinary Shares held by them, the balance of the Sale Proceeds (being the Return per B Share multiplied by the number of B Ordinary Shares in issue on the Measurement Date)
- (h) For the purposes of Article 3 6(g), the apportionments and payments referred to shall occur within seven days of receipt of the Sale Proceeds by the Company

Non-Cash Assets

- (i) Where on a Winding Up or on a Sale, the Liquidation Surplus or the Sale Proceeds (as the case may be) includes assets other than cash (the "**Non-Cash Assets**"), unless otherwise agreed between the Directors and all persons entitled to receive the Liquidation Surplus or Sale Proceeds (as applicable) the Directors shall instruct experts (the "**Experts**") to determine the market value of the Non-Cash Assets as at the date of the return of assets or distribution of aggregate Sale Proceeds, and the amount so agreed or determined and certified shall be that applicable for the purposes of determining the amount of the Liquidation Surplus or the amount of the Sale Proceeds (as applicable) and the distributions and apportionments to be made in accordance with Article 3 6(b) or Article 3 6(e) (as applicable)
- (j) The Experts shall be instructed by the Directors acting in their absolute discretion provided always that, unless otherwise agreed by all persons entitled to receive the Liquidation Surplus or Sale Proceeds, the Experts shall be the Auditors or such other firm of accountants appointed by the President for the time being of the Institute of Chartered Accountants of England and Wales on application by the Directors
- (k) The costs and expenses of the Experts acting pursuant to Article 3 6(i) and Article 3 6(j) shall be paid from the Liquidation Surplus or the Sale Proceeds (as applicable)
- (l) The Experts shall act as experts and not as arbitrators and their determination shall be final and binding on all persons concerned

IPO

- (m) In the event of an IPO, the holders of the Ordinary Shares and B Ordinary Shares shall together procure that the value received by the holders of the B Ordinary Shares is equal to the amount that the holders of B Ordinary Shares would have received had the IPO been a Sale and had the Sale Proceeds been the market capitalisation of the Company at the time of the IPO (excluding any new money raised in the IPO)

Change of Control

- (n) In the event that any person or entity, on his own or together with any person with whom he is Acting in Concert, becomes a new holder of a Controlling Interest in the Company (a "**Controller**") then the holders of B Ordinary Shares shall have the right to require the Company to acquire its B Ordinary Shares (the "**Put Option**") by giving notice in writing (a "**Put Notice**") to the Company at any time up to the second anniversary of the Controller becoming the holder of a Controlling Interest in the Company, unless the holder of B Ordinary Shares is a Bad Leaver
- (o) The purchase price of the B Ordinary Shares being acquired under the Put Option shall be agreed between the Controller and the holder of B Ordinary Shares that exercised the Put Option, and failing such agreement within 10 days following receipt of the Put Notice, shall be the market value of the B Ordinary Shares as determined by the Company's Auditors or an independent accounting firm approved by the Board. The consideration to be paid for the B Ordinary Shares by the Controller must be cash.
- (p) Where a person or entity (whether an existing Shareholder or a third party) (a "**Proposed Controller**") proposes to subscribe for new Shares or to acquire existing Shares in the Company, and such subscription or

acquisition would result in such Proposed Controller, together with any person with whom they are Acting in Concert, having a new Controlling Interest in the Company, the Company and the Directors of the Company have the power to decline to

- (i) issue Shares to such Proposed Controller, or
- (ii) register a transfer of Shares to such Proposed Controller,

unless such Proposed Controller has agreed in writing that it shall comply with the terms of the Put Option set out in Article 3 6n

- (q) The Board shall have the authority to allot up to 1,000 B Ordinary Shares in its absolute discretion
- (r) Articles 6, 7 and 8 do not apply to the B Ordinary Shares

3 7 Whenever as a result of a sub-division, conversion or consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale

3 8 When the Company sub-divides, converts or consolidates all or any of its Shares, the Company may, subject to the Act and to these Articles, by ordinary resolution determine that, as between the Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compared with the others

3 9 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles

3 10 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid, and" with the words "the amount paid up on them, and"

3 11 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine"

4 Lien

4 1 The Company shall have a first and paramount lien (the "**Company's Lien**") over every Share not fully paid for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable

4 2 The Company's Lien over a Share

- (a) shall take priority over any third party's interest in that Share, and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

The Directors may at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part

4 3 Subject to the provisions of this Article 4, if

- (a) a notice complying with Article 4 4 (a "**Lien Enforcement Notice**") has been given by the Company in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it, the Company shall be entitled to sell that Share in such manner as the Directors decide

4 4 A Lien Enforcement Notice

- (a) may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the Share concerned,
- (c) must require payment of the sum payable within 14 days of the notice,
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

4 5 Where any Share is sold pursuant to this Article 4

- (a) the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser, and
- (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale

4 6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice,
- (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice

4 7 A statutory declaration by a Director or the secretary that the declarant is a Director or the secretary and that a Share has been sold to satisfy the Company's Lien on a specified date

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share

5 **Calls on shares and forfeiture**

Call Notices

5 1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "**Call Notice**") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a "**call**") which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice

5 2 A Call Notice

- (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium),
- (b) shall state when and how any call to which it relates it is to be paid, and
- (c) may permit or require the call to be paid by instalments

5 3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent

5 4 Before the Company has received any call due under a Call Notice the Directors may

- (a) revoke it wholly or in part, or
- (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made

5 5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share

5 6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to

- (a) pay calls which are not the same, or
- (b) pay calls at different times

5 7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium)

- (a) on allotment,
 - (b) on the occurrence of a particular event, or
 - (c) on a date fixed by or in accordance with the terms of issue
- 5 8 If the due date for payment of such a sum as referred to in Article 5 7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture
- 5 9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below)
- (a) the Directors may issue a notice of intended forfeiture to that person, and
 - (b) until the call is paid, that person shall be required to pay the Company interest on the call from the call payment date at the Relevant Rate (as defined below)
- 5 10 For the purposes of Article 5 9
- (a) the "**Call Payment Date**" shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "**Call Payment Date**" is that later date,
 - (b) the "**Relevant Rate**" shall be
 - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted,
 - (ii) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors, or
 - (iii) if no rate is fixed in either of these ways, an annual rate equal to the base lending rate most recently set by the Monetary Policy Committee of the Bank of England plus five per cent ,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a)
- 5 11 The Directors may waive any obligation to pay interest on a call wholly or in part
- 5 12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice

Forfeiture of Shares

- 5 13 A notice of intended forfeiture
- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a Call Notice,
 - (b) shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,

- (c) shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice,
 - (d) shall state how the payment is to be made, and
 - (e) shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited
- 5 14 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture
- 5 15 Subject to these Articles, the forfeiture of a Share extinguishes
- (a) all interests in that Share, and all claims and demands against the Company in respect of it, and
 - (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company
- 5 16 Any Share which is forfeited in accordance with these Articles
- (a) shall be deemed to have been forfeited when the Directors decide that it is forfeited,
 - (b) shall be deemed to be the property of the Company, and
 - (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit
- 5 17 If a person's Shares have been forfeited then
- (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members,
 - (b) that person shall cease to be a Shareholder in respect of those Shares,
 - (c) that person shall surrender the certificate for the Shares forfeited to the Company for cancellation,
 - (d) that person shall remain liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture), and
 - (e) the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal
- 5 18 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit
- 5 19 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer

5 20 A statutory declaration by a Director or the secretary that the declarant is a Director or the secretary and that a Share has been forfeited on a specified date

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

5 21 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share

5 22 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which

- (a) was, or would have become, payable, and
- (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds

Surrender of Shares

5 23 A Shareholder shall be entitled to surrender any Share

- (a) in respect of which the Directors issue a notice of intended forfeiture,
- (b) which the Directors forfeit, or
- (c) which has been forfeited

The Directors shall be entitled to accept the surrender of any such Share

5 24 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share

5 25 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited

6 Transfer of shares

6 1 Save where the provisions of Articles 6 23 to 6 26, 19 and 20 apply, any person (hereinafter called the "**Proposing Transferor**") proposing to transfer any Ordinary Shares otherwise than to a Permitted Transferee shall give notice in writing (hereinafter called the "**Transfer Notice**") to the Company that he desires the same and specifying the price per share at which he is willing to sell them (which will be deemed to be fair value as determined under Article 6 4 if no price is specified) and if he wishes to sell the Shares to a third party the name of the proposed transferee. The Transfer Notice shall constitute the Company the agent of the Proposing Transferor for the sale of all (but not some of the Shares) of the Shares comprised in the Transfer Notice together with all rights then attached thereto to any Shareholder willing to purchase the same at the price specified

therein A Transfer Notice shall not be revocable except with the sanction of the Directors

- 6 2 An offer of the Shares comprised in any Transfer Notice (the "**Transfer Shares**") must be made to the Ordinary Shareholders other than the proposing Transferor (the "**Purchasing Shareholders**") in writing (herein after called the "**Offer Notice**") within seven days after receipt by the Company of the Transfer Notice, or in the case where the price is to be determined in accordance with Article 6 3 once this price has been determined, and the Offer Notice shall
- (a) state the identity of the Proposing Transferor, the number and class of Shares comprised in the Transfer Notice and the price per share specified in the Transfer Notice and inform the Purchasing Shareholders that the Transfer Shares are offered to them in accordance with the provisions of this Article 6 2,
 - (b) invite each Purchasing Shareholder to state in his reply whether he wishes to purchase more or less Transfer Shares than his proportionate entitlement and if so what number,
 - (c) contain a statement to the effect that each of the Transfer Shares in question is being offered to the Purchasing Shareholders at the price specified in the Transfer Notice,
 - (d) state the period in which the offer may be accepted (not being less than twenty-two days or more than forty-two days after the date of the Offer Notice), and
 - (e) state whether the Transfer Notice is conditional on all or a specific number of Transfer Shares being sold to Purchasing Shareholders (a "**Minimum Transfer Condition**")

For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company and may, if so specified in the acceptance, be accepted by a Purchasing Shareholder in respect of a lesser number of Transfer Shares than his full proportionate entitlement If all the Purchasing Shareholders do not accept the offer in respect of their respective proportions in full the Transfer Shares not so accepted shall be used to satisfy any claims for additional Transfer Shares (notified in response to the invitation referred to in Article 6 2(b)) as nearly as may be in proportion to the number of Transfer Shares already held by the Purchasing Shareholders claiming additional Transfer Shares, provided that no Purchasing Shareholder shall be obliged to take more Transfer Shares than he shall have applied for If any Transfer Shares shall not be capable of being offered to the Purchasing Shareholders in proportion to their existing holdings, except by way of fractions the same shall be offered to the Purchasing Shareholders, or some of them, in such proportions as the Board may think fit

- 6 3 If a Transfer Notice does not specify a price or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice, the Company shall request that the Auditors certify in writing the sum which in their opinion represents the fair value of each of the Transfer Shares comprised in the Transfer Notice as at the date of the Transfer Notice If the Auditors decline such appointment at their discretion then a person nominated by the Board shall be instructed to give such certificate and any following reference in these Articles to the auditors shall include any person so nominated Forthwith the Company shall instruct the Auditors to certify as aforesaid and the costs of producing such certificate shall be apportioned amongst the Proposing Transferor and the Purchasing Shareholders and borne by any one or more of them as the auditors in their absolute discretion shall decide In certifying the fair value as aforesaid the Auditors shall be entitled

to obtain professional valuations in respect of any of the Company's assets and shall be considered to be acting as experts and not as arbitrators or arbiters and accordingly any provisions of law or statute relating to arbitration shall not apply. In determining the fair value of each Share comprised in the Transfer Notice under this Article 6 3, the Auditors shall value each Share on the basis of the fraction the numerator of which shall be the value of the Company as a going concern at the date of the Transfer Notice and the denominator of which shall be the number of issued Shares to all holders of Shares.

- 6 4 If Purchasing Shareholders shall be found for some or all the Transfer Shares within the appropriate period specified in Article 6 2, the Company shall not later than seven days after the expiry of such appropriate period give notice in writing (hereinafter called the "Sale Notice") to the Proposing Transferor specifying the Purchasing Shareholders and the Proposing Transferor shall be bound upon payment of the price due in respect of all the Transfer Shares to transfer the Shares to the Purchasing Shareholders provided that if the Transfer Shares are subject to a Minimum Transfer Condition then any allocation made under this Article 6 4 will be conditional on the fulfilment of the Minimum Transfer Condition.
- 6 5 If in any case the Proposing Transferor after having become bound in accordance with the provisions of this Article 6 to transfer Shares makes default in transferring any Transfer Shares the Company may receive the purchase money on his behalf and may at the direction of the Directors who have not been appointed by and/or who are not nominees of the Proposing Transferor authorise some person to execute a transfer of such Shares on behalf of and as attorney for the Proposing Transferor in favour of the Purchasing Shareholders. For the purposes of the creation and delegation of such power of attorney, each Shareholder hereby irrevocably appoints the Company as their duly authorised attorney to sign and deliver a stock transfer form with full power to delegate such authority when the conditions of this Article 6 5 apply. For the purposes of authorising an individual to execute a transfer as attorney a meeting of the Board shall be treated as quorate and a resolution shall be capable of being duly passed without the need for the Directors appointed or nominated by the Proposing Transferor being present, represented or voting. The receipt by the Company of the purchase money shall be a good discharge to the Purchasing Shareholders. The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the Proposing Transferor.
- 6 6 If the Company shall not give a Sale Notice to the Proposing Transferor within the time specified for that purpose in respect of sales to Purchasing Shareholders, he shall, during the period of 30 days next following the expiry of the time so specified, be at liberty to transfer all or any of the Transfer Shares to any person or persons, which person or persons shall be approved by the Board provided that the price per share obtained upon such share transfer shall in no circumstances be less than the price per share specified in the Transfer Notice served in accordance with Article 6 1 and the Proposing Transferor shall upon request furnish such information to the Directors as they shall require in relation to the price per share obtained as aforesaid. The Directors may require to be satisfied that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied, may refuse to register the instrument of transfer.
- 6 7 Any transfer or purported transfer of any Share (other than upon transmission of a share pursuant to article 27 of the Model Articles upon the death of a Shareholder or upon a person becoming entitled to a share in consequence of the bankruptcy of a Shareholder) made in breach of the foregoing provisions of Articles 6 1 to 6 6 (inclusive) shall be null and void and of no effect.

6 8 If and when required by notice in writing by the Board (the "**call notice**")

- (a) a Shareholder who transfers or purports to transfer any share in the Company in breach of the foregoing provisions of these Articles shall be bound to give a Transfer Notice in respect of the Shares which he has transferred or purported to transfer in breach of these Articles, or
- (b) a Shareholder who causes or permits any of the events specified in Articles 6 9(a) and (b) or with regard to whom any of the events specified in Article 6 9(c) occurs shall be bound to give a Transfer Notice in respect of all the Shares registered in the name of such Shareholder,

and in the event of such Shareholder failing to serve a Transfer Notice pursuant to Article 6 8(a) or 6 8(b) within thirty days of the date of the call notice such Shareholder shall be deemed to have given a Transfer Notice at the expiration of such period of thirty days and to have specified therein as the price per share the fair value of each share to be certified in accordance with Article 6 3 and not to have specified any Minimum Transfer Condition. The provisions of Articles 6 2 to 6 7 (inclusive) and Article 6 10 shall mutatis mutandis apply

6 9 The events specified for the purposes of Article 6 8(b) are

- (a) any direction (by way of renunciation nomination or otherwise) by a Shareholder entitled to an allotment or transfer of Shares to the effect that such Shares or any of them be allotted or issued or transferred to some person other than himself,
- (b) any sale, dealing with or other dispositions of any beneficial interest in a Share (whether or not for consideration or otherwise but excluding any transmission of a Share to any person becoming entitled to such Share in consequence of the death or bankruptcy of a Shareholder) by whomsoever made and whether or not effected by an instrument in writing save where the disposition is made in accordance with these Articles,
- (c) in the case of a corporate Shareholder, such Shareholder entering into liquidation (except a Shareholders' voluntary liquidation for the purpose of reconstruction or amalgamation) or having a receiver appointed over all or any of its assets or having an administrator appointed in respect of it or anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to that corporate Shareholder,

6 10 Save where the provisions of Articles 6 23 to 6 26, 19 and 20 apply, any Proposing Transferor proposing to transfer any D Ordinary Shares otherwise than to a Permitted Transferee shall give notice in writing (hereinafter called the "**D-Transfer Notice**") to the Company that he desires the same and specifying the price per share at which he is willing to sell them (which will be deemed to be fair value as determined under Article 6 13 if no price is specified) and if he wishes to sell the Shares to a third party the name of the proposed transferee. The D-Transfer Notice shall constitute the Company the agent of the Proposing Transferor for the sale of all (but not some of the Shares) of the Shares comprised in the D-Transfer Notice together with all rights then attached thereto to any Shareholder willing to purchase the same at the price specified therein. A D-Transfer Notice shall not be revocable except with the sanction of the Directors

6 11 An offer of the Shares comprised in any D-Transfer Notice (the "**Transfer D Shares**") must be made to the Ordinary Shareholders other than the proposing Transferor (the "**Purchasing D Shareholders**") in writing (herein after called the "**D Offer Notice**") within seven days after receipt by the Company of the D-

Transfer Notice, or in the case where the price is to be determined in accordance with Article 6 12 once this price has been determined unless the Board determines that the Transfer D Shares shall be offered in the first instance to the Company (subject always to the provisions of the Act), and the D-Offer Notice shall

- (a) state the identity of the Proposing Transferor, the number of D Ordinary Shares comprised in the Transfer Notice and the price per share specified in the D-Transfer Notice and inform the Purchasing D Shareholders that the Transfer D Shares are offered to them in accordance with the provisions of this Article 6 11,
- (b) invite each Purchasing D Shareholder to state in his reply whether he wishes to purchase more or less Transfer D Shares than his proportionate entitlement in relation to his overall shareholding of Shares and if so what number,
- (c) contain a statement to the effect that each of the Transfer D Shares in question is being offered to the Purchasing D Shareholders at the price specified in the D-Transfer Notice, and
- (d) state the period in which the offer may be accepted (not being less than twenty-two days or more than forty-two days after the date of the D Offer Notice)

For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company and may, if so specified in the acceptance, be accepted by a Purchasing D Shareholder in respect of a lesser number of Transfer D Shares than his full proportionate entitlement. If all the Purchasing D Shareholders do not accept the offer in respect of their respective proportions in full the Transfer D Shares not so accepted shall be used to satisfy any claims for additional Transfer D Shares (notified in response to the invitation referred to in Article 6 11(b)) as nearly as may be in proportion to the number of Shares already held by the Purchasing D Shareholders claiming additional Transfer D Shares, provided that no Purchasing D Shareholder shall be obliged to take more Transfer D Shares than he shall have applied for. If any Transfer D Shares shall not be capable of being offered to the Purchasing D Shareholders in proportion to their existing holdings, except by way of fractions the same shall be offered to the Purchasing D Shareholders, or some of them, in such proportions as the Board may think fit

- 6 12 If a D-Transfer Notice does not specify a price or if a D-Transfer Notice is deemed to have been served then, upon service of the D-Transfer Notice, the Company shall request that the Auditors certify in writing the sum which in their opinion represents the fair value of each of the Transfer D Shares comprised in the D-Transfer Notice as at the date of the D-Transfer Notice. If the Auditors decline such appointment at their discretion then a person nominated by the Board shall be instructed to give such certificate and any following reference in these Articles to the auditors shall include any person so nominated. Forthwith the Company shall instruct the Auditors to certify as aforesaid and the costs of producing such certificate shall be apportioned amongst the Proposing Transferor and the Purchasing D Shareholders and borne by any one or more of them as the auditors in their absolute discretion shall decide. In certifying the fair value as aforesaid the Auditors shall be entitled to obtain professional valuations in respect of any of the Company's assets and shall be considered to be acting as experts and not as arbitrators or arbiters and accordingly any provisions of law or statute relating to arbitration shall not apply. In determining the fair value of each Share comprised in the D-Transfer Notice under this Article 6 12, the Auditors shall value each Share on the basis of the fraction the numerator of which shall be the value of the Company as a going concern at the date of the D-Transfer Notice and the

denominator of which shall be the number of issued Shares to all holders of Shares

- 6 13 If Purchasing D Shareholders shall be found for some or all the Transfer D Shares within the appropriate period specified in Article 6 11, the Company shall not later than seven days after the expiry of such appropriate period give notice in writing (hereinafter called the "**D Sale Notice**") to the Proposing Transferor specifying the Purchasing D Shareholders and the Proposing Transferor shall be bound upon payment of the price due in respect of all the Transfer D Shares to transfer the Shares to the Purchasing D Shareholders
- 6 14 If in any case the Proposing Transferor after having become bound in accordance with the provisions of this Article 6 to transfer Shares makes default in transferring any Transfer D Shares the Company may receive the purchase money on his behalf and may at the direction of the Directors who have not been appointed by and/or who are not nominees of the Proposing Transferor authorise some person to execute a transfer of such Shares on behalf of and as attorney for the Proposing Transferor in favour of the Purchasing D Shareholders For the purposes of the creation and delegation of such power of attorney, each Shareholder hereby irrevocably appoints the Company as their duly authorised attorney to sign and deliver a stock transfer form with full power to delegate such authority when the conditions of this Article 6 14 apply For the purposes of authorising an individual to execute a transfer as attorney a meeting of the Board shall be treated as quorate and a resolution shall be capable of being duly passed without the need for the Directors appointed or nominated by the Proposing Transferor being present, represented or voting The receipt by the Company of the purchase money shall be a good discharge to the Purchasing D Shareholders The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the Proposing Transferor
- 6 15 If the Company shall not give a D Sale Notice to the Proposing Transferor within the time specified for that purpose in respect of sales to Purchasing D Shareholders, he shall, during the period of 30 days next following the expiry of the time so specified, be at liberty to transfer all or any of the Transfer D Shares to any person or persons, which person or persons shall be approved by the Board provided that the price per share obtained upon such share transfer shall in no circumstances be less than the price per share specified in the D-Transfer Notice served in accordance with Article 6 10 and the Proposing Transferor shall upon request furnish such information to the Directors as they shall require in relation to the price per share obtained as aforesaid The Directors may require to be satisfied that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied, may refuse to register the instrument of transfer
- 6 16 Any transfer or purported transfer of any Share (other than upon transmission of a share pursuant to article 27 of the Model Articles upon the death of a Shareholder or upon a person becoming entitled to a share in consequence of the bankruptcy of a Shareholder) made in breach of the foregoing provisions of Articles 6 10 to 6 15 (inclusive) shall be null and void and of no effect
- 6 17 If and when required by notice in writing by the Board (the "**call notice**")
- (a) a Shareholder who transfers or purports to transfer any share in the Company in breach of the foregoing provisions of these Articles shall be bound to give a D-Transfer Notice in respect of the Shares which he has transferred or purported to transfer in breach of these Articles, or

- (b) a Shareholder who causes or permits any of the events specified in Articles 6 18(a) and (b) or with regard to whom any of the events specified in Article 6 18(c) occurs shall be bound to give a D-Transfer Notice in respect of all the Shares registered in the name of such Shareholder,

and in the event of such Shareholder failing to serve a Transfer Notice pursuant to Article 6 17(a) or 6 17(b) within thirty days of the date of the call notice such Shareholder shall be deemed to have given a D-Transfer Notice at the expiration of such period of thirty days and to have specified therein as the price per share the fair value of each share to be certified in accordance with Article 6 12 The provisions of Articles 6 11 to 6 16 (inclusive) and Article 6 19 shall mutatis mutandis apply

6 18 The events specified for the purposes of Article 6 17(b) are

- (a) any direction (by way of renunciation nomination or otherwise) by a Shareholder entitled to an allotment or transfer of Shares to the effect that such Shares or any of them be allotted or issued or transferred to some person other than himself,
- (b) any sale, dealing with or other dispositions of any beneficial interest in a Share (whether or not for consideration or otherwise but excluding any transmission of a Share to any person becoming entitled to such Share in consequence of the death or bankruptcy of a Shareholder) by whomsoever made and whether or not effected by an instrument in writing save where the disposition is made in accordance with these Articles,
- (c) in the case of a corporate Shareholder, such Shareholder entering into liquidation (except a Shareholders' voluntary liquidation for the purpose of reconstruction or amalgamation) or having a receiver appointed over all or any of its assets or having an administrator appointed in respect of it or anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to that corporate Shareholder

6 19 The Directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of Shares which would otherwise be permitted under the foregoing provisions of this Article 6 if it is a transfer of a Share on which the Company has a lien The Directors may also refuse to register a transfer of any Shares

- (a) 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 and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,
- (b) unless it is in favour of not more than two transferees,
- (c) if the transferee is a person (or a nominee for a person) who the Directors determine in good faith is a Competitor, unless the relevant transfer will trigger the provisions of Article 19 or Article 20, or
- (d) the transfer is to an Employee, Director or prospective Employee or prospective Director and such person has not entered into a joint section 431 ITEPA election with the Company

6 20 The provisions of Articles 6 11 to 6 19 (inclusive) may be waived in any particular case if 75% of the Ordinary Shareholders give their consent in writing

- 6 21 For the purpose of ensuring that a transfer of Shares is permitted pursuant to the provisions of these Articles or that no circumstances have arisen whereby a Transfer Notice may be required to be given, the Directors may from time to time require any Shareholder or the legal personal representative of any deceased Shareholder or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the Shares concerned. In any case where the Directors have duly required by notice in writing a Transfer Notice or D-Transfer Notice to be given in respect of any Shares and such Transfer Notice or D-Transfer Notice is not duly given within a period of thirty days from such notice such Transfer Notice or D-Transfer Notice shall be deemed to have been given at the end of the period of thirty days and such Transfer Notice or D-Transfer Notice shall be deemed to specify as the price per share the fair value of each share to be certified (i) for Ordinary Shares in accordance with Article 6 3 and the provisions of Articles 6 2 to 6 8 (inclusive) and Article 6 10 shall mutatis mutandis apply, and (ii) for D Ordinary Shares in accordance with Article 6 12 and the provisions of Articles 6 1 to 6 16 (inclusive) and Article 6 19 shall mutatis mutandis apply
- 6 22 In Articles 6 to 8 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share
- 6 23 A Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restrictions as to price or otherwise
- 6 24 If a Permitted Transferee ceases to be within the required relationship with an Original Shareholder the Shares that had been transferred to that Permitted Transferee by that Original Shareholder shall be transferred to the Original Shareholder or a Permitted Transferee of that Original Shareholder without restriction as to price or otherwise. If such transfer is not made within 21 days the Permitted Transferee shall be deemed to have given a Transfer Notice pursuant to Article 6 1 or a D-Transfer Notice pursuant to Article 6 10
- 6 25 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Shares to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 6 25 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise
- 6 26 On the death (subject to Article 6 25), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy or its liquidator, administrator or administrative receiver must within 21 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 a liquidator, administrator or the administrative receiver, execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any

Permitted Transferee of the Original Shareholder If the transfer is not executed and delivered within 14 days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice pursuant to Article 6 1 or a D-Transfer Notice pursuant to Article 6 10

7 Transmission of shares

In the application of articles 27 to 29 of the Model Articles to the Company

- 7 1 any person (other than a Permitted Transferee) becoming entitled to a share in consequence of the death or bankruptcy of an Ordinary Shareholder shall give a Transfer Notice before he elects in respect of any share to be registered himself or to execute a transfer,
- 7 2 if a person so becoming entitled shall not have given a Transfer Notice in respect of any share within six months of the death or bankruptcy, the Directors may at any time thereafter upon resolution passed by them give notice requiring such person within thirty days of such notice to give a Transfer Notice in respect of all the Shares to which he has so become entitled and for which he has not previously given a Transfer Notice and if he does not do so he shall at the end of such thirty days be deemed to have given a Transfer Notice pursuant to Article 6 1 relating to those Shares in respect of which he has still not done so,
- 7 3 where a Transfer Notice is given or deemed to be given under this Article and no price per share is specified therein the Transfer Notice shall be deemed to specify the sum which shall, on the application of the Directors, be certified in writing by the Auditors in accordance with Article 6 3 as the fair value thereof

8 Compulsory transfers

- 8 1 If an Employee is a Good Leaver there will be no impact on the Shares held by him except in relation to the holders of the B Ordinary Shares
- 8 2 If an Employee is a Bad Leaver a Transfer Notice will be deemed to have been served on his behalf in respect of all the Shares held by him and the provisions of Articles 6 2 to 6 8 (inclusive) shall mutatis mutandis apply subject to the following provisions
 - (a) there will be no Minimum Transfer Condition,
 - (b) the price per share shall be the fair value of each share to be certified in accordance with Article 6 3
- 8 3 For the purposes of this Article, the Shares in respect of which a Transfer Notice is deemed to have been served pursuant to Article 8 2 may be offered to the following persons (at the discretion of the Board)
 - (a) to a person or persons nominated by the Board to take the departing Employee's place conditionally upon them commencing employment with the Company,
 - (b) to any of the existing Employees (other than the departing Employee),
 - (c) to other participants or potential participants of the Share Option Scheme,

- (d) to any other person or persons approved by the Board (other than the departing Employee), and/or
- (e) to the Company (subject always to the provisions of the Act)

8 4 All voting rights attached to Shares

- (a) in respect of which a Transfer Notice is deemed to have been served pursuant to Article 8 2,
- (b) held by an Employee, as applicable, who purports to transfer Shares in any manner other than as set out in Article 6 or whose Shares pass by way of Transmission,

shall forthwith be suspended

- 8 5 Shares whose voting rights are suspended pursuant to Article 8 4 ("**Restricted Shares**") shall confer on the holders of the right to receive notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy at any general meeting of the Company or on any proposed written resolutions of the Company. If a Bad Leaver transfers any Restricted Shares in accordance with these Articles (either voluntarily or automatically), the voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored

8 6 If

- (a) any Shares are registered in the name of a Family Trust or a Trust the beneficiary of which is an Employee ("**Employee Trust**") or a Permitted Transferee of an Employee (other than those Shares held by those persons that the Board declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of his relationship with the Employee) ("**Employee Permitted Transferee**"), if that Employee is a Bad Leaver that Employee Family Trust and/or Employee Permitted Transferee shall be deemed to have served a Transfer Notice pursuant to Articles 8 2, or
- (b) an Employee Trust and/or Employee Permitted Transferee becomes a member pursuant to the exercise of a pre-existing option or other rights to acquire Shares after an Employee who is the beneficiary of that Employee Trust has ceased to be an Employee and is a Bad Leaver, the provisions of Article 8 6(a) shall apply to that Employee Trust and/or Employee Permitted Transferee immediately on that Employee Trust and/or Employee Permitted Transferee acquiring the Shares

9 **General meetings**

If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act

10 **Proxies**

- 10 1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy

of such authority or a copy of such authority in some other way approved by the directors)"

- 10 2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may
- 10 3 be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote,
- (a) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director, or
 - (b) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid

11 Proceedings at general meetings

- 11 1 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 25 per cent in nominal value of the Ordinary Shares, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held
- 11 2 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman
- 11 3 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made
- 11 4 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded

- 11 5 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven days' notice shall be given specifying the time and place at which the poll is to be taken.
- 11 6 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver proxy notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

12 Vote of shareholders

- 12 1 The Ordinary Shares shall confer on each holder of 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.
- 12 2 The D Ordinary Shares and B Ordinary Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise contribute an eligible member for the purposes of, proposed written resolutions of the Company.
- 12 3 Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every Shareholder entitled to vote who (being an individual) is present in person or by proxy (not being himself a Shareholder entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a Shareholder entitled to vote) shall have one vote and, on a poll, each Shareholder shall have one vote for each share of which he is the holder.
- 12 4 A Shareholder shall not be entitled to appoint more than one proxy to attend and vote on the same occasion. Any such proxy shall be entitled to cast the votes to which he is entitled in different ways.

13 Number of directors

The number of Directors shall not be less than three.

14 Alternate directors

- 14 1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "**Appointer**") may appoint any director or any other person as he thinks fit to be his alternate Director to
- (a) exercise that Director's powers, and
 - (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

The appointment of an alternate Director who is not a Director shall require approval by a resolution of the Directors and such approval is required prior to the alternate Director being permitted to act on behalf of the Appointer. Any such appointment of an alternate Director shall be valid for a maximum period of 4 calendar months. Any renewal of an alternate Director's appointment shall be subject to further approval by a resolution of the Directors and shall be subject to a maximum of three renewal occurrences totalling a maximum aggregate appointment period of 12 calendar months, unless otherwise agreed by the majority of Shareholders in a general meeting.

14.2 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

14.3 The notice must

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

14.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor

14.5 Except as these Articles specify otherwise, alternate Directors

- (a) are deemed for all purposes to be Directors,
- (b) are liable for their own acts and omissions,
- (c) are subject to the same restrictions as their Appointors, and
- (d) are not deemed to be agents of or for their Appointors,

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

14.6 A person who is an alternate Director but not a Director

- (a) 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), and
- (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate)

No alternate may be counted as more than one Director for such purposes

14.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision)

14.8 An alternate Director is not 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

14.9 An alternate Director's appointment as an alternate shall terminate

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director,
- (c) by a resolution of the Directors,
- (d) on the death of the alternate's Appointor, or
- (e) when the alternate's Appointor's appointment as a Director terminates

15 Directors' interests

15 1 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind, namely

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
- (b) where a Director (or a person connected with him) is a director, employee or other Officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, shareholder or other Officer of, or consultant to, a Group Undertaking of the Company,
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) under the Company or body corporate in which the Company is in any way interested,
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,
- (f) where a Director (or a person connected with him or of which he is a shareholder or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other Officer acts) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution

Article 14 of the Model Articles shall not apply

15 2 For the purposes of this Article 15, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

- 15 3 In any situation permitted by this Article 15 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit
- 15 4 The Company has, by ordinary resolution dated the date of adoption of these Articles, resolved for the purposes of paragraph 47(3)(b) of schedule 4 to the Companies Act 2006 (Commencement No 5, (Transitional Provisions and Savings) Order 2007) that authorisation of conflicts of interest may be given by the Directors within section 175(a) of the Act
- 15 5 Any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt
- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed, or
 - (iii) restricting the application of the provisions in Articles 15 6 and 15 7, so far as is permitted by law, in respect of such Interested Director,
 - (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time, and
 - (c) an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 15
- 15 6 Subject to Article 15 7 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information in circumstances where disclosure may otherwise be required under this Article), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required
- (a) to disclose such information to the Company or to the Directors, or to any director, officer or employee of the Company, or
 - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director
- 15 7 Where such duty of confidentiality arises out of 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, Article 15 6 shall apply only if the conflict arises out of a matter which falls within Article 15 1 or has been authorised under section 175(5)(a) of the Act (subject to any restrictions imposed by the authorising Directors)

- 15 8 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
 - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information
- 15 9 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 15 1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest
- (a) falling under Article 15 1(g),
 - (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or
 - (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles
- 15 10 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director, in relation to any resolution concerning a matter in which he has an interest, whether a direct or indirect interest, or in relation to which he has a duty
- (a) can vote, and be counted in reckoning as to whether a quorum is present, at a meeting of the Directors or of a committee of the Directors, and
 - (b) shall be an Eligible Director, and be counted as participating, for the purposes of determining whether a quorum is participating
- 15 11 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article
- 15 12 For the purposes of this Article 15
- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,

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

16 Disqualification and removal of directors

The office of a Director shall be vacated if

- 16 1 he ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director, or
- 16 2 he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- 16 3 he is, or may be, suffering from mental disorder and either
 - (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or in Scotland an application for admission under the Mental Health (Scotland) Act 1960, or
 - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or
- 16 4 he resigns his office by notice to the Company, or
- 16 5 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 the Directors resolve that his office be vacated,

and article 18 of the Model Articles shall not apply to the Company

17 Gratuities and pensions

The Directors may exercise any powers of the Company conferred by these Articles to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in the Act) of the Company and the Directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers

18 Proceedings of the directors

- 18 1 The quorum for the transaction of business of the Directors shall throughout the meeting be three of which at least two must be non-executive Directors. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same place or to such time and place as the Directors may determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed then the meeting shall proceed

- 18 2 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless all Directors indicate their willingness to accept shorter notice of a meeting of the Directors, at least seven days' prior notice of the time and place of each meeting of the Directors shall be given. Questions arising at any meeting shall be determined by a majority of votes and in the case of an equality of votes the chairman of the meeting shall not have a second or casting vote.
- 18 3 A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of every meeting of the Directors shall be given to every Director in accordance with the provisions referred to in Article 24 but the non-receipt of notice by any Director shall not of itself invalidate the proceedings at any meeting of the Directors.
- 18 4 Any Director including an alternate Director may participate in a meeting of the Directors or a committee of the Directors by means of a conference telephone or similar means of communications equipment whereby all persons participating in the meeting can hear each other and participation in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 18 5 Notice of a Directors' 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 at any time before or 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.
- 18 6 All Board meetings shall be held at a venue reasonably convenient for the Directors.
- 18 7 A decision of the Directors 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 (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this Article also.

19 Drag Along

- 19 1 If a bona fide third party who is not an Associate of a Shareholder (the "**Purchaser**") makes an arms' length offer to (or agrees to enter into a sale agreement with) the Shareholders (the "**Offer**") to acquire all of their Shares for cash (or for assets for which there is a ready market for sale in exchange for cash) then if 75% of the holders of the Ordinary Shares wish to accept the Offer (the "**Accepting Shareholders**") they may give written notice to the Company signed by or on behalf of all of them (the "**Drag Along Notice**") stating
- (a) the identity of the Purchaser,
 - (b) that they wish to accept the Offer,
 - (c) the price per Share payable under the Offer (the "**Selling Share Price**"), and
 - (d) any other conditions attaching to the Offer (the "**Selling Share Terms**")

- 19 2 Not later than the date seven days after the date of service of the Drag Along Notice, the Directors shall serve a copy of it on all Shareholders who have not signed it
- 19 3 If not later than the date 21 days after the date of service of the Drag Along Notice the Directors or another Shareholder has not made or procured to be made an irrevocable and unconditional offer for (or agreed to enter into a sale agreement in respect of) all the issued Shares then held by the Accepting Shareholders on terms which in the reasonable opinion of the Directors are better than the terms of the Offer, then all Shareholders who have not already accepted the Offer (the **"Called Shareholders"**) will be deemed to have accepted the Offer referred to in the Drag Along Notice and must transfer their Shares to the Purchaser on the 21st day following the expiry of the 21 day period against payment or delivery to them of the consideration but without requiring the Called Shareholders to assume any other obligation
- 19 4 If a Called Shareholder fails to transfer his Shares as required by Article 19 3 the provisions of Article 6 5 will apply as if references to the proposing transferor were to the Called Shareholder, references to the purchasing member(s) were to the Purchaser and references to the purchase money were references to the consideration payable for the shares of the Called Shareholder
- 19 5 The Offer shall not be subject to Articles 6 1 to 6 5 and Articles 6 10 to 6 14
- 19 6 If any person becomes a member of the Company (a **"New Member"**) pursuant to the exercise of a pre-existing option or other rights to acquire shares after a Drag-Along Notice has been served, the New Member will be bound to transfer all Shares acquired by him to the Purchaser or as the Purchaser may direct The provisions of Articles 19 1 to 19 6 shall apply (with necessary changes) to the New Member, save that if the Shares are acquired after the sale of Shares by the Called Shareholders has been completed, completion of the sale of the New Member's Shares shall take place immediately on the New Member acquiring the Shares

20 Transfers of substantial interests

- 20 1 The provisions of Article 20 2 will apply if an Ordinary Shareholder (a **"Proposed Seller"**) proposes to transfer any Ordinary Shares (a **"Proposed Transfer"**) which would, if put into effect, result in any person (a **"Proposed Transferee"**) together with any person with whom they are Acting in Concert, acquiring a Controlling Interest in the Company
- 20 2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Transferee of an offer to the other Shareholders and option holders under the Share Option Scheme, to acquire all of their Shares and vested options (including those that vest upon any person acquiring a Controlling Interest) for a consideration per share the value of which is at least equal to the consideration per share offered to the Proposed Seller
- 20 3 The offer referred to in Article 20 2 must be expressed to be capable of acceptance for a period of not less than seven days and if it is accepted by any Shareholder (an **"Accepting Shareholder"**) within that period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders
- 20 4 The Proposed Transfer is subject to the pre-emption provisions of Article 6 but the purchase of the Accepting Shareholders' shares shall not be subject to Articles 6 1 to 6 5 and Articles 6 10 to 6 14

21 The Seal

If the Company has a seal it shall only be used with the authority of the Directors or of a committee of the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined every instrument to which the seal is affixed shall be signed by one Director and by the secretary or another Director.

22 Capitalisation of profits

The words "special resolution" shall be substituted for the words "ordinary resolution" in article 36 of the Model Articles.

23 Notice

23 1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied

- (a) in hard copy form,
- (b) in electronic form, or
- (c) (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 24.

Notices in hard copy form

23 2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas)

- (a) to the Company or any other company at its registered office, or
- (b) to the address notified to or by the Company for that purpose, or
- (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members, or
- (d) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors, or
- (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied, or
- (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in paragraphs (a) to (e) above, to the intended recipient's last address known to the Company.

23 3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective

- (a) if delivered, at the time of delivery,

- (b) if posted, on receipt or 24 hours after the time it was posted, whichever occurs first

Notices in electronic form

23 4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may

- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,
- (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 23 2, or
- (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify
 - (i) on its website from time to time, or
 - (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time

23 5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective

- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 24 hours after the time it was sent, whichever occurs first,
- (b) if posted in an electronic form, on receipt or 24 hours after the time it was posted, whichever occurs first,
- (c) if delivered in an electronic form, at the time of delivery, and
- (d) if sent by any other electronic means as referred to in Article 23 4(c), at the time such delivery is deemed to occur under the Act

23 6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

Notice by means of a website

23 7 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website

General

23 8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of

the joint holding (the "**Primary Holder**") Notice so given shall constitute notice to all the joint holders

- 23 9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise)

24 Indemnity

- 24 1 Subject to the provisions of the Act every Director (including an alternate Director) or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the lawful execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under sections 661(3) or (4) or 1157 of the Act in which relief is granted to him by the court, and no Director (including an alternate Director) or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the lawful execution of the duties of his office or in relation thereto
- 24 2 The Directors shall have power to purchase and maintain at the expense of the Company for the benefit of any Director (including an alternate Director) or officer of the Company insurance against any liability as is referred to in section 232(1) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, (including as an alternative director) or officer including without limitation, as a result of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company
- 24 3 The Directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of the Company for the benefit of any Director (including an alternate Director), other officer or auditor of such company in respect of such liability, loss or expenditure as is referred to in Article 24 2
- 24 4 The appointment of any receiver or administrator shall not entitle such appointee to nullify, revoke or cancel the indemnity provided under this Article 24 nor any indemnity insurance relating thereto, to the detriment of any Director or other officer of the Company

25 Secretary

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them