

Company no. 05693397

THE COMPANIES ACT 2006

FRIDAY



A21 \*A32ON5S8\* 28/02/2014 #162  
COMPANIES HOUSE

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

MONMOUTH COFFEE COMPANY LIMITED (the "Company")

CIRCULATION DATE: 07 / 02 2014 (the "Circulation Date")

The directors of the Company (the "**Directors**") propose that resolutions 1 and 2 be passed as ordinary resolutions and resolutions 3 and 4 be passed as special resolutions (together, the "**Resolutions**") in accordance with Chapter 2 of Part 13 of the Companies Act 2006 (the "**CA 2006**")

Ordinary Resolutions

1. SUBDIVISION

That the 1 issued ordinary share of £1 00 in the capital of the Company (the "**Existing Ordinary Share**") be subdivided into 100 ordinary shares of £0 01 each (the "**Subdivided Ordinary Shares**")

2. RE-DESIGNATION

2 1 Subject to the passing of **ordinary resolution 1** and **special resolution 3**, that

2 1 1 90 of the Subdivided Ordinary Shares be re-designated as 90 ordinary A shares of £0 01 each (such shares having the rights and being subject to the restrictions set out in the Articles (as defined and adopted pursuant to **special resolution 3**), and

2 1 2 10 of the Subdivided Ordinary Shares be re-designated as 10 ordinary B shares of £0 01 each (such shares having the rights and being subject to the restrictions

set out in the Articles (as defined and adopted pursuant to **special resolution 3**),

(the "**Re-designation**")

### **Special Resolutions**

#### **3. ADOPTION OF NEW ARTICLES OF ASSOCIATION**

That the articles of association annexed to this **special resolution 3** (the "**Articles**") be approved and adopted as the new Articles of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company, with effect from the passing of this **special resolution 3**

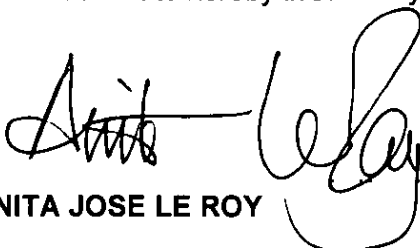
#### **4. VARIATION OF CLASS RIGHTS**

That the variation to the class rights attached to the Subdivided Ordinary Shares by reason of the Re-designation be and is hereby approved

### **AGREEMENT**

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

The undersigned, being the sole shareholder entitled to vote on the Resolutions on the Circulation Date hereby irrevocably agrees to the Resolutions

  
**ANITA JOSE LE ROY**

Date 7 February 2014

## NOTES

- 1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

**By Hand** delivering the signed copy to Cil van der Merwe, Wedlake Bell LLP, 52 Bedford Row, London, WC1R 4LR

**Post** returning the signed copy by post to Cil van der Merwe, Wedlake Bell LLP, 52 Bedford Row, London, WC1R 4LR

**Fax:** faxing the signed copy to 020 7406 1603 marked for the attention of Cil van der Merwe

**E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [cvandermerwe@wedlakebell.com](mailto:cvandermerwe@wedlakebell.com). Please enter "Written resolutions" together with the Circulation Date of in the e-mail subject box

If you do not agree to all of the Resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.

- 2 Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
- 3 Unless, by 28 days from the Circulation Date, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before this date.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document.

**DATED**

**2014**

**MONMOUTH COFFEE COMPANY LIMITED**

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**ARTICLES OF ASSOCIATION**

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**Wedlake Bell**

**52 Bedford Row  
London  
WC1R 4LR**

**Direct Dial +44 (0)20 7395 3008  
Direct Fax +44 (0)20 7406 1603  
Direct Email [snehra@wedlakebell.com](mailto:snehra@wedlakebell.com)  
Ref. OHRS/LER.13.1/WB1-8044543-1**

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## CONTENTS

1.	INTERPRETATION AND LIMITATION OF LIABILITY .....	1
2.	LIABILITY OF MEMBERS .....	3
3.	DIRECTORS' GENERAL AUTHORITY .....	3
4.	DIRECTORS TO TAKE DECISIONS COLLECTIVELY ....	3
5.	CALLING A DIRECTORS' MEETING .....	3
6.	PARTICIPATION IN DIRECTORS' MEETINGS.....	3
7.	QUORUM FOR DIRECTORS' MEETINGS .....	4
8.	CHAIRING OF DIRECTORS' MEETINGS .....	4
9.	INTEREST IN PROPOSED AND EXISTING TRANSACTIONS OR ARRANGEMENTS.....	4
10.	DIRECTORS' CONFLICTS OF INTEREST.....	4
11.	RECORDS OF DECISIONS TO BE KEPT .....	5
12.	DIRECTORS' DISCRETION TO MAKE FURTHER RULES .....	5
13.	APPOINTMENT AND REMOVAL OF DIRECTORS .....	5
14.	TERMINATION OF DIRECTOR'S APPOINTMENT .....	6
15.	DIRECTORS' REMUNERATION .....	7
16.	DIRECTORS' EXPENSES .....	7
17.	SHARE CAPITAL .....	7
18.	TRANSFERS AND TRANSMISSION OF SHARES .....	10
19.	PRE-EMPTION RIGHTS .....	11
20.	DRAG ALONG.....	14
21.	TAG ALONG RIGHTS .....	15
22.	POWERS TO ISSUE DIFFERENT CLASSES OF SHARES.....	15
23.	AUTHORITY TO ALLOT.....	15
24.	SHARE CERTIFICATES.....	15

25.	LIEN.....	16
26.	ATTENDANCE AND SPEAKING AT GENERAL MEETINGS .....	16
27.	QUORUM FOR GENERAL MEETINGS.. .....	16
28.	CHAIRING GENERAL MEETINGS.....	16
29.	ADJOURNMENT .....	17
30.	ERRORS AND DISPUTES .....	17
31.	POLL VOTES .....	17
32.	CONTENT OF PROXY NOTICES. ....	18
33.	DELIVERY OF PROXY NOTICES .....	18
34.	MEANS OF COMMUNICATION TO BE USED.....	19
35.	INDEMNITY .....	19
36.	INSURANCE.....	20

## **PART 1**

### **1. INTERPRETATION AND LIMITATION OF LIABILITY**

#### **1 1 No other regulations apply**

No regulations set out in statute or in any statutory instrument or other subordinate legislation concerning companies shall apply to the company, but the following shall be the articles of association of the company

#### **1 2 Defined terms**

In the articles, unless the context requires otherwise

**"Accountant"** means the Company's accountant from time to time,

**"Act"** means the Companies Act 2006,

**"articles"** means the company's articles of association as amended from time to time,

**"A Directors"** means that person appointed as an A director in accordance with **article 13.1**,

**"A Share"** means an ordinary A share of £0.01 in the capital of the Company designated as an A Share and having the rights and restrictions contained herein,

**"A Shareholder"** means the holder(s) of any A Shares in issue from time to time,

**"A Shareholder Consent"** means consent in writing from the A Shareholder(s) to the relevant matter from time to time,

**"Asset Sale"** means the disposal by the company of all, or a substantial part of its business and assets,

**"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,

**"B Directors"** means that person appointed as a B director of the company in accordance with **article 13.3** and **article 13.4**,

**"B Share"** means an ordinary B share of £0.01 in the capital of the company designated as a B Share and having the rights and restrictions contained herein,

**"B Shareholder"** means the holder(s) of any B Shares in issue from time to time,

**"Business Day"** means any day other than a Saturday, Sunday or public holiday in the United Kingdom, on which clearing banks in the City of London are generally open for business,

**"Connected Person"** has the meaning given in section 1133 of the Corporate Tax Act 2010,

**"Controlling Interest"** means an interest in Shares giving to the relevant holder(s) of such Shares control of the company within the meaning of section 1124 of the Corporation Tax Act 2010,

**"director(s)"** means the A Director and, if appointed, the B Director,

**"Dividend Notice"** shall have the meaning ascribed to it in **article 17.5**,

**"electronic form"** has the meaning given in section 1168 of the Act,

**"Exit"** means an Asset Sale, a Share Sale,

**"Fair Value"** shall have the meaning ascribed to it in **article 19.17**,

**"Financial Year"** means the 12 calendar month period ending on the company's accounting reference date (as notified to the Registrar of Companies in England and Wales) each year,

**"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 Act,

**"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 Act,

**"paid"** means paid or credited as paid,

**"Proceeds"** means, in the event of

- (a) a Share Sale, the aggregate purchase price for all the Shares in issue which are transferred pursuant to the Share Sale, and
- (b) an Asset Sale, the aggregate cash equivalent of the purchase price of the business and assets of the Company that will become distributable to the Shareholders following completion of the Asset Sale,

**"Relevant Shares"** means

- (a) for the purposes of **article 19**, sale shares (as defined in article 19),
- (b) for the purposes of **article 20**, Called Shares (as defined in article 20),
- (c) for the purposes of **article 21**, the B Shares,

**"Shareholder"** means an A Shareholder or a B Shareholder,

**"Shares"** means the A Shares and the B Shares,

**"Share Sale"** means the sale of (or the grant of a right to acquire or to dispose of) any of the Shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the buyer of those Shares (or grantee of that right) and Connected Person together acquiring a Controlling Interest in the Company except where the shareholders of the buyer and the proportion of shares held by each of them in the buyer following completion of the sale are the same as the Shareholders and their shareholding in the Company immediately before the sale,

**"special resolution"** has the meaning given in section 283 of the Act,

**"Transfer Notice"** shall have the meaning ascribed to it in **article 19.1**,

**"Transfer Price"** shall have the meaning ascribed to it in **article 19.2.6**,

**"transmittee"** means a person entitled to a Share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law,



**"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 Act as in force on the date when these articles become binding on the company

## **2. LIABILITY OF MEMBERS**

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**

### **3. DIRECTORS' GENERAL AUTHORITY**

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

### **4. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

Subject to these articles, the general rule about decision-making by directors is that any decision of the directors must be a majority decision at a meeting, such majority to include the A Director voting in favour of the decision

### **5. CALLING A DIRECTORS' MEETING**

5 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

5 2 Notice of any directors' meeting must indicate

5 2 1 its proposed date and time,

5 2 2 where it is to take place, and

5 2 3 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

5 3 Notice of a directors' meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing (including by email) to him at his last known address or any other address given by him to the company for this purpose or by any other means authorised in writing by the director concerned

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

6 1 Subject to the remaining provisions of these articles, a meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able -

6 1 1 to hear each of the other participating directors addressing the meeting, and

6 1 2 if he so wishes, to address all of the other participating directors simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods

- 6 2 A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates

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

- 7 1 The quorum for directors' meetings must not be less than one A Director
- 7 2 No business shall be transacted at any meeting of the directors unless a quorum is present at the commencement of the meeting and also when that business is voted on
- 7 3 If a quorum is not present within 30 minutes after the time specified for a directors meeting in the notice of the meeting then it shall be adjourned for 7 Business Days at the same time and place

## **8. CHAIRING OF DIRECTORS' MEETINGS**

- 8 1 The A Director shall chair the directors' meetings
- 8 2 The A Director so appointed for the time being is known as the chairman
- 8 3 The chairman shall have a casting vote

## **9. INTEREST IN PROPOSED AND EXISTING TRANSACTIONS OR ARRANGEMENTS**

A director who to his knowledge is in any way, whether directly or indirectly, interested in a proposed or existing transaction or arrangement with the Company shall declare the nature and extent of his interest at a meeting of the directors in accordance with the requirements of the 2006 Act. Subject where applicable to such disclosure, a director shall be entitled to vote in respect of any proposed or existing transaction or arrangement in which he is interested and, if he shall do so, his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present. Article 14 of the Model Articles shall be modified accordingly

## **10. DIRECTORS' CONFLICTS OF INTEREST**

- 10 1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the 2006 Act to avoid conflicts of interest (a "**Conflict**")
- 10 2 Any authorisation under this **article 10** will be effective only if to the extent permitted by the 2006 Act, the matter in question has been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine
- 10 3 Any authorisation of a Conflict under this **article 10** may (whether at the time of giving the authorisation or subsequently)
- 10 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

- 10 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- 10 3 3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the board of directors in relation to any resolution related to the Conflict,
- 10 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the other director thinks fit,
- 10 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- 10 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters
- 10 4 Where the other director authorises a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the other director in relation to the Conflict
- 10 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 10 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## **11. RECORDS OF DECISIONS TO BE KEPT**

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

## **12. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the provisions of these 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**

### **13. APPOINTMENT AND REMOVAL OF DIRECTORS**

#### **A Director**

- 13 1 The holder of the A Shares shall have the right to be appointed as an A Director. The holder of the A Shares shall also have the right to appoint any number of directors to the board of directors and such directors may be designated by the A Shareholder as an A Director, a B

Director, a director of any other class of shares that the Company may allot from time to time or such director may be an undesignated director

- 13 2 The right to be appointed as an A Director pursuant to **article 13.1** shall be a class right attaching to the A Shares

#### **B Director**

- 13 3 Each B Shareholder may make a written application to the company to be appointed a B Director, such notice to be served on the company at its registered office and marked for the attention of the A Director (the "**Director Notice**")

- 13 4 **Subject to article 13.5**, the company shall appoint the B Shareholder making an application pursuant to **article 13.3** as a director of the company within 2 Business Days following receipt of the Director Notice

- 13 5 The A Shareholder may remove the B Director from office at any time and, if the B Director is removed from office by the A Shareholder, the B Shareholder shall not be entitled to apply to become a director of the company pursuant to **article 13.4** without A Shareholder Consent

#### **General**

- 13 6 No director shall be appointed or removed otherwise than pursuant to this **article 13**, save as provided by law or **article 14**

- 13 7 In any case where, as a result of death or bankruptcy, the company has no Shareholders and no directors, the transmittee(s) of the last A Shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

### **14. TERMINATION OF DIRECTOR'S APPOINTMENT**

- 14 1 A person automatically ceases to be a director as soon as

14 1 1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law,

14 1 2 a bankruptcy order is made against that person,

14 1 3 he dies,

14 1 4 a composition is made with that person's creditors generally in satisfaction of that person's debts,

14 1 5 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,

14 1 6 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

14 1 7 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,

14 1 8 the director has been absent for six consecutive months without permission of the directors from directors' meetings held during that period and the directors resolve that his office shall be vacated, and

14 1 9 the director has materially breached his service contract or any other agreement entered into between him (in any capacity) and the company from time to time

## **15. DIRECTORS' REMUNERATION**

15 1 Directors may undertake any services for the company that the directors decide

15 2 Directors are entitled to such remuneration as the directors determine

15 2 1 for their services to the company as directors, and

15 2 2 for any other service which they undertake for the company

15 3 Subject to the provisions of these articles, a director's remuneration may

15 3 1 take any form, and

15 3 2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

15 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day

15 5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested

## **16. DIRECTORS' EXPENSES**

16 1 The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at

16 1 1 meetings of directors or committees of directors,

16 1 2 general meetings, or

16 1 3 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**

#### **17 SHARE CAPITAL**

17 1 The share capital of the company is £1 00 divided into

17 1 1 90 A Shares, and

17 1 2 10 B Shares

17 2 Each class of Share shall carry the rights and be subject to the restrictions set out in this **article 17**

#### **Voting**

17 3 Shares shall carry votes as follows

- 17 3 1 the A Shares shall confer on each holder of A Shares the right to receive notice of and to attend, speak and vote at all general meetings of the company, and each A Share shall carry one vote per A Share,
- 17 3 2 the B Shares shall confer on each holder of B Shares the right to receive notice of and to attend, speak and vote at all general meetings of the company, and each B Share shall carry one vote per B Share
- 17 4 Where Shares confer a right to vote, votes may be exercised
- 17 4 1 on a show of hands, every Shareholder who is present in person or by proxy and holding Shares with votes shall have one vote each, or
- 17 4 2 on a poll, every Shareholder who is present in person or by proxy and holding Shares with votes shall have one vote for each such Share held

### **Dividends**

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

- 17 5 Subject to the Act, the company shall declare dividends upon receipt of a written notice to pay a dividend delivered by the A Shareholder to the company's registered office (the "**Dividend Notice**")
- 17 6 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
- 17 7 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights
- 17 8 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
- 17 9 The
- 17 9 1 dividends shall be paid to the holders of the A Shares and the holders of the B Shares in the proportions set out in the Dividend Notice, and
- 17 9 2 unless otherwise set out in this **article 17**, any other distribution shall be paid to the Shareholders in the proportions determined by the A Shareholder

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

- 17 10 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
- 17 10 1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
- 17 10 2 sending a cheque made payable to the distribution recipient by post to the distribution recipient to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
- 17 10 3 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
- 17 10 4 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

- 17 11 In the articles, the "**distribution recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable
- 17 11 1 the holder of the Share, or
- 17 11 2 if the Share has two or more joint holders, whichever of them is named first in the register of members, or
- 17 11 3 if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

#### **Waiver of distributions**

- 17 12 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
- 17 12 1 the Share has more than one holder, or
- 17 12 2 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

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

- 17 13 The company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by
- 17 13 1 the terms on which the Share was issued, or
- 17 13 2 the provisions of another agreement between the holder of that Share and the company

#### **Distribution of Proceeds on an Exit**

- 17 14 On the occurrence of an Exit, the Proceeds from such sale shall be distributed amongst the Shareholders in proportion to the number of Shares held by each Shareholder

#### **Return of Capital**

- 17 15 On a return of capital on a liquidation or otherwise (except on a redemption or a return of capital following a capital reduction) the surplus assets remaining after payment of the Company's liabilities shall be applied in proportion to the number of Shares held by each Shareholder

#### **Capitalisation of Profits**

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

- 17 16 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution
- 17 16 1 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
- 17 16 2 appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the Shareholders in accordance with **article 17.14**

- 17 17 Capitalised sums must be applied
- 17 17 1 to the entitled Shareholders, and
- 17 17 2 in the same proportions as set out in **article 17.14**
- 17 18 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
- 17 19 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
- 17 20 Subject to the articles the directors may
- 17 20 1 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
- 17 20 2 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

## **18. TRANSFERS AND TRANSMISSION OF SHARES**

### **Transfer**

- 18 1 Subject to the provisions of these articles, Shares may be transferred by means of an instrument of transfer in any form for the time being authorised by the Stock Transfer Act 1963
- 18 2 The A Shareholders are permitted to sell, transfer, assign, pledge, charge or otherwise dispose of any A Share or interest in an A Share
- 18 3 No holders of B Shares shall sell, transfer, assign, pledge, charge or otherwise dispose of any B Share or interest in a B Share unless
- 18 3 1 A Shareholder Consent is obtained in respect of such transfer, or
- 18 3 2 the provisions of **article 19** are complied with and completed
- 18 4 The directors may refuse to register the transfer of a B 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
- 18 5 On the transfer of any Share as permitted by these articles
- 18 5 1 a Share transferred to a non-Shareholder shall remain of the same class as before the transfer, and
- 18 5 2 a Share transferred to a Shareholder shall automatically be redesignated on transfer as a Share of the same class as those Shares already held by the receiving Shareholder
- 18 6 If no Shares of a class remain in issue following a redesignation under this paragraph, these articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, Shareholders of that class or directors appointed by that class
- 18 7 No variation of the rights attaching to any class of Shares shall be effective except with



18 7 1 the consent in writing of the holders of not less than half in nominal value of the issued Shares, or

18 7 2 the sanction of an ordinary resolution passed at a meeting of the holders of the Shares

#### **Transmission of shares**

18 8 If title to a Share passes to a transmittee, the company may only recognise the transmittee as having any title to that Share

18 9 A transmittee who produces such evidence of entitlement to shares as the directors may properly require

18 9 1 may, subject to the articles, choose either to become the holder of those Shares or to have them transferred to another person, and

18 9 2 subject to the articles, and pending any transfer of the Shares to another person, has the same rights as the holder had

18 10 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**

18 11 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the company in writing of that wish

18 12 If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it

18 13 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**

18 14 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

### **19. PRE-EMPTION RIGHTS**

19 1 Subject to the Act, no holder of B Shares in issue from time to time shall dispose of any of its B Shares in or rights to or in respect of its B Shares in the Company (in this article the "**sale shares**"), unless such B Shareholder (referred to in this article as the "**seller**") first offers to sell those sale shares to the A Shareholder(s) pro rata to their holdings of A Shares by delivering a written notice of offer to the A Shareholder(s) (the "**Transfer Notice**")

19 2 The Transfer Notice shall

19 2 1 be in writing,

19 2 2 be irrevocable,

19 2 3 specify the number of sale shares the seller wishes to transfer,

19 2 4 specify whether the Transfer Notice is conditional on all, or a specific number of, the sale shares being sold to Shareholders ("**Minimum Transfer Condition**"),

- 19 2 5 name the purchaser the seller proposes to sell to, and
- 19 2 6 state the price at which the sale shares are proposed to be disposed (the "**Transfer Price**")
- 19 3 In accordance with **article 19.1**, the seller's offer shall first be made to the A Shareholder(s) and the A Shareholder(s) shall have 56 Business Days (the "**Offer Period**") from the date of receipt of the notice to apply to the Company, which shall act as agent for the seller, for the maximum number of sale shares they wish to purchase
- 19 4 If the sale shares are subject to a Minimum Transfer Condition, any offer made by the seller under **article 9.3** shall be conditional on the fulfilment of the Minimum Transfer Condition
- 19 5 In the event the A Shareholder(s) believe(s) the Transfer Price is too low or too high, he shall notify the Company. The Company shall instruct the Company's accountant to determine the Fair Value of the B Shares within 30 Business Days of being instructed. The Offer Period shall be suspended until such time as the Accountant has determined and notified the Company of the Fair Value of the sale shares
- 19 6 If, on determination and notification to the Company of the Fair Value of the sale shares by the Company's accountant, the seller indicates to the Company that he does not wish to proceed with the sale of the sale shares, the Transfer Notice shall be deemed to be withdrawn in respect of those sale shares
- 19 7 If, on determination and notification to the Company of the Fair Value of the sale shares by the Accountant, the seller accepts the Fair Value of the sale shares, the A Shareholder(s) shall have the right to purchase some or all of the sale shares for the remaining period of the Offer Period for the Fair Value
- The A Shareholder accepts the offer to purchase some of the sale shares**
- 19 8 If, at the end of the Offer Period, the total number of sale shares applied for by the A Shareholder is less than the number of sale shares, the balance of the sale shares ("**Surplus Shares**") shall be dealt with in accordance with **article 19.9**
- 19 9 Subject to **article 19.12**, the seller must offer the Company the opportunity to, subject to the Act, to buyback the Surplus Shares at the lower of the Transfer Price or Fair Value (if applicable). In the event the Company opts not to buy back some or all of the Surplus Shares, then such Surplus Shares not bought back by the Company may be transferred by the seller to any person on terms no less favourable than those set out in the Transfer Notice
- The A Shareholder does not respond to the Transfer Notice or declines the offer to purchase the sale shares**
- 19 10 In the event that the A Shareholder(s) decide(s) not to accept the offer in or respond to the Transfer Notice within the relevant period (whether before or following the issue of a notice by the A Shareholder(s) pursuant to **article 19.5**) then, subject to the Act, the Company shall have the opportunity to buyback the sale shares at the lower of the Transfer Price or Fair Value (if applicable)
- 19 11 Subject to **article 19.12**, if the Company does not wish to purchase the sale shares, the seller may transfer the sale shares to a third party on terms no less favourable than those set out in the Transfer Notice within 30 Business Days from the expiry of the Offer Period
- 19 12 The seller's right to transfer the Surplus Shares under **article 19.9** and to transfer the sale shares to a third party purchaser under **article 19.11** does not apply if the Board (excluding for the purposes of voting and quorum, the B Director) or the A Shareholder objects to the

- transferee for any reason. For the avoidance of doubt, the Board is under no obligation to provide reasons for its decision.
- 19 13 In the event that the Board or the A Shareholder does not consent to the transfer of the Surplus Shares or sale shares to the third party purchaser nominated by the B Shareholder then the Transfer Notice shall lapse and be cancelled.
- 19 14 Within 10 Business Days of the seller's receipt of acceptance by the A Shareholder(s) to purchase some or all of the sale shares he shall deliver stock transfer forms for the sale shares the A Shareholder wishes to purchase (the "**Accepted Shares**"), together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the A Shareholder (the "**Completion Date**"). On the Completion Date, the A Shareholder shall transfer payment for the Accepted Shares to such bank account as nominated by the seller.
- 19 15 If
- 19 15 1 the seller does not, on completion of the Accepted Shares, execute transfer(s) in respect of all of the Accepted Shares, or
- 19 15 2 the seller does not execute transfer(s) to transfer the Surplus Shares or the sale shares in accordance with article 19.3.2,
- the defaulting seller shall be deemed to have irrevocably appointed the Company to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the sale shares or the Surplus Shares (as applicable), to deliver such transfer(s) to the relevant transferee (or as they may direct) as the holder thereof. After the relevant transferee (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of B Shares under this **article 19.15**.
- 19 16 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of sale shares specified in the Minimum Transfer Condition, the Board shall notify the seller and all those who have accepted to purchase the sale shares, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 19 17 The "**Fair Value**" of the Relevant Shares shall be determined by the Accountant on the following assumptions and bases
- 19 17 1 valuing the Relevant Shares as on an arm's-length sale between a willing seller and a willing buyer,
- 19 17 2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- 19 17 3 account for Relevant Shares being a minority shareholding in the Company,
- 19 17 4 account for the rights and restrictions attached to the Relevant Shares,
- 19 17 5 reflect any other factors which the Accountant reasonably believes should be taken into account.
- 19 18 If any difficulty arises in applying any of these assumptions or bases then the Accountant shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

## **20. DRAG ALONG**

- 20 1 If the holders of the A Shares in issue for the time being ("**Selling Shareholder(s)**") wish to transfer at least 65 per cent of their interest in the A Shares ("**Sellers' Shares**") to a bona fide arm's length purchaser ("**Proposed Buyer**"), the Selling Shareholder(s) may require the B Shareholder(s) (the "**Called Shareholder(s)**") to sell and transfer all B Shares issued at such time to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 20 ("**Drag Along Option**")
- 20 2 The Selling Shareholder(s) may exercise the Drag Along Option by giving written notice to that effect ("**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify
- 20 2 1 that the B Shareholder(s) are required to transfer all B Shares registered in their name ("**Called Shares**") pursuant to this article 20,
- 20 2 2 the person to whom the Called Shares are to be transferred,
- 20 2 3 the price offered for each Called Share which shall be the lower of
- (a) the price paid by the Proposed Buyer for each Sellers' Share, and
- (b) the Fair Value of each Called Share as agreed by the Shareholders or, if no agreement is reached, determined by the Accountant,
- 20 2 4 the proposed date of the transfer
- 20 3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholder(s) have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20 4 Completion of the sale of the Called Shares shall take place on the DA Completion Date. "**DA Completion Date**" means the date proposed for completion of the sale of the Sellers' Shares.
- 20 5 By the deadline set out in the Drag Along Notice served on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the company. On the Completion Date, the company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 20.2.3 to the extent that the Proposed Buyer has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The company shall hold the amounts due to the Called Shareholders pursuant to article 20.2.3 in trust for the Called Shareholders without any obligation to pay interest.
- 20 6 To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay the consideration due pursuant to article 20.2.3, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations in respect of such sale of their B Shares.
- 20 7 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the company (on trust for such holder) of the consideration payable

for the Called Shares and, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this **article 20**

## **21. TAG ALONG RIGHTS**

21 1 The provisions of **article 21** shall apply if the Selling Shareholder(s) wish to transfer the Sellers' Shares to a Proposed Buyer ("**Relevant Transfer**")

21 2 No Relevant Transfer may be made or registered unless the Proposed Buyer has first made an offer to buy all of the B Shares issued at such time in accordance with this **article 21** (a "**TA Offer**")

21 3 A TA Offer shall be in writing and on the following terms

21 3 1 the TA Offer shall be open for acceptance for the period set out in the TA Offer, which shall be a period agreed by the A Shareholder,

21 3 2 the price offered for each B Share shall be the lower of

(a) the price paid by the Proposed Buyer for the A Shares, and

(b) the Fair Value of the B Shares as agreed by the Shareholders or, if no agreement is reached, determined by the Accountant,

21 3 3 the price shall be settled in full on completion of the sale and purchase and within 30 days of the TA Offer

## **22. POWERS TO ISSUE DIFFERENT CLASSES OF SHARES**

22 1 Without prejudice to the directors' powers in **article 22.1** and 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

22 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

## **23. AUTHORITY TO ALLOT**

23 1 The directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to offer, allot or grant rights to subscribe for, or convert securities into, or otherwise deal in, or dispose of, any Shares to any person, at any time and subject to any terms and conditions as the directors think proper

23 2 In accordance with section 567(1) of the Act section 561 shall not apply to the allotment of any equity security

## **24. 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

24 2 Every certificate must specify

24 2 1 in respect of how many Shares, of what class, it is issued,

- 24 2 2 the nominal value of those Shares,
- 24 2 3 that the Shares are fully paid, and
- 24 2 4 any distinguishing numbers assigned to them
- 24 3 No certificate may be issued in respect of Shares of more than one class
- 24 4 If more than one person holds a Share, only one certificate may be issued in respect of it
- 24 5 Certificates must be executed in accordance with the Act

## **25 LIEN**

The company has a lien over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future

## **PART 4**

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

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

##### **26. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 26 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
- 26 2 A person is able to exercise the right to vote at a general meeting when
  - 26 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 26 2 2 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
- 26 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
- 26 4 In determining attendance at a general meeting, it is immaterial whether any two or more Shareholders attending it are in the same place as each other
- 26 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

##### **27. QUORUM FOR GENERAL MEETINGS**

The quorum for a general meeting shall be one A Shareholder

##### **28. CHAIRING GENERAL MEETINGS**

- 28 1 The A Shareholder shall chair the general meetings
- 28 2 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting"

## **29. ADJOURNMENT**

- 29 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 meeting must be adjourned
- 29 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if
- 29 2 1 the meeting consents to an adjournment, or
- 29 2 2 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
- 29 3 When adjourning a general meeting, the chairman of the meeting must
- 29 3 1 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 A Director, and
- 29 3 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 29 4 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)
- 29 4 1 to the same persons to whom notice of the company's general meetings is required to be given, and
- 29 4 2 containing the same information which such notice is required to contain
- 29 5 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**

### **30. ERRORS AND DISPUTES**

- 30 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
- 30 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

### **31. POLL VOTES**

- 31 1 A poll on a resolution may be demanded
- 31 1 1 in advance of the general meeting where it is to be put to the vote, or
- 31 1 2 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
- 31 2 A poll may be demanded by

- 31 2 1 a chairman of the meeting,
- 31 2 2 the directors,
- 31 2 3 two or more persons having the right to vote on the resolution, or
- 31 2 4 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
- 31 3 A demand for a poll may be withdrawn if
  - 31 3 1 the poll has not yet been taken, and
  - 31 3 2 the chairman of the meeting consents to the withdrawal

31 4 Polls must be taken immediately and in such manner as the chairman of the meeting directs

### **32. CONTENT OF PROXY NOTICES**

- 32 1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which
  - 32 1 1 states the name and address of the Shareholder appointing the proxy,
  - 32 1 2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed,
  - 32 1 3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - 32 1 4 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
- 32 2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- 32 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
- 32 4 Unless a proxy notice indicates otherwise, it must be treated as
  - 32 4 1 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
  - 32 4 2 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

### **33. DELIVERY OF PROXY NOTICES**

- 33 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
- 33 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
- 33 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



- 33 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

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **34 MEANS OF COMMUNICATION TO BE USED**

- 34 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 34 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- 34 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 34 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- 34 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website
- 34 2 For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day
- 34 3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act
- 34 4 In the case of joint holders of a Share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders

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

#### **35. INDEMNITY**

- 35 1 Subject to the provisions of, and so far as may be permitted by and consistent with the Act, every director of the company shall be indemnified by the company out of its own funds against
- 35 1 1 any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the company other than
- (a) any liability to the company or any Associated Company, and
- (b) any liability of the kind referred to in Section 234(3) of the Act, and

- 35 1 2 any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office
- 35 2 Where a director is indemnified against any liability in accordance with this **article 34**, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto
- 35 3 Subject to the provisions of the Act, the company (a) may provide a director with funds to meet expenditure incurred or to be incurred by him in defending any criminal, civil or regulatory proceedings or in connection with any application under the provisions mentioned in Sections 205 or 206 of the Act and (b) may do anything to enable a director to avoid incurring such expenditure, but so that the terms set out in Section 205(2) of the Act shall apply to any such provision of funds or other things done in connection with an application made under Section 205(1) of the Act
- 35 4 In this **article 34** and **article 35 "Associated Company"** shall have the meaning given thereto by Section 256 of the Act
- 36. INSURANCE**
- 36 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
- 36 2 In this **article 35**
- 36 2 1 a "**relevant director**" means any director or former director of the company or an Associated Company,
- 36 2 2 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

DATED 7 february 2014

MONMOUTH COFFEE COMPANY LIMITED

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ARTICLES OF ASSOCIATION

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**Wedlake Bell**

52 Bedford Row  
London  
WC1R 4LR

Direct Dial +44 (0)20 7395 3008  
Direct Fax +44 (0)20 7406 1603  
Direct Email [snehra@wedlakebell.com](mailto:snehra@wedlakebell.com)  
Ref OHS/LER.13.1/WB1-8044543-1

## CONTENTS

1.	INTERPRETATION AND LIMITATION OF LIABILITY .....	1
2.	LIABILITY OF MEMBERS .....	3
3.	DIRECTORS' GENERAL AUTHORITY .....	3
4.	DIRECTORS TO TAKE DECISIONS COLLECTIVELY .....	3
5.	CALLING A DIRECTORS' MEETING.....	3
6.	PARTICIPATION IN DIRECTORS' MEETINGS.....	3
7.	QUORUM FOR DIRECTORS' MEETINGS .....	4
8.	CHAIRING OF DIRECTORS' MEETINGS .....	4
9.	INTEREST IN PROPOSED AND EXISTING TRANSACTIONS OR ARRANGEMENTS.....	4
10.	DIRECTORS' CONFLICTS OF INTEREST.....	4
11.	RECORDS OF DECISIONS TO BE KEPT .....	5
12.	DIRECTORS' DISCRETION TO MAKE FURTHER RULES .....	5
13.	APPOINTMENT AND REMOVAL OF DIRECTORS .....	5
14.	TERMINATION OF DIRECTOR'S APPOINTMENT .....	6
15.	DIRECTORS' REMUNERATION .....	7
16.	DIRECTORS' EXPENSES .....	7
17.	SHARE CAPITAL .....	7
18.	TRANSFERS AND TRANSMISSION OF SHARES .....	10
19.	PRE-EMPTION RIGHTS .....	11
20.	DRAG ALONG.....	14
21.	TAG ALONG RIGHTS .....	15
22.	POWERS TO ISSUE DIFFERENT CLASSES OF SHARES.....	15
23.	AUTHORITY TO ALLOT.....	15
24.	SHARE CERTIFICATES.....	15

25.	LIEN . . . . .	16
26.	ATTENDANCE AND SPEAKING AT GENERAL MEETINGS . . . . .	16
27.	QUORUM FOR GENERAL MEETINGS . . . . .	16
28.	CHAIRING GENERAL MEETINGS . . . . .	16
29.	ADJOURNMENT . . . . .	17
30.	ERRORS AND DISPUTES . . . . .	17
31.	POLL VOTES . . . . .	17
32.	CONTENT OF PROXY NOTICES . . . . .	18
33.	DELIVERY OF PROXY NOTICES . . . . .	18
34.	MEANS OF COMMUNICATION TO BE USED . . . . .	19
35.	INDEMNITY . . . . .	19
36.	INSURANCE . . . . .	20

## PART 1

### 1. INTERPRETATION AND LIMITATION OF LIABILITY

#### 1 1 No other regulations apply

No regulations set out in statute or in any statutory instrument or other subordinate legislation concerning companies shall apply to the company, but the following shall be the articles of association of the company

#### 1 2 Defined terms

In the articles, unless the context requires otherwise

"**Accountant**" means the Company's accountant from time to time,

"**Act**" means the Companies Act 2006,

"**articles**" means the company's articles of association as amended from time to time,

"**A Directors**" means that person appointed as an A director in accordance with **article 13.1**,

"**A Share**" means an ordinary A share of £0.01 in the capital of the Company designated as an A Share and having the rights and restrictions contained herein,

"**A Shareholder**" means the holder(s) of any A Shares in issue from time to time,

"**A Shareholder Consent**" means consent in writing from the A Shareholder(s) to the relevant matter from time to time,

"**Asset Sale**" means the disposal by the company of all, or a substantial part of its business and assets,

"**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,

"**B Directors**" means that person appointed as a B director of the company in accordance with **article 13.3** and **article 13.4**,

"**B Share**" means an ordinary B share of £0.01 in the capital of the company designated as a B Share and having the rights and restrictions contained herein,

"**B Shareholder**" means the holder(s) of any B Shares in issue from time to time,

"**Business Day**" means any day other than a Saturday, Sunday or public holiday in the United Kingdom, on which clearing banks in the City of London are generally open for business,

"**Connected Person**" has the meaning given in section 1133 of the Corporate Tax Act 2010,

"**Controlling Interest**" means an interest in Shares giving to the relevant holder(s) of such Shares control of the company within the meaning of section 1124 of the Corporation Tax Act 2010,

"**director(s)**" means the A Director and, if appointed, the B Director,

"**Dividend Notice**" shall have the meaning ascribed to it in **article 17.5**,

"**electronic form**" has the meaning given in section 1168 of the Act,

**"Exit"** means an Asset Sale, a Share Sale,

**"Fair Value"** shall have the meaning ascribed to it in **article 19.17**,

**"Financial Year"** means the 12 calendar month period ending on the company's accounting reference date (as notified to the Registrar of Companies in England and Wales) each year,

**"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 Act,

**"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 Act,

**"paid"** means paid or credited as paid,

**"Proceeds"** means, in the event of

- (a) a Share Sale, the aggregate purchase price for all the Shares in issue which are transferred pursuant to the Share Sale, and
- (b) an Asset Sale, the aggregate cash equivalent of the purchase price of the business and assets of the Company that will become distributable to the Shareholders following completion of the Asset Sale,

**"Relevant Shares"** means

- (a) for the purposes of **article 19**, sale shares (as defined in article 19),
- (b) for the purposes of **article 20**, Called Shares (as defined in article 20),
- (c) for the purposes of **article 21**, the B Shares,

**"Shareholder"** means an A Shareholder or a B Shareholder,

**"Shares"** means the A Shares and the B Shares,

**"Share Sale"** means the sale of (or the grant of a right to acquire or to dispose of) any of the Shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the buyer of those Shares (or grantee of that right) and Connected Person together acquiring a Controlling Interest in the Company except where the shareholders of the buyer and the proportion of shares held by each of them in the buyer following completion of the sale are the same as the Shareholders and their shareholding in the Company immediately before the sale,

**"special resolution"** has the meaning given in section 283 of the Act,

**"Transfer Notice"** shall have the meaning ascribed to it in **article 19.1**,

**"Transfer Price"** shall have the meaning ascribed to it in **article 19.2.6**,

**"transmittee"** means a person entitled to a Share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law,

**"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 Act as in force on the date when these articles become binding on the company

## **2. LIABILITY OF MEMBERS**

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**

### **3. DIRECTORS' GENERAL AUTHORITY**

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

### **4. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

Subject to these articles, the general rule about decision-making by directors is that any decision of the directors must be a majority decision at a meeting, such majority to include the A Director voting in favour of the decision

### **5. CALLING A DIRECTORS' MEETING**

5 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

5 2 Notice of any directors' meeting must indicate

5 2 1 its proposed date and time,

5 2 2 where it is to take place, and

5 2 3 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

5 3 Notice of a directors' meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing (including by email) to him at his last known address or any other address given by him to the company for this purpose or by any other means authorised in writing by the director concerned

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

6 1 Subject to the remaining provisions of these articles, a meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able -

6 1 1 to hear each of the other participating directors addressing the meeting, and

6 1 2 if he so wishes, to address all of the other participating directors simultaneously,



whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods

- 6 2 A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates

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

- 7 1 The quorum for directors' meetings must not be less than one A Director
- 7 2 No business shall be transacted at any meeting of the directors unless a quorum is present at the commencement of the meeting and also when that business is voted on
- 7 3 If a quorum is not present within 30 minutes after the time specified for a directors meeting in the notice of the meeting then it shall be adjourned for 7 Business Days at the same time and place

## **8. CHAIRING OF DIRECTORS' MEETINGS**

- 8 1 The A Director shall chair the directors' meetings
- 8 2 The A Director so appointed for the time being is known as the chairman
- 8 3 The chairman shall have a casting vote

## **9. INTEREST IN PROPOSED AND EXISTING TRANSACTIONS OR ARRANGEMENTS**

A director who to his knowledge is in any way, whether directly or indirectly, interested in a proposed or existing transaction or arrangement with the Company shall declare the nature and extent of his interest at a meeting of the directors in accordance with the requirements of the 2006 Act. Subject where applicable to such disclosure, a director shall be entitled to vote in respect of any proposed or existing transaction or arrangement in which he is interested and, if he shall do so, his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present. Article 14 of the Model Articles shall be modified accordingly

## **10. DIRECTORS' CONFLICTS OF INTEREST**

- 10 1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the 2006 Act to avoid conflicts of interest (a "**Conflict**")
- 10 2 Any authorisation under this **article 10** will be effective only if to the extent permitted by the 2006 Act, the matter in question has been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine
- 10 3 Any authorisation of a Conflict under this **article 10** may (whether at the time of giving the authorisation or subsequently)
- 10 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

- 10 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- 10 3 3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the board of directors in relation to any resolution related to the Conflict,
- 10 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the other director thinks fit,
- 10 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- 10 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters
- 10 4 Where the other director authorises a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the other director in relation to the Conflict
- 10 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 10 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## **11. RECORDS OF DECISIONS TO BE KEPT**

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

## **12. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the provisions of these 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**

### **13. APPOINTMENT AND REMOVAL OF DIRECTORS**

#### **A Director**

- 13 1 The holder of the A Shares shall have the right to be appointed as an A Director. The holder of the A Shares shall also have the right to appoint any number of directors to the board of directors and such directors may be designated by the A Shareholder as an A Director, a B

Director, a director of any other class of shares that the Company may allot from time to time or such director may be an undesignated director

- 13 2 The right to be appointed as an A Director pursuant to **article 13.1** shall be a class right attaching to the A Shares

#### **B Director**

- 13 3 Each B Shareholder may make a written application to the company to be appointed a B Director, such notice to be served on the company at its registered office and marked for the attention of the A Director (the "**Director Notice**")

- 13 4 **Subject to article 13.5**, the company shall appoint the B Shareholder making an application pursuant to **article 13.3** as a director of the company within 2 Business Days following receipt of the Director Notice

- 13 5 The A Shareholder may remove the B Director from office at any time and, if the B Director is removed from office by the A Shareholder, the B Shareholder shall not be entitled to apply to become a director of the company pursuant to **article 13.4** without A Shareholder Consent

#### **General**

- 13 6 No director shall be appointed or removed otherwise than pursuant to this **article 13**, save as provided by law or **article 14**

- 13 7 In any case where, as a result of death or bankruptcy, the company has no Shareholders and no directors, the transmittee(s) of the last A Shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

#### **14. TERMINATION OF DIRECTOR'S APPOINTMENT**

- 14 1 A person automatically ceases to be a director as soon as

14 1 1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law,

14 1 2 a bankruptcy order is made against that person,

14 1 3 he dies,

14 1 4 a composition is made with that person's creditors generally in satisfaction of that person's debts,

14 1 5 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,

14 1 6 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

14 1 7 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,

14 1 8 the director has been absent for six consecutive months without permission of the directors from directors' meetings held during that period and the directors resolve that his office shall be vacated, and

14 1 9 the director has materially breached his service contract or any other agreement entered into between him (in any capacity) and the company from time to time

## **15. DIRECTORS' REMUNERATION**

15 1 Directors may undertake any services for the company that the directors decide

15 2 Directors are entitled to such remuneration as the directors determine

15 2 1 for their services to the company as directors, and

15 2 2 for any other service which they undertake for the company

15 3 Subject to the provisions of these articles, a director's remuneration may

15 3 1 take any form, and

15 3 2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

15 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day

15 5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested

## **16. DIRECTORS' EXPENSES**

16 1 The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at

16 1 1 meetings of directors or committees of directors,

16 1 2 general meetings, or

16 1 3 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**

## **17. SHARE CAPITAL**

17 1 The share capital of the company is £1 00 divided into

17 1 1 90 A Shares, and

17 1 2 10 B Shares

17 2 Each class of Share shall carry the rights and be subject to the restrictions set out in this **article 17**

### **Voting**

17 3 Shares shall carry votes as follows

- 17 3 1 the A Shares shall confer on each holder of A Shares the right to receive notice of and to attend, speak and vote at all general meetings of the company, and each A Share shall carry one vote per A Share,
- 17 3 2 the B Shares shall confer on each holder of B Shares the right to receive notice of and to attend, speak and vote at all general meetings of the company, and each B Share shall carry one vote per B Share
- 17 4 Where Shares confer a right to vote, votes may be exercised
- 17 4 1 on a show of hands, every Shareholder who is present in person or by proxy and holding Shares with votes shall have one vote each, or
- 17 4 2 on a poll, every Shareholder who is present in person or by proxy and holding Shares with votes shall have one vote for each such Share held

### **Dividends**

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

- 17 5 Subject to the Act, the company shall declare dividends upon receipt of a written notice to pay a dividend delivered by the A Shareholder to the company's registered office (the "**Dividend Notice**")
- 17 6 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
- 17 7 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights
- 17 8 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
- 17 9 The
- 17 9 1 dividends shall be paid to the holders of the A Shares and the holders of the B Shares in the proportions set out in the Dividend Notice, and
- 17 9 2 unless otherwise set out in this **article 17**, any other distribution shall be paid to the Shareholders in the proportions determined by the A Shareholder

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

- 17 10 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
- 17 10 1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
- 17 10 2 sending a cheque made payable to the distribution recipient by post to the distribution recipient to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
- 17 10 3 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
- 17 10 4 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

17 11 In the articles, the "**distribution recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable

17 11 1 the holder of the Share, or

17 11 2 if the Share has two or more joint holders, whichever of them is named first in the register of members, or

17 11 3 if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

#### **Waiver of distributions**

17 12 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

17 12 1 the Share has more than one holder, or

17 12 2 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

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

17 13 The company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by

17 13 1 the terms on which the Share was issued, or

17 13 2 the provisions of another agreement between the holder of that Share and the company

#### **Distribution of Proceeds on an Exit**

17 14 On the occurrence of an Exit, the Proceeds from such sale shall be distributed amongst the Shareholders in proportion to the number of Shares held by each Shareholder

#### **Return of Capital**

17 15 On a return of capital on a liquidation or otherwise (except on a redemption or a return of capital following a capital reduction) the surplus assets remaining after payment of the Company's liabilities shall be applied in proportion to the number of Shares held by each Shareholder

#### **Capitalisation of Profits**

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

17 16 Subject to the articles, the directors may, if they are so authorised by an ordinary resolution

17 16 1 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

17 16 2 appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the Shareholders in accordance with **article 17.14**

- 17 17 Capitalised sums must be applied
- 17 17 1 to the entitled Shareholders, and
- 17 17 2 in the same proportions as set out in **article 17.14**
- 17 18 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
- 17 19 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
- 17 20 Subject to the articles the directors may
- 17 20 1 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
- 17 20 2 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

## **18. TRANSFERS AND TRANSMISSION OF SHARES**

### **Transfer**

- 18 1 Subject to the provisions of these articles, Shares may be transferred by means of an instrument of transfer in any form for the time being authorised by the Stock Transfer Act 1963
- 18 2 The A Shareholders are permitted to sell, transfer, assign, pledge, charge or otherwise dispose of any A Share or interest in an A Share
- 18 3 No holders of B Shares shall sell, transfer, assign, pledge, charge or otherwise dispose of any B Share or interest in a B Share unless
- 18 3 1 A Shareholder Consent is obtained in respect of such transfer, or
- 18 3 2 the provisions of **article 19** are complied with and completed
- 18 4 The directors may refuse to register the transfer of a B 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
- 18 5 On the transfer of any Share as permitted by these articles
- 18 5 1 a Share transferred to a non-Shareholder shall remain of the same class as before the transfer, and
- 18 5 2 a Share transferred to a Shareholder shall automatically be redesignated on transfer as a Share of the same class as those Shares already held by the receiving Shareholder
- 18 6 If no Shares of a class remain in issue following a redesignation under this paragraph, these articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, Shareholders of that class or directors appointed by that class
- 18 7 No variation of the rights attaching to any class of Shares shall be effective except with

18 7 1 the consent in writing of the holders of not less than half in nominal value of the issued Shares, or

18 7 2 the sanction of an ordinary resolution passed at a meeting of the holders of the Shares

#### **Transmission of shares**

18 8 If title to a Share passes to a transmittee, the company may only recognise the transmittee as having any title to that Share

18 9 A transmittee who produces such evidence of entitlement to shares as the directors may properly require

18 9 1 may, subject to the articles, choose either to become the holder of those Shares or to have them transferred to another person, and

18 9 2 subject to the articles, and pending any transfer of the Shares to another person, has the same rights as the holder had

18 10 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**

18 11 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the company in writing of that wish

18 12 If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it

18 13 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**

18 14 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

### **19. PRE-EMPTION RIGHTS**

19 1 Subject to the Act, no holder of B Shares in issue from time to time shall dispose of any of its B Shares in or rights to or in respect of its B Shares in the Company (in this article the "**sale shares**"), unless such B Shareholder (referred to in this article as the "**seller**") first offers to sell those sale shares to the A Shareholder(s) pro rata to their holdings of A Shares by delivering a written notice of offer to the A Shareholder(s) (the "**Transfer Notice**")

19 2 The Transfer Notice shall

19 2 1 be in writing,

19 2 2 be irrevocable,

19 2 3 specify the number of sale shares the seller wishes to transfer,

19 2 4 specify whether the Transfer Notice is conditional on all, or a specific number of, the sale shares being sold to Shareholders ("**Minimum Transfer Condition**"),



- 19 2 5 name the purchaser the seller proposes to sell to, and
- 19 2 6 state the price at which the sale shares are proposed to be disposed (the "**Transfer Price**")
- 19 3 In accordance with **article 19.1**, the seller's offer shall first be made to the A Shareholder(s) and the A Shareholder(s) shall have 56 Business Days (the "**Offer Period**") from the date of receipt of the notice to apply to the Company, which shall act as agent for the seller, for the maximum number of sale shares they wish to purchase
- 19 4 If the sale shares are subject to a Minimum Transfer Condition, any offer made by the seller under **article 9.3** shall be conditional on the fulfilment of the Minimum Transfer Condition
- 19 5 In the event the A Shareholder(s) believe(s) the Transfer Price is too low or too high, he shall notify the Company. The Company shall instruct the Company's accountant to determine the Fair Value of the B Shares within 30 Business Days of being instructed. The Offer Period shall be suspended until such time as the Accountant has determined and notified the Company of the Fair Value of the sale shares
- 19 6 If, on determination and notification to the Company of the Fair Value of the sale shares by the Company's accountant, the seller indicates to the Company that he does not wish to proceed with the sale of the sale shares, the Transfer Notice shall be deemed to be withdrawn in respect of those sale shares
- 19 7 If, on determination and notification to the Company of the Fair Value of the sale shares by the Accountant, the seller accepts the Fair Value of the sale shares, the A Shareholder(s) shall have the right to purchase some or all of the sale shares for the remaining period of the Offer Period for the Fair Value
- The A Shareholder accepts the offer to purchase some of the sale shares**
- 19 8 If, at the end of the Offer Period, the total number of sale shares applied for by the A Shareholder is less than the number of sale shares, the balance of the sale shares ("**Surplus Shares**") shall be dealt with in accordance with **article 19.9**
- 19 9 Subject to **article 19.12**, the seller must offer the Company the opportunity to, subject to the Act, to buyback the Surplus Shares at the lower of the Transfer Price or Fair Value (if applicable). In the event the Company opts not to buy back some or all of the Surplus Shares, then such Surplus Shares not bought back by the Company may be transferred by the seller to any person on terms no less favourable than those set out in the Transfer Notice
- The A Shareholder does not respond to the Transfer Notice or declines the offer to purchase the sale shares**
- 19 10 In the event that the A Shareholder(s) decide(s) not to accept the offer in or respond to the Transfer Notice within the relevant period (whether before or following the issue of a notice by the A Shareholder(s) pursuant to **article 19 5**) then, subject to the Act, the Company shall have the opportunity to buyback the sale shares at the lower of the Transfer Price or Fair Value (if applicable)
- 19 11 Subject to **article 19.12**, if the Company does not wish to purchase the sale shares, the seller may transfer the sale shares to a third party on terms no less favourable than those set out in the Transfer Notice within 30 Business Days from the expiry of the Offer Period
- 19 12 The seller's right to transfer the Surplus Shares under **article 19.9** and to transfer the sale shares to a third party purchaser under **article 19.11** does not apply if the Board (excluding for the purposes of voting and quorum, the B Director) or the A Shareholder objects to the

- transferee for any reason. For the avoidance of doubt, the Board is under no obligation to provide reasons for its decision.
- 19 13 In the event that the Board or the A Shareholder does not consent to the transfer of the Surplus Shares or sale shares to the third party purchaser nominated by the B Shareholder then the Transfer Notice shall lapse and be cancelled.
- 19 14 Within 10 Business Days of the seller's receipt of acceptance by the A Shareholder(s) to purchase some or all of the sale shares he shall deliver stock transfer forms for the sale shares the A Shareholder wishes to purchase (the "**Accepted Shares**"), together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the A Shareholder (the "**Completion Date**"). On the Completion Date, the A Shareholder shall transfer payment for the Accepted Shares to such bank account as nominated by the seller.
- 19 15 If
- 19 15 1 the seller does not, on completion of the Accepted Shares, execute transfer(s) in respect of all of the Accepted Shares, or
- 19 15 2 the seller does not execute transfer(s) to transfer the Surplus Shares or the sale shares in accordance with article **19.3.2**,
- the defaulting seller shall be deemed to have irrevocably appointed the Company to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the sale shares or the Surplus Shares (as applicable), to deliver such transfer(s) to the relevant transferee (or as they may direct) as the holder thereof. After the relevant transferee (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of B Shares under this **article 19.15**.
- 19 16 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of sale shares specified in the Minimum Transfer Condition, the Board shall notify the seller and all those who have accepted to purchase the sale shares, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 19 17 The "**Fair Value**" of the Relevant Shares shall be determined by the Accountant on the following assumptions and bases
- 19 17 1 valuing the Relevant Shares as on an arm's-length sale between a willing seller and a willing buyer,
- 19 17 2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- 19 17 3 account for Relevant Shares being a minority shareholding in the Company,
- 19 17 4 account for the rights and restrictions attached to the Relevant Shares,
- 19 17 5 reflect any other factors which the Accountant reasonably believes should be taken into account.
- 19 18 If any difficulty arises in applying any of these assumptions or bases then the Accountant shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

**20. DRAG ALONG**

- 20 1 If the holders of the A Shares in issue for the time being ("**Selling Shareholder(s)**") wish to transfer at least 65 per cent of their interest in the A Shares ("**Sellers' Shares**") to a bona fide arm's length purchaser ("**Proposed Buyer**"), the Selling Shareholder(s) may require the B Shareholder(s) (the "**Called Shareholder(s)**") to sell and transfer all B Shares issued at such time to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this **article 20 ("Drag Along Option")**
- 20 2 The Selling Shareholder(s) may exercise the Drag Along Option by giving written notice to that effect ("**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify
- 20 2 1 that the B Shareholder(s) are required to transfer all B Shares registered in their name ("**Called Shares**") pursuant to this **article 20**,
- 20 2 2 the person to whom the Called Shares are to be transferred,
- 20 2 3 the price offered for each Called Share which shall be the lower of
- (a) the price paid by the Proposed Buyer for each Sellers' Share, and
- (b) the Fair Value of each Called Share as agreed by the Shareholders or, if no agreement is reached, determined by the Accountant,
- 20 2 4 the proposed date of the transfer
- 20 3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholder(s) have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20 4 Completion of the sale of the Called Shares shall take place on the DA Completion Date. "**DA Completion Date**" means the date proposed for completion of the sale of the Sellers' Shares.
- 20 5 By the deadline set out in the Drag Along Notice served on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the company. On the Completion Date, the company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to **article 20.2.3** to the extent that the Proposed Buyer has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The company shall hold the amounts due to the Called Shareholders pursuant to **article 20.2.3** in trust for the Called Shareholders without any obligation to pay interest.
- 20 6 To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay the consideration due pursuant to **article 20.2.3**, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations in respect of such sale of their B Shares.
- 20 7 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the company (on trust for such holder) of the consideration payable

for the Called Shares and, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this **article 20**

## **21. TAG ALONG RIGHTS**

21 1 The provisions of **article 21** shall apply if the Selling Shareholder(s) wish to transfer the Sellers' Shares to a Proposed Buyer ("**Relevant Transfer**")

21 2 No Relevant Transfer may be made or registered unless the Proposed Buyer has first made an offer to buy all of the B Shares issued at such time in accordance with this **article 21** (a "**TA Offer**")

21 3 A TA Offer shall be in writing and on the following terms

21 3 1 the TA Offer shall be open for acceptance for the period set out in the TA Offer, which shall be a period agreed by the A Shareholder,

21 3 2 the price offered for each B Share shall be the lower of

(a) the price paid by the Proposed Buyer for the A Shares, and

(b) the Fair Value of the B Shares as agreed by the Shareholders or, if no agreement is reached, determined by the Accountant,

21 3 3 the price shall be settled in full on completion of the sale and purchase and within 30 days of the TA Offer

## **22. POWERS TO ISSUE DIFFERENT CLASSES OF SHARES**

22 1 Without prejudice to the directors' powers in **article 22 1** and 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

22 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

## **23. AUTHORITY TO ALLOT**

23 1 The directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to offer, allot or grant rights to subscribe for, or convert securities into, or otherwise deal in, or dispose of, any Shares to any person, at any time and subject to any terms and conditions as the directors think proper

23 2 In accordance with section 567(1) of the Act section 561 shall not apply to the allotment of any equity security

## **24. 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

24 2 Every certificate must specify

24 2 1 in respect of how many Shares, of what class, it is issued,

- 24 2 2 the nominal value of those Shares,
- 24 2 3 that the Shares are fully paid, and
- 24 2 4 any distinguishing numbers assigned to them
- 24 3 No certificate may be issued in respect of Shares of more than one class
- 24 4 If more than one person holds a Share, only one certificate may be issued in respect of it
- 24 5 Certificates must be executed in accordance with the Act

## **25. LIEN**

The company has a lien over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future

## **PART 4**

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

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

##### **26. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 26 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
- 26 2 A person is able to exercise the right to vote at a general meeting when
  - 26 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 26 2 2 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
- 26 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
- 26 4 In determining attendance at a general meeting, it is immaterial whether any two or more Shareholders attending it are in the same place as each other
- 26 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

##### **27. QUORUM FOR GENERAL MEETINGS**

The quorum for a general meeting shall be one A Shareholder

##### **28. CHAIRING GENERAL MEETINGS**

- 28 1 The A Shareholder shall chair the general meetings
- 28 2 The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting"

## **29. ADJOURNMENT**

- 29 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 meeting must be adjourned
- 29 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if
- 29 2 1 the meeting consents to an adjournment, or
- 29 2 2 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
- 29 3 When adjourning a general meeting, the chairman of the meeting must
- 29 3 1 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 A Director, and
- 29 3 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 29 4 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)
- 29 4 1 to the same persons to whom notice of the company's general meetings is required to be given, and
- 29 4 2 containing the same information which such notice is required to contain
- 29 5 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**

### **30. ERRORS AND DISPUTES**

- 30 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
- 30 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

### **31. POLL VOTES**

- 31 1 A poll on a resolution may be demanded
- 31 1 1 in advance of the general meeting where it is to be put to the vote, or
- 31 1 2 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
- 31 2 A poll may be demanded by

- 31 2 1 a chairman of the meeting,
- 31 2 2 the directors,
- 31 2 3 two or more persons having the right to vote on the resolution, or
- 31 2 4 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
- 31 3 A demand for a poll may be withdrawn if
  - 31 3 1 the poll has not yet been taken, and
  - 31 3 2 the chairman of the meeting consents to the withdrawal
- 31 4 Polls must be taken immediately and in such manner as the chairman of the meeting directs

## **32. CONTENT OF PROXY NOTICES**

- 32 1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which
  - 32 1 1 states the name and address of the Shareholder appointing the proxy,
  - 32 1 2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed,
  - 32 1 3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - 32 1 4 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
- 32 2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- 32 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
- 32 4 Unless a proxy notice indicates otherwise, it must be treated as
  - 32 4 1 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
  - 32 4 2 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

## **33. DELIVERY OF PROXY NOTICES**

- 33 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
- 33 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
- 33 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

- 33 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

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **34. MEANS OF COMMUNICATION TO BE USED**

- 34 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 34 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- 34 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 34 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- 34 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website
- 34 2 For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day
- 34 3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act
- 34 4 In the case of joint holders of a Share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders

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

#### **35 INDEMNITY**

- 35 1 Subject to the provisions of, and so far as may be permitted by and consistent with the Act, every director of the company shall be indemnified by the company out of its own funds against
- 35 1 1 any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the company other than
- (a) any liability to the company or any Associated Company, and
- (b) any liability of the kind referred to in Section 234(3) of the Act, and



- 35 1 2 any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office
- 35 2 Where a director is indemnified against any liability in accordance with this **article 34**, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto
- 35 3 Subject to the provisions of the Act, the company (a) may provide a director with funds to meet expenditure incurred or to be incurred by him in defending any criminal, civil or regulatory proceedings or in connection with any application under the provisions mentioned in Sections 205 or 206 of the Act and (b) may do anything to enable a director to avoid incurring such expenditure, but so that the terms set out in Section 205(2) of the Act shall apply to any such provision of funds or other things done in connection with an application made under Section 205(1) of the Act
- 35 4 In this **article 34** and **article 35 "Associated Company"** shall have the meaning given thereto by Section 256 of the Act
- 36. INSURANCE**
- 36 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
- 36 2 In this **article 35**
- 36 2 1 a "**relevant director**" means any director or former director of the company or an Associated Company,
- 36 2 2 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