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**Company No: 04949934**

**THE COMPANIES ACT 2006  
COMPANY LIMITED BY SHARES  
RESOLUTION IN WRITING**

**of**

**ELEKTRON TECHNOLOGY UK LIMITED**

**("Company")**


**Passed the 14<sup>th</sup> day of July 2016**

By a written resolution agreed to in accordance with Chapter 2 of Part 13 of the Companies Act 2006 by or on behalf of the required number of the members of the Company who, at the date of circulating the resolution, were entitled to vote on the resolution and the following resolution of the Company was duly passed

**SPECIAL RESOLUTION**

THAT the Articles of Association set out in the document produced to this meeting and signed by the Chairman of the meeting for the purposes of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company

Signed

  
Director/Secretary

Dated 14 July 2016



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Company No 04949934

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**Articles of Association of Elektron Technology UK Limited**

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Incorporated 31 October 2003

Adopted by special written resolution passed on [DATE] 2016

14 July [Signature]

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**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

OF

**ELEKTRON TECHNOLOGY UK LIMITED**

Adopted by written resolution passed on [DATE] 2016

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**1 PRELIMINARY**

The regulations contained in Table A of The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826) ("**Table A**") shall not apply to the Company and these Articles alone shall constitute the regulations of the Company

The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company ("**Model Articles**") (a copy of which is annexed) apply to the Company except in so far as they are excluded or varied by these Articles

**2 INTERPRETATION**

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

<b>"2006 Act"</b>	the Companies Act 2006 (as amended from time to time)
<b>"A Ordinary Shares"</b>	the A ordinary shares of £0.001 in the capital of the Company
<b>"AIM"</b>	the market of such name operated by the London Stock Exchange plc or any successor body thereto
<b>"Clawback Reason"</b>	<ul style="list-style-type: none"><li>(a) a material misstatement in the Parent's accounts or consolidated accounts or announcements,</li><li>(b) serious misconduct of the holder of A Ordinary Shares (including fraud, negligence and/or dishonesty), and/or</li><li>(c) material financial losses incurred by the Group that result from the area of responsibility of the holder of A Ordinary Shares</li></ul>
<b>"Determination Date"</b>	has the meaning set out at <b>Article 16.2</b>
<b>"electronic means"</b>	has the meaning given in section 1168 of the 2006 Act

<b>"eligible directors"</b>	has the meaning given in Model Article 8(3)
<b>"Good Leaver"</b>	<p>a holder of A Ordinary Shares who ceases to hold office or employment within the Group by reason of</p> <ul style="list-style-type: none"> <li>(a) death, disability, injury, or ill-health as agreed by the Remuneration Committee,</li> <li>(b) if the holder is removed from office through shareholder vote other than for a Clawback Reason,</li> <li>(c) redundancy under section 139 of Employment Rights Act 1996, or</li> <li>(d) any other reason which the Remuneration Committee in its discretion considers to be a good leaver reason</li> </ul>
<b>"Group"</b>	the Parent, the Company and each of their respective subsidiaries and subsidiary undertakings from time to time
<b>"Internal Reorganisation"</b>	<p>the acquisition of the whole of the issued ordinary share capital of a company ("<b>old shares</b>") by another company ("<b>new company</b>") in circumstances in which</p> <ul style="list-style-type: none"> <li>(a) the consideration for the old shares consists wholly of the issue of shares ("<b>new shares</b>") in the new company,</li> <li>(b) the new shares are issued in consideration of the old shares only at times when there are no issued shares in the new company other than <ul style="list-style-type: none"> <li>(i) subscriber shares, and</li> <li>(ii) new shares previously issued in consideration of old shares,</li> </ul> </li> <li>(c) the consideration for the new shares of each description consists wholly of old shares of the corresponding description, and</li> <li>(d) the new shares of each description are issued to holders of old shares of the corresponding description in respect of, and in proportion to, their holdings</li> </ul>
<b>"Ordinary Shares"</b>	the ordinary shares of £1 00 in the capital of the Company
<b>"Parent"</b>	Elektron Technology Plc (incorporated in England and Wales with company number 00448274)
<b>"Parent Sale Event"</b>	the acquisition of more than 75% of the Parent Shares in issue by any person or persons acting in concert within the meaning of the City Code on Takeovers and Mergers (when combined with any

	Parent Shares then owned by such person or persons), other than pursuant to an Internal Reorganisation
<b>"Parent Shareholders"</b>	the holders of Parent Shares from time to time
<b>"Parent Shares"</b>	the ordinary shares of £0.05 in the capital of the Parent
<b>"Performance Period"</b>	31 January 2016 to 31 January 2019
<b>"Put Right"</b>	has the meaning set out at <b>Article 17.1</b>
<b>"Remuneration Committee"</b>	the Remuneration Committee of the board of directors of the Parent
<b>"Sale Event"</b>	<p>(a) a sale of all or substantially all of the share capital of the Company at a time when it holds all the assets of the Group, or</p> <p>(b) a sale of all or substantially all the assets of the Group, or</p> <p>(c) such other event as may be determined by the Remuneration Committee to constitute a Sale Event,</p> <p>other than pursuant to an Internal Reorganisation</p>
<b>"Shares"</b>	a share in the capital of the Company, of whatever class
<b>"Statutes"</b>	the Companies Acts as defined in section 2 of the 2006 Act and every other statute, order, regulation or other subordinate legislation in force from time to time relating to companies and affecting the Company
<b>"these Articles"</b>	these Articles of Association as amended from time to time
<b>"Trustee"</b>	the trustee for the time being of any trust established by the Parent or any member of the Group for the benefit of employees and/or any of the persons referred to in section 1166 of the 2006 Act
<b>"Vested A Ordinary Shares"</b>	A Ordinary Shares which have vested in accordance with <b>Article 16.1</b> , or <b>Articles 18</b> or <b>19</b>
<b>"Vesting Date"</b>	the Determination Date, or if earlier, the date on which the conditions set out in <b>Article 16.1.2</b> are met
<b>"Weighted Parent Share Price"</b>	has the meaning set out at <b>Article 16.2.</b>
2.2	Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Statutes but excluding any statutory modification of the same not in force when these Articles become binding on the Company
2.3	References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-

enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision

2 4 References to the singular also include the plural and vice versa

### 3 **UNANIMOUS DECISIONS OF DIRECTORS**

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 Model Article 8(2) shall not apply to the Company

### 4 **CALLING A DIRECTORS' MEETING**

4 1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice Model Article 9(1) shall not apply to the Company

4 2 Notice of a directors' meeting shall be given to each director in writing Model Article 9(3) shall not apply to the Company

### 5 **NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be the subject to any maximum but shall not be less than two

### 6 **PARTICIPATION IN DIRECTORS' MEETINGS**

6 1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when

6 1 1 the meeting has been called and takes place in accordance with these Articles, and

6 1 2 they can each simultaneously communicate with and to the others participating in the meeting any information or opinions they have on any particular item of the business of the meeting

6 2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or, subject to **Article 6.1.2**, how they communicate with each other

6 3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

6 4 Model Article 10 shall not apply to the Company

6 5 Model Article 9(2)(c) shall be amended by the insertion of the word "simultaneously" after the words "how it is proposed that they should" and before the words "communicate with each other during the meeting"

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

7 1 The following shall be added as paragraph (4) to Model Article 11

"(4) If, as a consequence of section 175(6) of the 2006 Act, a director cannot vote or be counted in the quorum at a directors' meeting then the following shall apply

(a) if the eligible directors participating in the meeting do not constitute a quorum then the quorum for the purposes of the meeting shall be reduced by one for each director who cannot vote or be counted in the quorum, and

- (b) if despite sub-paragraph (a) the eligible directors participating in the meeting still do not constitute a quorum or there are no eligible directors then the meeting must be adjourned to enable the shareholders to authorise any situation in which a director has a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company "
- 7 2 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting shall not have a casting vote. The provisions of Model Article 13 shall not apply to the Company
- 8 DIRECTORS' INTERESTS**
- 8 1 Subject to these Articles and the 2006 Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director
- 8 1 1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,
- 8 1 2 may hold any other office or employment with the Company (other than the office of auditor),
- 8 1 3 may be a director or other officer of, or employed by, or be a party to any transaction or arrangement with or otherwise interested in any body corporate in which the Company is in any way interested,
- 8 1 4 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested (other than as auditor), and/or
- 8 1 5 shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by **Articles 8.1.1 to 8.1.4** and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit
- 8 2 Except for a vote under section 175(4) of the 2006 Act authorising any conflict of interest which a director or any other interested director may have or where the terms of authorisation of such conflict provide that a director may not vote in situations prescribed by the directors when granting such authorisation, a director will be entitled to participate in the decision making process for voting and quorum purposes on any of the matters referred to in **Articles 8.1.1 to 8.1.4** and in any of the circumstances set out in Model Articles 14(3) and 14(4)
- 8 3 For the purposes of these Articles references to decision making process includes any directors' meeting or part of a directors meeting
- 8 4 For the purposes of **Article 8.1**
- 8 4 1 a general notice given in accordance with the 2006 Act is to be treated as a sufficient declaration of interest,
- 8 4 2 a director is not required to declare an interest either where he is not aware of such interest or is not aware of the transaction or arrangement in question, and
- 8 4 3 an interest of a director who appoints an alternate director shall be treated as an interest of the alternate director
- 8 5 Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company

## **9 APPOINTMENT AND REMOVAL OF DIRECTORS**

9 1 In addition to the powers granted by Model Article 17(1), the Parent may at any time, and from time to time, appoint any person to be a director, either as an additional director or to fill a vacancy and may remove from office any director however appointed. Any such appointment or removal shall be effected by notice in writing to the Company signed by the Parent or, if the Parent is a body corporate, signed by one of its directors or duly authorised officers or by its duly authorised attorney.

9 2 Model Article 17(1)(b) shall be amended by the insertion of the words "subject to the prior approval in writing of the Parent" before the words "by a decision of the directors"

## **10 TERMINATION OF DIRECTOR'S APPOINTMENT**

In addition to the circumstances set out in Model Article 18 (a) to (f) (inclusive) a person ceases to be a director as soon as that person is removed from office as a director pursuant to **Article 9.1**

## **11 DIRECTORS' PENSIONS AND GRATUITIES**

In addition to the provisions of Model Article 19(3)(b), the directors may exercise all the powers of the Company to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for present or former directors or employees (or their dependants) of the Company or any subsidiary undertaking (as defined in section 1162 of the 2006 Act) or associated undertaking (as defined in section 479(4) of the 2006 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

## **12 ALTERNATE DIRECTORS**

### **12 1 Appointment and removal of alternates**

12 1 1 Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by the directors, to

12 1.1 1 exercise that director's powers, and

12 1 1 2 carry out that director's responsibilities,

in relation to participation in directors' meetings and the taking of decisions by the directors in the absence of the alternate's appointor

12 1 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors

12 1 3 The notice must

12 1 3 1 identify the proposed alternate, and

12 1 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

### **12 2 Rights and responsibilities of alternate directors**

12 2 1 An alternate director has the same rights, in relation to participation in directors' meetings and the taking of decisions by the directors and in relation to directors' written resolutions, as the alternate's appointor

12 2 2 An alternate director may act as an alternate director for more than one appointor

12 2 3 Except as these Articles specify otherwise, alternate directors

12 2 3 1 are deemed for all purposes to be directors,

12 2 3 2 are liable for their own acts and omissions,

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

12 2 3 4 are not deemed to be agents of or for their appointors

and, each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member

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

12 2 4 1 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

12 2 4 2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate)

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

12 2 5 A director who is also an alternate director is entitled, in his absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

12 2 6 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

### 12 3 Termination of alternate directorship

12 3 1 An alternate director's appointment as alternate terminates

12 3 1 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

12 3 1 2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,

12 3 1 3 on the death of the alternate's appointor, or

12 3 1 4 when the alternate's appointor's appointment as a director terminates

### 13 ALTERNATE DIRECTORS' EXPENSES

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"

### 14 ALLOTMENT OF SHARES

- 14 1 The Directors are generally and unconditionally authorised for the purposes of section 551 of the 2006 Act to exercise all powers of the Company to allot Shares and grant subscription and conversion rights as are contemplated in sections 551(1)(a) and 551(b) of the 2006 Act. This authority shall be for a period of five years from the date of adoption of these Articles unless renewed, varied or revoked by an ordinary resolution of the members of the Company. The maximum amount of Shares which may be allotted pursuant to such authority shall be 7,500 A Ordinary Shares.
- 14 2 The Directors may allot shares or grant subscription and conversion rights after the authorisation set out in Article 14 1 or any renewal of that authorisation has expired, in accordance with section 551(7)(b) of the 2006 Act.
- 14 3 Section 561(1) of the 2006 Act shall not apply to any allotment of equity securities (as defined in section 560(1) of the 2006 Act) by the Company pursuant to the authority set out in **Article 14** or any renewal of that authorisation.
- 14 4 Upon allotment, the Directors shall designate the Shares of the Company as either Ordinary Shares or A Ordinary Shares.
- 14 5 No shares shall be allotted to nor sold out of treasury to any employee, director, prospective employee or director unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 14 6 The Company is authorised to purchase its own shares out of capital up to the annual limit in accordance with section 692 of the 2006 Act.

## 15 **RIGHTS OF SHARES**

Save as otherwise provided in these Articles, the Ordinary Shares and A Ordinary Shares shall be treated *pari passu* and as if they constituted one class of Shares. The rights attached to the Ordinary Shares and A Ordinary Shares are as follows.

### 15.1 **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, each holder of Ordinary Shares and/or A Ordinary Shares shall be entitled to receive notice of, and to attend and speak, at any general meeting and at any separate class meeting of the Company for Shares of the class they hold and

- 15 1 1 on a written resolution, each holder, shall have one vote in respect of each Share they hold, and
- 15 1 2 each holder who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote each, and, on a poll, shall have one vote in respect of each Share they hold.

### 15 2 **Dividends**

- 15 2 1 Any profits available for distribution by the Company may be distributed by way of dividend among the holders of the Ordinary Shares, then in issue *pari passu* according to the number of such Ordinary Shares held by them respectively.
- 15 2 2 No dividends shall be payable on the A Ordinary Shares at any time.
- 15 2 3 The provisions of Model Articles 30(3) and 30(4) shall not apply to the Company.

### 15 3 Capital

On a return of capital on liquidation or capital reduction or otherwise (excluding a Sale Event), the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority

- 15 3 1 firstly, in paying to each holder of Ordinary Shares any dividends on the Ordinary Shares held by him which have been declared in accordance with **Article 15.2.1** but are unpaid,
- 15 3 2 secondly, in paying to each holder of Ordinary Shares and A Ordinary Shares an amount equal to the amount paid up or credited as paid up in respect of the nominal value of such shares, and
- 15 3 3 thereafter, in distributing the balance of such assets amongst the holders in proportion to the numbers of the Ordinary Shares and the Vested A Ordinary Shares held by them respectively (pari passu as if they constituted one class of Share)

### 15 4 Initial Put Right for A Ordinary Shares

Subject to the terms of the 2006 Act, each holder of A Ordinary Shares shall have the right to require the Parent (or person nominated by the Parent) to purchase all (but not some only) of his A Ordinary Shares on the following terms

- 15 4 1 such right can be exercised by written notice to the Parent at any time within six months of the date of acquisition of the A Ordinary Shares,
- 15 4 2 the purchase price payable for the A Ordinary Shares is £2,000 in aggregate, and
- 15 4 3 on exercise of such right, the holder will become bound to sell and the Parent (or person nominated by the Parent) will become bound to purchase the A Ordinary Shares on the terms set out in this **Article 15.4**

## 16 VESTING OF A ORDINARY SHARES

- 16 1 Subject to **Articles 18** and **19**, the A Ordinary Shares shall vest and shall become Vested A Ordinary Shares to the extent specified in **Articles 16.1.1** or **16.1.2** (as the case may be) on the earlier of the dates set out in either **Articles 16.1.1** or **16.1.2**

- 16 1 1 The date on which both of Condition 1 and Condition 2 (as set out below) are satisfied, provided that such vesting shall be to the extent set out in Condition 2

#### *Condition 1*

The total cash generated and held in the Company and/or the Parent from operations and/or disposals, plus any cash distributions paid to Parent Shareholders during the Performance Period, less any outstanding consolidated Group debt, negative consolidated working capital (excluding cash or cash equivalents) or other financial liabilities recognised in the consolidated Group accounts, as determined in the audited consolidated Group accounts for the financial year ended 31 January 2019, to be greater than £8 million

#### *Condition 2*

The A Ordinary Shares will become Vested A Ordinary Shares as follows

- (a) As to 0% if the Weighted Parent Share Price (plus the sum of any cash distributions paid to Parent Shareholders, during the

Performance Period measured on a per share basis) is less than 15 pence,

- (b) As to 75% if the Weighted Parent Share Price (plus the sum of any cash distributions paid to Parent Shareholders, during the Performance Period measured on a per share basis) is equal to or greater than 15 pence but less than 17 5 pence,
- (c) As to 85% if the Weighted Parent Share Price (plus the sum of any cash distributions paid to Parent Shareholders, during the Performance Period measured on a per share basis) is equal to or greater than 17 5 pence but less than 20 pence, and
- (d) As to 100% if the Weighted Parent Share Price (plus the sum of any cash distributions paid to Parent Shareholders, during the Performance Period measured on a per share basis) is equal to or greater than 20 pence,

16 1 2 The date on which the cumulative cash distributions paid to Parent Shareholders over the Performance Period are equal to

16 1 2 1 a cumulative 15 pence cash distribution, in which case the A Ordinary Shares shall vest as to 75%,

16 1 2 2 a cumulative 17 5 pence cash distribution, in which case the A Ordinary Shares shall vest as to 85%, and

16 1 2 3 a cumulative 20 pence cash distribution, in which case the A Ordinary Shares shall vest in full

16 2 The Weighted Parent Share Price shall be determined by taking a 90 day volume weighted average closing share price on AIM of the Parent Shares measured from the date on which the audited consolidated Group accounts for the financial year ended 31 January 2019 are released, the last date of such 90 day period being the "**Determination Date**"

16 3 The vesting conditions set out in **Article 16.1** may be adjusted in such way as the Remuneration Committee (acting fairly and reasonably) may deem appropriate to reflect any variation in the ordinary share capital of the Parent or any capitalisation of profits or reserves by way of any consolidation, sub-division or reduction of the Parent's ordinary share capital or otherwise, provided that the vesting conditions are not materially more difficult or easier to achieve

16 4 The holder of any A Ordinary Shares that have not become Vested A Ordinary Shares prior to or as at the Determination Date, shall after the Determination Date be required to transfer such A Ordinary Shares to the Parent (or person nominated by the Parent) for nil consideration

## 17 **PUT RIGHT IN RELATION TO VESTED A ORDINARY SHARES**

17 1 Subject to **Articles 17.5** and **18**, and any regulatory restrictions on the holder's ability to deal in Parent Shares (whether pursuant to a restriction contained in any share dealing code adopted by the Parent or otherwise), a holder of Vested A Ordinary Shares shall have the right ("**Put Right**") to require the Parent to purchase his Vested A Ordinary Shares for an amount as set out in **Article 17.2**. In the event that the Put Right is exercised, the Parent may request the Trustee to satisfy its obligations under this **Article 17**, and should the Trustee agree to do so, a transfer by the Trustee of cash or a transfer by the Trustee of Parent Shares, shall satisfy the Parent's obligations under this **Article 17**

17 2 The consideration for the purchase of Vested A Ordinary Shares in respect of which the Put Right is exercised shall be equal to

**(A – B + C) x 1,000**, where

- A is the volume weighted average closing share price of a Parent Share on AIM over the 90 day period ending on the day immediately prior to the date of exercise of the Put Right,
- B is 10 pence, and
- C is any cash distributions paid, or declared but not paid, to Parent Shareholders, during the Performance Period

Such consideration for the Vested A Ordinary Shares can be satisfied in cash or by the issue or transfer of Parent Shares at the election of the board of directors of the Parent

- 17 3 Subject to **Article 19**, to the extent that the consideration for the purchase of Vested A Ordinary Shares is satisfied by the issue or transfer of Parent Shares, those Parent Shares must be retained by the holder until 31 January 2021, provided that the holders may sell sufficient Parent Shares as have a value equal to any tax liabilities arising as a result of the disposal of Vested A Ordinary Shares and provided further that the holders may sell Parent Shares in connection with any Parent Sale Event that completes prior to 31 January 2021
- 17 4 The consideration set out in **Article 17.2** may be adjusted in such way as the Remuneration Committee (acting fairly and reasonably) may deem appropriate to reflect any variation in the ordinary share capital of the Parent or any capitalisation of profits or reserves by way of any consolidation, sub-division or reduction of the Parent's ordinary share capital or otherwise
- 17 5 The Put Right shall be exercisable by written notice to the Parent at any time between the Vesting Date and the date on which the audited consolidated Group accounts for the financial year ended 31 January 2021 are published. Notwithstanding the foregoing, if a holder of Vested A Ordinary Shares is prohibited from dealing in Parent Shares at the end of the period set out in this **Article 17.5** (whether pursuant to a restriction contained in any share dealing code adopted by the Parent or otherwise), the period will be extended until 60 days after the holder ceases to be so prohibited
- 17 6 On exercise of the Put Right, the holder of Vested A Ordinary Shares will become bound to sell and the Parent will become bound to purchase the Vested A Ordinary Shares on the terms set out in this **Article 17**. The sale and purchase of the Vested A Ordinary Shares shall take effect, and the consideration shall be paid to the relevant seller, within 30 days of the date of exercise of the relevant Put Right
- 17 7 In the event that any holder of A Ordinary Shares does not exercise the Put Right within the period specified under **Article 17.5**, he shall be required to transfer such A Ordinary Shares to the Parent (or person nominated by the Parent) for nil consideration

## **18 CESSATION OF EMPLOYMENT BY A HOLDER OF A ORDINARY SHARES**

### **Good Leavers**

- 18 1 If a holder of A Ordinary Shares ceases to hold office or employment within the Group as a Good Leaver before the Vesting Date
- 18 1 1 the holder shall continue to hold his A Ordinary Shares, which may vest in accordance with **Article 16.1** or **Article 19**,
- 18 1 2 to the extent that such A Ordinary Shares become Vested A Ordinary Shares, unless the Remuneration Committee determines otherwise, the number of Vested A Ordinary Shares shall be reduced to the proportion of such shares that equals the proportion that the number of days which have elapsed from the start of the Performance Period up to and including the date of cessation of

employment bears to the total number of days in the Performance Period (and rounded down to the nearest whole number of Vested A Ordinary Shares), and

18 1 3 the holder may exercise the Put Right in respect of such Vested A Ordinary Shares as set out in **Article 17** at any time within 6 months of the Determination Date

18 2 The Remuneration Committee will have the discretion to increase the extent to which A Ordinary Shares vest for the purposes of **Article 18 1** in exceptional circumstances (which shall be determined by the Remuneration Committee in their absolute discretion)

18 3 If a Participant ceases to hold office or employment within the Group as a Good Leaver after the Vesting Date, the holder may exercise his Put Right in accordance with **Article 17** at any time within 6 months of the Vesting Date

#### **Sale of employing company or undertaking**

18 4 Other than in the case of a Sale Event or Parent Sale Event, if a holder of A Ordinary Shares ceases to hold office or employment within the Group because the company or part of the undertaking in which he is and continues following such transfer to be employed is transferred by way of sale to a person that is not a member of the Group, the holder's A Ordinary Shares shall vest and become Vested A Ordinary Shares if the conditions set out in **Article 16.1** (as amended by **Article 18.5** below) are met on the last day of the 30 day period specified in **Article 18.5**

18 5 In determining whether the conditions set out in **Article 16.1** have been met for the purposes of **Article 18.4**, the Weighted Parent Share Price shall be equal to the volume weighted average closing share price of the Parent Shares on AIM measured over a consecutive 30 day period starting on the later of the dates when the sale referred to in **Article 18.4** is announced and when all conditions of such sale have been met

18 6 Where **Article 18.4** applies, the holder may exercise the Put Right in respect of Vested A Ordinary Shares as set out in **Article 17** at any time within 6 months of the end of the period specified in **Article 18.5**, save that in determining the consideration payable under **Article 17.2**, "A" shall be equal to the volume weighted average closing share price of the Parent Shares on AIM measured over a consecutive 30 day period starting on the later of the dates when the sale referred to in **Article 18.4** is announced and when all conditions of such sale have been met

#### **Cessation of employment for other reasons**

18 7 If a holder of A Ordinary Shares ceases to hold office or employment within the Group before the Vesting Date for any reason other than as a Good Leaver, the holder shall be required to transfer such A Ordinary Shares to the Parent (or person nominated by the Parent) for nil consideration

18 8 If a holder of A Ordinary Shares ceases to hold office or employment within the Group after the Vesting Date for any reason other than as a Good Leaver, the holder may exercise the Put Right in respect of Vested A Ordinary Shares as set out in **Article 17** at any time within 6 months of cessation of employment

#### **General**

18 9 For the purpose of **Article 18**

18 9 1 a holder of A Ordinary Shares shall not be treated as ceasing to hold office or employment within the Group until that person ceases to hold office or employment with any and all companies in the Group,

18 9 2 a holder of A Ordinary Shares shall be treated as ceasing to hold office or employment within the Group on the day on which he ceases to be an

employee of the Group or, if earlier the date on which the holder gives or is given notice to terminate employment, and

18 9 3 if the office or employment of a holder of A Ordinary Shares is suspended in accordance with his employer's disciplinary procedures and his office or employment within the Group is subsequently terminated, he shall be treated as having ceased to hold office or employment within the Group on the date on which he was suspended unless the Remuneration Committee in its absolute discretion determines otherwise

18 10 In the event that any holder of A Ordinary Shares does not exercise the Put Right within the period specified under this **Article 18**, he shall be required to transfer such A Ordinary Shares to the Parent (or person nominated by the Parent) for nil consideration

## **19 SALE EVENT AND PARENT SALE EVENT**

### **Parent Sale Event**

19 1 On the later of the dates on which a Parent Sale Event is announced and when all conditions of such Parent Sale Event have been met, then

19 1 1 if the Parent Sale Event completes before the Vesting Date, all A Ordinary Shares held by a holder shall become Vested A Ordinary Shares, and

19 1 2 each holder of Vested A Ordinary Shares may exercise their Put Right in accordance with **Article 17** at any time within 1 month of the Parent Sale Event, save that in determining the consideration payable under **Article 17.2**, "A" shall be equal to the transaction sale price of a Parent Share under the Parent Sale Event **Article 17.3** will not apply to the relevant holder

19 2 Notwithstanding **Article 19.1.2**, in the event that a Parent Sale Event is proposed, the Remuneration Committee may notify each holder of A Ordinary Shares of such proposal, in which case all A Ordinary Shares held by a holder shall become Vested A Ordinary Shares (conditional upon the Parent Sale Event completing) and the holder shall (unless the Parent Shareholders following the Parent Sale Event agree otherwise) be required to exercise the Put Right conditional upon but taking effect immediately prior to the Parent Sale Event completing The consideration payable for the Vested A Ordinary Shares shall be determined as set out in **Article 19.1.2** **Article 17.3** will not apply to the relevant holder In the event that the Parent Sale Event does not complete, the A Ordinary Shares shall not become Vested A Ordinary Shares under this **Article 19.2**, and the Put Right shall not be exercised under this **Article 19.2**

19 3 In the event that any holder of Vested A Ordinary Shares does not exercise the Put Right within the period specified under **Article 19.1**, he shall (unless the Parent Shareholders following the Parent Sale Event agree otherwise) be required to transfer such Vested A Ordinary Shares to the Parent (or person nominated by the Parent) for the consideration determined as set out in **Article 19.1.2** **Article 17.3** will not apply to the relevant holder

### **Sale Event**

19 4 If a Sale Event occurs, then

19 4 1 if the Sale Event completes before the Vesting Date, all A Ordinary Shares held by a holder shall become Vested A Ordinary Shares, and

19 4 2 each holder of Vested A Ordinary Shares may exercise their Put Right in accordance with **Article 17** at any time within 1 month of the Sale Event, save that in determining the consideration payable under **Article 17.2**, "A" shall be equal to the volume weighted average closing share price of the Parent Shares on AIM measured over the consecutive 30 day period starting on the later of

the dates on which such Sale Event is announced and all conditions of such Sale Event have been met **Article 17.3** will not apply to the relevant holder

19 5 Notwithstanding **Article 19.4.2**, in the event that a Sale Event is proposed, the Remuneration Committee may notify each holder of A Ordinary Shares of such proposal, in which case all A Ordinary Shares held by a holder shall become Vested A Ordinary Shares (conditional upon the Sale Event completing) and the holder shall be required to exercise the Put Right conditional upon but taking effect immediately prior to the Sale Event completing. The consideration payable for the Vested A Ordinary Shares shall be determined as set out in **Article 19.4.2**. **Article 17.3** will not apply to the relevant holder. In the event that the Sale Event does not complete, the A Ordinary Shares shall not become Vested A Ordinary Shares under this **Article 19.5**, and the Put Right shall not be exercised under this **Article 19.5**

19 6 In the event that any holder of Vested A Ordinary Shares does not exercise the Put Right within the period specified under **Article 19.4**, he shall be required to transfer such Vested A Ordinary Shares to the Parent (or person nominated by the Parent) for the consideration determined as set out in **Article 19.4.2**. **Article 17.3** will not apply to the relevant holder

19 7 Where a Sale Event occurs and **Article 19.4.2** applies, the sale of Vested A Ordinary Shares to the Parent (or person nominated by the Parent) shall take effect as soon as practicable following the exercise of the Put Right and the consideration for the Vested A Ordinary Shares shall be paid (or the Parent Shares shall be issued) as soon as practicable after the amount of such consideration has been determined under **Article 19.4.2**, subject to any restrictions in dealing in Parent Shares to which the Parent may be subject at the relevant time

19 8 Where a Sale Event occurs and **Article 19.5** applies, the sale of Vested A Ordinary Shares to the Parent (or person nominated by the Parent) shall take effect immediately prior to the Sale Event and the consideration for the Vested A Ordinary Shares shall be paid (or the Parent Shares shall be issued) as soon as practicable after the amount of such consideration has been determined under **Article 19.5**, subject to any restrictions in dealing in Parent Shares to which the Parent may be subject at the relevant time

## 20 **TRANSFER OF SHARES**

20 1 A Ordinary Shares shall not be transferable otherwise than in the circumstances set out in **Articles 15.4, 17, 18** or **19**, or with the consent of the Parent. The A Ordinary Shares may not be charged, pledged, mortgaged or encumbered in any way whatsoever

20 2 If a holder of A Ordinary Shares purports to transfer the A Ordinary Shares in breach of **Article 20.1** or to charge, pledge, mortgage or encumber the A Ordinary Shares in any way whatsoever, or is adjudicated bankrupt, he shall be required to transfer the A Ordinary Shares to the Parent or the Trustee as soon as practicable for nil consideration

20 3 If a holder of A Ordinary Shares fails or refuses to transfer any A Ordinary Shares to the Parent or the Trustee as required by these Articles, any director may act as the holder's agent for the purposes of effecting the transfer, and shall effect the transfer of the A Ordinary Shares to the Parent or the Trustee. The Company may receive any purchase money on trust for the relevant holder

20 4 Model Article 26(5) shall be amended by the addition of the following words "The directors may not refuse to register the transfer of a share made in accordance with the provisions of this **Article 20** in any other case" before the words "the directors may refuse to register"

## 21 **TRANSMITTEES BOUND BY PRIOR NOTICES**

Model Article 29 shall be amended by the insertion of the words ", or the name of any person nominated under Model Article 27(2), "after the words "the transmittee's name"

## 22 NOTICE OF GENERAL MEETINGS

Every notice convening a general meeting shall

- 22 1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies, and
- 22 2 be given in accordance with section 308 of the 2006 Act, that is in hard copy form, electronic form or by means of a website

## 23 PROCEEDINGS AT GENERAL MEETINGS

- 23 1 If a quorum is not present within half an hour of the time at which a general meeting is due to start or if, during a general meeting, a quorum ceases to be present the chairman of the meeting must adjourn it
- 23 2 When adjourning the general meeting the chairman of the meeting must specify that the meeting is adjourned either
  - 23 2 1 to the same day, place and time the following week, or
  - 23 2 2 to another day, place and time to be decided by the directors
- 23 3 If a quorum is not present within half an hour of the time at which the adjourned meeting is due to start the shareholder or shareholders present in person or by proxy or by corporate representative and who are entitled to vote shall
  - 23 3 1 constitute a quorum, and
  - 23 3 2 have power to decide on all matters which could have been transacted at the meeting which was adjourned
- 23 4 Model Article 41 shall not apply to the Company

## 24 WRITTEN RESOLUTIONS

- 24 1 A written resolution, proposed in accordance with section 288(3) of the 2006 Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date
- 24 2 For the purposes of this **Article 24** "circulation date" is the date on which copies of the written resolution are sent or submitted to shareholders or, if copies are sent or submitted on different days, to the first of those days

## 25 COMPANY COMMUNICATION PROVISIONS

- 25 1 Where
  - 25 1 1 a document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom, and
  - 25 1 2 the Company is able to show that it was properly addressed, prepaid and posted,it is deemed to have been received by the intended recipient 24 hours after it was posted
- 25 2 Where
  - 25 2 1 a document or information is sent or supplied by electronic means, and
  - 25 2 2 the Company is able to show that it was properly addressed,

it is deemed to have been received by the intended recipient immediately after it was sent

- 25 3 Where a document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient

25 3 1 when the material was first made available on the website, or

25 3 2 if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website

- 25 4 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by **Articles 25.1, 25.2 and 25.3**

- 25 5 Subject to any requirements of the 2006 Act only such, documents and notices as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified

## 26 **DIRECTORS' INDEMNITY AND INSURANCE**

- 26 1 Subject to, and so far as may be permitted by, the 2006 Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or of any such associated company and against any such liability incurred by him in connection with the Company's activities as trustee of an occupational pension scheme as defined in section 235(6) of the 2006 Act

- 26 2 Subject to the 2006 Act the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or associated company

- 26 3 Subject to, and so far as may be permitted by, the 2006 Act, the Company shall be entitled to fund the expenditure of every director, former director, alternate director or other officer of the Company incurred or to be incurred

26 3 1 in defending any criminal or civil proceedings, or

26 3 2 in connection with any application under sections 661(3), 661(4) or section 1157 of the 2006 Act

- 26 4 Model Articles 52 and 53 shall not apply to the Company

**2008 No. 3229**

**COMPANIES**

**The Companies (Model Articles) Regulations 2008**

**SCHEDULE 1**

**MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY**

**SHARES**

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## **PART 1**

### **INTERPRETATION AND LIMITATION OF LIABILITY**

#### **Defined terms**

- 1 In the articles, unless the context requires otherwise-
- "articles" means the company's articles of association,
- "bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,
- "chairman" has the meaning given in article 12,
- "chairman of the meeting" has the meaning given in article 39,
- "Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company,
- "director" means a director of the company, and includes any person occupying the position of director, by whatever name called,
- "distribution recipient" has the meaning given in article 31,
- "document" includes, unless otherwise specified, any document sent or supplied in electronic form,
- "electronic form" has the meaning given in section 1168 of the Companies Act 2006,
- "fully paid" in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,
- "hard copy form" has the meaning given in section 1168 of the Companies Act 2006,
- "holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares,
- "instrument" means a document in hard copy form,
- "ordinary resolution" has the meaning given in section 282 of the Companies Act 2006,
- "paid" means paid or credited as paid,
- "participate", in relation to a directors' meeting, has the meaning given in article 10,
- "proxy notice" has the meaning given in article 45,
- "shareholder" means a person who is the holder of a share,
- "shares" means shares in the company,
- "special resolution" has the meaning given in section 283 of the Companies Act 2006;
- "subsidiary" has the meaning given in section 1159 of the Companies Act 2006,
- "transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company

#### **Liability of members**

- 2           The liability of the members is limited to the amount, if any, unpaid on the shares held by them

### **PART 2**

#### **DIRECTORS**

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

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

- 3           Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company

#### **Shareholders' reserve power**

- 4           (1)       The shareholders may, by special resolution, direct the directors to take, or refrain from taking specified action
- (2)       No such special resolution invalidates anything which the directors have done before the passing of the resolution

#### **Directors may delegate**

5.       (1)       Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles
- (a)       to such person or committee,
- (b)       by such means (including by power of attorney),
- (c)       to such an extent,
- (d)       in relation to such matters or territories, and
- (e)       on such terms and conditions,
- as they think fit
- (2)       If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- (3)       The directors may revoke any delegation in whole or part, or alter its terms and conditions

#### **Committees**

- 6       (1)       Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors

- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them

## **DECISION-MAKING BY DIRECTORS**

### **Directors to take decisions collectively**

- 7 (1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8
- (2) If
- (a) the company only has one director, and
- (b) no provision of the articles requires it to have more than one director,
- the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making

### **Unanimous decisions**

- 8 (1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

### **Calling a directors' meeting**

- 9 (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice
- (2) Notice of any directors' meeting must indicate
- (a) its proposed date and time,
- (b) where it is to take place, and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing
- (4) 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 not more than 7 days after the date on which the meeting is held

Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

#### **Participation in directors' meeting**

- 10 (1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when
- (a) the meeting has been called and takes place in accordance with the articles, and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

#### **Quorum for directors' meetings**

- 11 (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision
- (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the shareholders to appoint further directors

#### **Chairing of directors' meetings**

- 12 (1) The directors may appoint a director to chair their meetings
- (2) The person so appointed for the time being is known as the chairman
- (3) The directors may terminate the chairman's appointment at any time
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

#### **Casting vote**

- 13 (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

## **Conflicts of interest**

- 14
- (1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes
  - (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes
  - (3) This paragraph applies when
    - (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,
    - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
    - (c) the director's conflict of interest arises from a permitted cause
  - (4) For the purposes of this article, the following are permitted causes
    - (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,
    - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
    - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors
  - (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
  - (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive
  - (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

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

- 15 The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors

### **Directors' discretion to make further rules**

- 16 Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors

## **APPOINTMENT OF DIRECTORS**

### **Methods of appointing directors**

- 17 (1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director
- (a) by ordinary resolution, or
- (b) by a decision of the directors
- (2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director
- (3) For the purposes of paragraph (2), where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

### **Termination of director's appointment**

- 18 A person ceases to be a director as soon as
- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- (e)
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

### **Directors' remuneration**

- 19 (1) Directors may undertake any services for the company that the directors decide
- (2) Directors are entitled to such remuneration as the directors determine
- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company
- (3) Subject to the articles, a director's remuneration may

- (a) take any form, and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested

#### **Directors' expenses**

- 20 The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company,

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

### **PART 3**

#### **SHARES AND DISTRIBUTIONS**

##### **SHARES**

#### **All shares to be fully paid up**

- 21 (1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

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

- 22 (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution
- (2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

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

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

### **Share certificates**

- 24
- (1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
  - (2) Every certificate must specify
    - (a) in respect of how many shares, of what class, it is issued,
    - (b) the nominal value of those shares,
    - (c) that the shares are fully paid, and
    - (d) any distinguishing numbers assigned to them
  - (3) No certificate may be issued in respect of shares of more than one class
  - (4) If more than one person holds a share, only one certificate may be issued in respect of it
  - (5) Certificates must
    - (a) have affixed to them the company's common seal, or
    - (b) be otherwise executed in accordance with the Companies Acts

### **Replacement share certificates**

- 25
- (1) If a certificate issued in respect of a shareholder's shares is
    - (a) damaged or defaced, or
    - (b) said to be lost, stolen or destroyed,that shareholder is entitled to be issued with a replacement certificate in respect of the same shares
  - (2) A shareholder exercising the right to be issued with such a replacement certificate
    - (c) may at the same time exercise the right to be issued with a single certificate or separate certificates,
    - (d) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
    - (e) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

### **Share transfers**

- 26
- (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor
  - (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
  - (3) The company may retain any instrument of transfer which is registered

- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

#### **Transmission of shares**

- 27 (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require
  - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares

#### **Exercise of transmittees' rights**

- 28 (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

#### **Transmittees bound by prior notices**

- 29 If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members

### **DIVIDENDS AND OTHER DISTRIBUTIONS**

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

- 30 (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must

be paid by reference to each shareholders' holding of shares on the date of the resolution or decision to declare or pay it

- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights

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

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

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

- 32 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by
- (a) the terms on which the share was issued, or
  - (b) the provisions of another agreement between the holder of that share and the company

### **Unclaimed distributions**

- 33        (1)        All dividends or other sums which are
- (a)            payable in respect of shares, and
- (b)            unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the company until claimed
- (2)        The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- (3)        If
- (a)            twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b)            the distribution recipient has not claimed it,
- the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company

### **Non-cash distributions**

- 34        (1)        Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)
- (2)        For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution
- (a)            fixing the value of any assets,
- (b)            paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
- (c)            vesting any assets in trustees

### **Waiver of distributions**

- 35        Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if
- (a)            the share has more than one holder, or
- (b)            more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise

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

## **CAPITALISATION OF PROFITS**

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

- 36      (1)      Subject to the articles, the directors may, if they are so authorised by an ordinary resolution
- (a)      decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and
- (b)      appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions
- (2)      Capitalised sums must be applied
- (a)      on behalf of the persons entitled, and
- (b)      in the same proportions as a dividend would have been distributed to them
- (3)      Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct
- (4)      A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct
- (5)      Subject to the articles the directors may
- (a)      apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
- (b)      make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
- (c)      authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

## **PART 4**

### **DECISION-MAKING BY SHAREHOLDERS**

#### **ORGANISATION OF GENERAL MEETINGS**

##### **Attendance and speaking at general meetings**

- 37      (1)      A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- (2)      A person is able to exercise the right to vote at a general meeting when

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

#### **Quorum for general meetings**

- 38 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

#### **Chairing general meetings**

- 39
- (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
  - (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start
    - (a) the directors present, or
    - (b) (if no directors are present), the meeting,
 must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting
  - (3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting"

#### **Attendance and speaking by directors and non-shareholders**

- 40
- (1) Directors may attend and speak at general meetings, whether or not they are shareholders
  - (2) The chairman of the meeting may permit other persons who are not
    - (a) shareholders of the company, or
    - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting

#### **Adjournment**

- 41
- (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a

meeting a quorum ceases to be present, the chairman of the meeting must adjourn it

- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if
  - (a) the meeting consents to an adjournment, or
  - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (4) When adjourning a general meeting, the chairman of the meeting must
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
  - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

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

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

- 42 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles

##### **Errors and disputes**

- 43 (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final

##### **Poll Votes**

- 44 (1) A poll on a resolution may be demanded
- (a) in advance of the general meeting where it is to be put to the vote, or

- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- (2) A poll may be demanded by
  - (a) the chairman of the meeting,
  - (b) the directors,
  - (c) two or more persons having the right to vote on the resolution, or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution
- (3) A demand for a poll may be withdrawn if
  - (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs

#### **Content of proxy notices**

- 45 (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which
- (a) states the name and address of the shareholder appointing the proxy,
  - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate
- (2) the company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- (4) Unless a proxy notice indicates otherwise, it must be treated as
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

### **Delivery of proxy notices**

- 46
- (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person
  - (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
  - (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates
  - (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

### **Amendments to resolutions**

- 47
- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if.
    - (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
    - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
  - (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if
    - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
    - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
  - (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **Means of communication to be used**

- 48
- (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company
  - (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being

- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

#### **Company seals**

- 49 (1) Any common seal may only be used by the authority of the directors
- (2) The directors may decide by what means and in what form any common seal is to be used
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- (4) For the purposes of this article, an authorised person is
- (a) any director of the company,
  - (b) the company secretary (if any), or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

#### **No right to inspect accounts and other records**

- 50 Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder

#### **Provision for employees on cessation of business**

- 51 The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary

### **DIRECTORS' INDEMNITY AND INSURANCE**

#### **Indemnity**

- 52 (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company
  - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
  - (c) any other liability incurred by that director as an officer of the company or an associated company
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law
- (3) In this article

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company

#### **Insurance**

- 53      (1)      The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss
- (2)      In this article
- (a)      a "relevant director" means any director or former director of the company or an associated company
  - (b)      a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
  - (c)      companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate