

Company number 06228307

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

LENGARD HOLDINGS LIMITED (Company)

12<sup>th</sup> May 2017 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as a special resolution (**Resolution**).

**SPECIAL RESOLUTION**

That the Articles of Association of the Company be amended by inserting the following new Articles 2.2 and 2.3:

- "2.2 The liability of the Members is limited to the amount, if any, unpaid on the Shares held by them.
- 2.3 The provisions of Article 2.2 will be deemed to have effect from the incorporation of the Company."

**AGREEMENT**

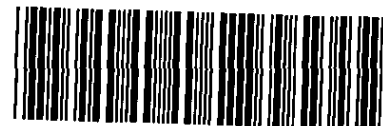
Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, being the only member of the Company entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agree to the Resolution.

Signed by GEOFFREY GODDARD



TUESDAY



A13 \*A66JGMK1\* 16/05/2017 #143  
COMPANIES HOUSE

## **NOTES**

1. You can choose to agree to the Resolution. If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company by hand or by post to the Company Secretary.

If you do not agree to the Resolution, 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 the date arising on expiry of 28 days following the Circulation Date, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.

4. 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.

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**Company No: 06228307**

**PRIVATE COMPANY LIMITED BY SHARES**

**NEW ARTICLES OF ASSOCIATION  
OF  
LENGARD HOLDINGS LIMITED**

**(AMENDED BY SPECIAL RESOLUTION DATED 12 MAY 2017)**

**1 TABLE A**

1.1 The regulations contained in Table A shall apply to the Company save insofar as they are excluded or varied by these Articles. The Regulations of Table A numbered 1, 3, 8, 38, 53, 64, 65, 66, 67, 68, 69, 73, 74, 75, 76, 77, 79, 81, 87, 89, 93, 94, 108, 111 and 115 shall not apply to the Company. The Regulations of Table A numbered 31, 78 and 88 are modified.

1.2 In these regulations and in the regulations of Table A that apply to the Company:

**"Act"** means the Companies Act 2006 including any statutory modification or re-enactment of it for the time being in force.

**"Articles"** means the articles of association for the time being of the Company.

**"A Shares"** means the A ordinary shares of 1p (£0.01) each in the capital of the Company.

**"B Shares"** means the B shares of 1p (£0.01) each in the capital of the Company.

**"C Shares"** means the C shares of 1p (£0.01) each in the capital of the Company.

**"Directors"** means the directors of the Company from time to time.

**"EBT"** means any employee benefit trust of the Company for the time being approved by the Directors for the purpose of holding Shares or debentures in the Company primarily for the benefit of, or under the terms of an employees' share scheme primarily for the benefit of, the bona fide employees or former employees of the Company, the Company's subsidiary or holding company or a subsidiary of the Company's holding company.

**"holder"** means in relation to Shares the Member whose name is entered in the register of Members of the Company as the holder of such Shares.

**"Member"** means a holder of Shares.

**"Sale Notice"** has the meaning set out in sub-Article 5.3.1.

**"Shares"** means the A Shares, the B Shares and the C Shares (or any of them as the context requires).

**"Table A"** Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended at the date of adoption of these Articles.

**"Transferor"** has the meaning set out in sub-Article 5.3.1.

**"Valuer"** means an independent chartered accountant with experience of valuing businesses similar to that carried on by the Company (and its subsidiaries) appointed by agreement between the Directors and the Transferor, or failing agreement within 14 days of the Sale Notice, as appointed by the President (or next senior officer) of the Institute of Chartered Accountants of England and Wales on application from either the Directors or the Transferor, and who shall act as expert and not arbitrator and whose decision shall be final and binding.

1.3 Unless the context otherwise requires, words or expressions contained in these regulations and in the regulations of Table A that apply to the Company bear the same meaning as in the Act but excluding any statutory modification of it not in force when these regulations become binding on the Company, words importing the singular only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing natural persons shall include also corporations.

1.4 The headings in these regulations are for convenience only and shall be ignored in construing the language or meaning of the Articles. Regulation 1 of Table A shall not apply.

## **2 PRIVATE COMPANY**

2.1 The Company is a private company within the meaning of Section 1 of the Act and accordingly no Shares or debentures of the Company shall be offered to the public (whether for cash or otherwise) and the Company shall not allot or agree to allot (whether for cash or otherwise) any Shares or debentures of the Company with a view to all or any of those Shares or debentures being offered for sale to the public.

2.2 The liability of the Members is limited to the amount, if any, unpaid on the Shares held by them.

2.3 The provisions of Article 2.2 will be deemed to have effect from the date of incorporation of the Company.

### **3 SHARE CAPITAL**

3.1 The share capital of the Company at the date of adoption of these Articles is £11,500 divided into 850,000 A Shares, 150,000 B Shares and 150,000 C Shares.

3.2 Subject to the Act, and provided it is a private company, the Company shall be authorised to make a payment in respect of the redemption or purchase of any of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

3.3 Save as expressly set out in this Article 3 and in Articles 5 and 7, the Shares shall rank *pari passu* in all respects:

3.3.1 the **A Shares** shall entitle the holders thereof to attend general meetings of the Company and on a poll at any general meeting of the Company, to one vote for every A Share held and, on a show of hands at any general meeting to one vote;

3.3.2 the **B Shares** shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company unless the business of the meeting includes the consideration of a resolution which directly or adversely modifies or abrogates any of the special class rights attached to the B Shares, in which case the holders of the B Shares shall only be entitled to attend and vote at the relevant meeting in respect of such resolutions(s). In the event that any such holder of the B Shares is entitled to vote, then on a show of hands each such holder shall be entitled to one vote and on a poll each such holder shall be entitled to one vote for each B Share of which he is the registered holder;

3.3.3 the **C Shares** shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company unless the business of the meeting includes the consideration of a resolution which directly or adversely modifies or abrogates any of the

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special class rights attached to the C Shares, in which case the holders of the C Shares shall only be entitled to attend and vote at the relevant meeting in respect of such resolutions(s). In the event that any such holder of the C Shares is entitled to vote, then on a show of hands each such holder shall be entitled to one vote and on a poll each such holder shall be entitled to one vote for each C Share of which he is the registered holder.

3.4 Regulation 3 of Table A shall not apply to the Company. Subject to the provisions of the Act and without prejudice to sub-Article 3.5:

3.4.1 any Shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder of such Shares on such terms and in such manner as may be provided by the Articles or as the Company may by resolution determine;

3.4.2 the Company may purchase any of its Shares (including any redeemable Shares); and

3.4.3 save as otherwise provided for herein, the Company may make a payment in respect of the redemption or purchase of any of its Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares.

3.5 Subject to sub-Article 3.6 below, the Directors are generally and unconditionally authorized, for the purposes of section 550 of the Act and section 551 of the Act and generally, to exercise any power of the Company to offer or allot, grant rights to subscribe for or to convert any security into, and otherwise deal in, or dispose of, any Shares and relevant securities to such persons, on such terms and in such manner as the Directors think fit, but subject to any agreement binding on the Company **PROVIDED THAT** the authority contained in this Article insofar as it relates to Shares and relevant securities (as aforesaid) shall, unless revoked or varied by ordinary resolution, expire five years from the date of the adoption of these Articles but without prejudice to any offer or agreement made before that date which would or might require the exercise by the Directors after that date of their powers in pursuance of this authority.

3.6 The unissued A Shares shall only be allotted in accordance with the provisions of this sub-Article 3.6 (and the provisions of section 561 and 562 of the Act shall not apply to the allotment of A Shares):

3.6.1 all A Shares to be allotted ("**New A Shares**") shall first be offered ("**Allotment Offer**") to the Members holding A Shares ("**Class Members**") in proportion to their existing holdings of A Shares;

3.6.2 the Allotment Offer shall be made by written notice ("**Allotment Notice**") from the Directors specifying the number and price and class of the New A Shares and shall invite each Class Member to state in writing within a period not being less than 14 days of the Allotment Notice ("**Allotment Acceptance Period**") whether he is willing to accept any New A Shares and, if so the maximum number of New A Shares he is willing to take;

3.6.3 at the expiration of the Allotment Acceptance Period the Directors shall allocate the New A Shares to or amongst the Class Members who shall have notified the Directors of his willingness to take any of the New A Shares but, so that no Class Member shall be obliged to take more than the maximum number of New A Shares notified by him under sub-Article 3.6.2;

3.6.4 if any of the New A Shares remain unallocated after the Allotment Offer, the Directors shall make a further offer ("**Final Allotment Offer**") pro rata in proportion to the number of A Shares held on the same terms as the Allotment Offer to Class Members who had expressed a willingness to acquire more New A Shares than their pro rata entitlement under sub-Article 3.6.2 above;

3.6.5 if any of the New A Shares remain unallocated following and pursuant to the Final Allotment Offer, the Directors shall be entitled to dispose of those Shares to such persons on such terms and in such manner as they think fit save that those A Shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the Members under this sub-Article 3.6.

3.7 The provisions of section 561 and 562 of the Act shall not apply to the allotment of B



Shares.

- 3.8 The provisions of section 561 and 562 of the Act shall not apply to the allotment of C Shares.

#### **4 LIEN**

The Company shall have a first and paramount lien on every Share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that Share, and the Company shall also have a first and paramount lien on all Shares (whether fully paid or not) standing registered in the name of any person for all moneys presently payable by him or his estate to the Company, whether he shall be the sole registered holder of it or shall be one of several joint holders; but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a Share shall extend to all dividends payable on it. Regulation 8 of Table A shall not apply.

#### **5 TRANSFERS OF SHARES**

- 5.1 A transfer of any Share pursuant to these Articles shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such Share free from all liens, charges and other encumbrances.
- 5.2 The following transfers of Shares shall be permitted transfers and shall not be subject to the restrictions and procedure set out in Article 5.4 below:
- 5.2.1 a transfer of Shares by any Member with the prior written consent of the holders of a majority of the A Shares;
  - 5.2.2 a transfer of Shares by any Member to the EBT or by the Member or the EBT to any employee of the Company pursuant to any employees' share scheme established by the Company and approved by the Directors from time to time; and
  - 5.2.3 a transfer of Shares pursuant to and in accordance with the provisions of Article 7.
- 5.3 Subject to Article 5.1 and except as provided in Article 5.2 above, the right to transfer Shares or any interest in any Shares shall be subject to the following

restrictions and procedure:

5.3.1 a Member who wishes to transfer or otherwise dispose of any Shares or any interest therein ("**Transferor**") shall give notice in writing ("**Sale Notice**") to the Company that he wishes to transfer his Shares. Every Sale Notice shall specify the number and class of Shares ("**Sale Shares**") and shall constitute the Company his agent for the sale of the Sale Shares at the Prescribed Price as set out in Article 5.8 below. A separate Sale Notice shall be given for each class of Sale Shares. A Sale Notice shall also give the full name and address of the person or persons (if any) to whom the Transferor wishes to transfer the Sale Shares (and if such proposed transferee will not be the beneficial owner, the full name and address of the beneficial owner) together with details as to any price offered for the Sale Shares;

5.3.2 the Company shall within 28 days (or so soon thereafter as may be practical) after a Sale Notice is given ascertain the Prescribed Price of the Sale Shares in accordance with sub-Article 5.8 and shall immediately thereafter notify the Transferor of the Prescribed Price. The Transferor may, except where a Sale Notice is deemed to have been served under sub-Article 5.10, within 7 days after service of such notification withdraw the Sale Notice and cancel the Company's authority to sell the Sale Shares by serving upon the Company his written undertaking to pay the costs of obtaining a certificate from the Valuer (as provided in sub-Article 5.9) and written notice of withdrawal. Except with the consent of the Directors, a Sale Notice may not otherwise be withdrawn;

5.3.3 within 14 days of the Prescribed Price being ascertained, the Company shall offer all of the Sale Shares at the Prescribed Price in accordance with the Priority Rights as defined and set out in sub-Article 5.4 ("**Offer**"). Every such Offer shall be in writing and shall remain open for acceptance for a period of 30 days after either the date on which the Offer is made or the date upon which the Prescribed Price is ascertained, whichever is the longer ("**Offer Period**").

5.4 The Company shall offer the Sale Shares in the following priority ("**Priority Rights**"):

**5.4.1 In respect of A Shares:**

5.4.1.1 first to the other holders of A Shares; and subject thereto;

5.4.1.2 second to the EBT (if any); and subject thereto;

5.4.1.3 third to the Company.

**5.4.2 In respect of B Shares:**

5.4.2.1 first to the EBT (if any); and subject thereto;

5.4.2.2 second to the holders of A Shares; and subject thereto;

5.4.2.3 third to the Company.

**5.4.3 In respect of C Shares:**

5.4.3.1 first to the EBT (if any); and subject thereto;

5.4.3.2 second to the holders of the A Shares; and subject thereto;

5.4.3.3 third to the Company.

**5.5 The Offer shall be made subject to the following restrictions:**

5.5.1 any person to whom Sale Shares are offered in accordance with the Priority Rights shall be at liberty to accept all or some only of the Sale Shares;

5.5.2 in the event of there being more than one person to whom the Offer is made pursuant to the Priority Rights, the Sale Shares shall be offered to such persons in proportion as nearly as may be to their existing holdings of Shares of the same class as the Sale Shares and the Directors' decision as to the number of Sale Shares which shall be "in proportion as nearly as may be to their existing holdings of Sale Shares of that class" shall be conclusive final and binding on all persons concerned;

- 5.5.3 in the event that a person to whom an Offer falls to be made pursuant to the Priority Rights declines to accept the Sale Shares offered to him, such Sale Shares shall be re-offered in like manner and upon the same terms to those persons (if any) who accepted all the Sale Shares previously offered to them.
- 5.6 If the Company shall during the Offer Period find willing purchasers ("**Purchaser(s)**") willing to purchase:
- 5.6.1 all of the Sale Shares, the Company shall give written notice to the Transferor whereupon the Transferor shall be bound, upon payment of the Prescribed Price, to transfer to the Purchaser(s) the Sale Shares agreed to be purchased; or
- 5.6.2 some of the Sale Shares, the Company shall give written notice to the Transferor, whereupon the Transferor shall have the right either to refuse to transfer the Sale Shares, in which case the Sale Notice shall be deemed to have been withdrawn, or upon payment of the Prescribed Price, be bound to transfer to the Purchaser(s) the Sale Shares agreed to be purchased by him.
- 5.7 The sale of the Sale Shares to the Purchaser(s) shall be completed at a place and time (being not less than 7 days nor more than 14 days after the expiry of the Offer Period) to be appointed by the Directors.
- 5.8 The **Prescribed Price** for the Sale Shares shall be as set out in this sub-Article 5.8:
- 5.8.1 the Prescribed Price for Sale Shares which are **A Shares** shall be as set out in this sub-Article 5.8.1:
- 5.8.1.1 the Prescribed Price for the Sale Shares which are A Shares shall be the price per share as agreed between the Transferor and the Directors or, in the event that no agreement can be reached within 21 days of the Sale Notice, as determined by the Valuer under sub-Article 5.8.1.2 to be the **A Share Market Value** of such Sale Shares;

5.8.1.2 the **A Share Market Value**, shall be such value as the Valuer shall certify to be a fair market value of the Sale Shares that are A Shares and the Valuer shall value all of the issued share capital for a sale on a going concern basis as between a willing vendor and a willing purchaser, and the Sale Shares that are A Shares shall be a rateable proportion of the total value of all the issued Shares which value shall not be discounted or enhanced by reference to the number of Sale Shares and no adjustment shall be made to the total value of all the issued Shares to reflect the non-voting rights of any of the issued Shares;

5.8.2 the Prescribed Price for the Sale Shares which are **B Shares** shall be as set out in this sub-Article 5.8.2:

5.8.2.1 subject to clause 5.8.4, the Prescribed Price for the Sale Shares which are B Shares shall be such price as is agreed between the Transferor and the Directors or, if no agreement can be reached within 21 days of the Sale Notice as determined by the Valuer under sub-Article 5.8.2.2, to be the **B Share Market Value** of such Sale Shares;

5.8.2.2 in determining the **B Share Market Value**, the Valuer shall value the Sale Shares that are B Shares at a price which such Sale Shares might reasonably be expected to fetch on a sale in the open market,

5.8.3 the Prescribed Price for the Sale Shares which are **C Shares** shall be as set out in this sub-Article 5.8.3:

5.8.3.1 subject to clause 5.8.4, the Prescribed Price for the Sale Shares which are C Shares shall be such price as is agreed between the Transferor and the Directors or, if no agreement can be reached within 21 days of the Sale Notice as determined by the Valuer under sub-Article 5.8.3.2, to be the **C Share Market Value** of such Sale Shares;

5.8.3.2 in determining the **C Share Market Value**, the Valuer

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shall value the Sale Shares that are C Shares at a price which such Sale Shares might reasonably be expected to fetch on a sale in the open market,

5.8.4 where the Transferor is a **Bad Leaver** as determined under sub-Article 5.8.5, the Prescribed Price for Sale Shares which are B Shares and for Sale Shares which are C Shares (as the case may be) shall be an amount equal to the original acquisition price paid by the Transferor for such Sale Shares;

5.8.5 a **Bad Leaver** shall be any holder of B Shares or C Shares (as the case may be) who:

5.8.5.1 ceases to be an employee, director or consultant of the Company or any subsidiary or holding company of the Company; and

5.8.5.2 is not a **Good Leaver** (as defined in sub-Article 5.8.6 below),

5.8.6 a **Good Leaver** shall mean any holder of B Shares or C Shares (as the case may be) who ceases to be an employee, director or consultant of the Company or any holding company or subsidiary of the Company:

5.8.6.1 by reason of his death; or

5.8.6.2 is otherwise determined to be a **Good Leaver** by resolution of the Directors or the board of directors of any holding company or subsidiary of the Company.

5.9 The Valuer's costs and expenses incurred pursuant to this Article 5 shall be borne by the Company and the Transferor in equal proportions (except in a case where the Transferor has properly withdrawn a Sale Notice pursuant to sub-Article 5.3.2).

5.10 Save in respect of a holder of a majority of the issued A Shares, a Member shall, unless otherwise agreed in writing by the holders of a majority of the A Shares be deemed to have served a Sale Notice in respect of all of his Shares immediately prior to the occurrence of any of the following events;

- 5.10.1 the Member's death;
  - 5.10.2 the Member becoming unable to pay his debts, a bankruptcy order being made against him or an arrangement or composition being made with his creditors or, in the case of a corporate Member, such Member becoming unable to pay its debts, becoming insolvent, or having an administrator or administrative receiver appointed over its assets;
  - 5.10.3 the Member ceasing to be an employee, consultant or director of the Company for any reason (without being retained as an employee, consultant or director of the Company or any holding or subsidiary company of the Company following such cessation);
  - 5.10.4 the holders of a majority of the A Shares serving upon the Member written notice requiring him to serve a Sale Notice in respect of his Shares.
- 5.11 If the Company shall not find any Purchasers or if, through no default of the Transferor, the purchase of the Sale Shares shall not be completed within 7 days after the date appointed for such purpose by the Directors, the Transferor may at any time within 90 days after the expiry of the Offer Period transfer the whole of such unsold Sale Shares, but not part thereof, to any person on a bona fide sale **PROVIDED THAT:**
- 5.11.1 such Sale Shares shall not be offered or sold at less than the Prescribed Price or on terms different to those offered under the Offer without first being re-offered in accordance with the provisions of this Article 5; and
  - 5.11.2 the Directors may refuse to register the transfer of any of such unsold Sale Shares if the Directors object to the transferee becoming a Member.
- 5.12 If the Transferor shall fail to transfer any Sale Shares which he has become bound to transfer, the Directors may authorise some person to execute on his behalf a transfer of the Sale Shares to the Purchaser(s) and may receive the Prescribed Price and shall thereupon register the Purchaser(s) as the holder(s) of the Sale Shares, and the Purchaser(s) shall become indefeasibly entitled thereto. The Transferor shall in such case be bound to

deliver to the Company his certificate for the Sale Shares and the Company shall, on delivery of such certificate, pay to the Transferor the Prescribed Price, without interest.

- 5.13 The Directors may from time to time require any Member or other person entitled to transfer a share or any person named as the transferee in any transfer lodged for registration to provide the Company with such information and evidence as the Directors may consider necessary to ensure that any transfer lodged for registration is authorised hereunder or that no circumstances have arisen in which a Sale Notice ought to be given. If such information or evidence shall not be provided to the satisfaction of the Directors within a reasonable time or shall disclose that any such circumstances have arisen, the Directors shall be entitled to refuse to register the transfer concerned or (as the case may be) to require by notice in writing that a Sale Notice be given in respect of the Sale Shares concerned.
- 5.14 If a Sale Notice in respect of any Sale Shares is not given within 30 days after being required by the Directors to be given in accordance with these Articles, a Sale Notice shall be deemed to have been given at the expiry of such 30 days in respect of those Sale Shares.
- 5.15 The Directors may in their absolute discretion and without assigning any reason therefore decline to register any transfer of any Sale Share not being a transfer authorised by the provisions of these Articles and they may also refuse to register any transfer (whether or not authorised by the provisions of these Articles) of Sale Share on which the Company has a lien.
- 5.16 The provisions of this Article 5 shall apply (*mutatis mutandis*) to a renunciation of the allotment of a Sale Share by the allottee.
- 5.17 For purposes of effecting any transfers of Sale Shares in accordance with these Articles, each of the Members hereby irrevocably appoints the Company to be his attorney and in his name and on his behalf to execute a stock transfer form and an indemnity in standard form (for non-production of share certificate) but (for the avoidance of doubt) for no other purpose in respect of all or any Sale Shares held by him in the event of such member's failure to execute and deliver a stock transfer form and his failing to deliver an indemnity as required under the aforesaid Articles, and each of the members undertakes to ratify any action of the Company in lawful exercise of such power.



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**6 VARIATION OF RIGHTS**

If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of these regulations relating to general meetings shall apply, but so that the necessary quorum shall be one person at least holding or representing by proxy one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

**7 TRANSFERS WHICH RESULT IN A CHANGE OF CONTROL**

**7.1** If the holders of a majority of the A Shares ("**Sellers**") agree to sell all of their A Shares to a bona fide third party purchaser ("**Transferee**") on arm's length terms ("**Relevant Sale**") they shall notify the other Members in writing in advance of any such Relevant Sale and the following provisions of this Article 7 shall apply:

**7.1.1** the Sellers (or any of them) may by notice in writing to the other Members ("**Other Members**") require each of the Other Members to transfer all of his Shares to the Transferee or as the Transferee may direct at the Specified Price as calculated in accordance with sub-Article 7.2 below ("**Drag Along Right**");

**7.1.2** to the extent that the Drag Along Right is not exercised by any of the Sellers, the Other Members may by notice in writing to the Sellers require the Sellers to procure that the Transferee or such other person as the Transferee may direct acquire all of each of the Other Member's Shares at the Specified Price as calculated under sub-Article 7.2 below ("**Tag Along Right**").

**7.2** The **Specified Price** means the following:

**7.2.1** in respect of the **B Shares**, the average amount of the consideration (in cash or otherwise) per share equal to that paid or payable to the Sellers, and in the event of any disagreement as to such calculation the matter shall be referred to the Valuer to determine such average

amount of consideration, whose costs shall be borne by the Sellers and the Other Members in equal proportions (or as the Valuer shall otherwise decide); and

7.2.2 in respect of the **C Shares**, to the extent and provided that the aggregate net proceeds of the Relevant Sale (after deduction of all costs and expenses incurred by the Sellers in connection with such Relevant Sale), in cash or otherwise, exceed £3,000,000 (three million pounds) ("**Excess**"), such proportion of the Excess ("**C Share Entitlement**") as shall be equal to the proportion of the issued C Shares as bears to the total number of Shares in issue, such C Share Entitlement divided equally between the holders of the C Shares, and in the event of any disagreement as to such calculation the matter shall be referred to the Valuer to determine such C Share Entitlement, whose costs shall be borne by the Sellers and the Other Members in equal proportions (or as the Valuer shall otherwise decide).

7.3 Completion of the sale and purchase of the Shares under this Article 7 shall, unless otherwise agreed by the Directors and Transferee in writing, take place at the same place and time as the Relevant Sale. The Other Members shall be obliged to deliver an executed share transfer form and share certificates (or an indemnity in respect of any lost share certificates) in respect of his Shares, together with an executed waiver of pre-emption rights if applicable.

7.4 If any of the Other Members fail to deliver executed share transfer forms or waivers as set out in sub-Article 7.3 above, he shall be deemed to have appointed any Director to be his agent and attorney to execute the same on his behalf and, against receipt by the Company of the appropriate purchase monies in respect of his Shares, to deliver such executed documents on his behalf.

7.5 The provisions of this Article 7 shall take precedence over the provisions of Article 5 (and Article 5 shall be read subject to this Article 7).

7.6 If any person becomes a Member by reason of holding B Shares and/or C Shares ("**New Member**") pursuant to the exercise of a pre-existing option or other rights to acquire such Shares after the Drag Along Right has been exercised, the New Member shall be bound to transfer all such Shares acquired by him on exercise of any such option or right to the Transferee or as the Transferee may direct. The provisions of sub-Articles 7.1 to 7.5 (inclusive) shall apply (with necessary changes) to the New

Member, save that if the B Shares and/or C Shares were acquired by the New Member after the Relevant Sale, completion of the transfer of such Shares by the New Member shall take place immediately upon the New Member acquiring such Shares, unless otherwise agreed by the Sellers and the Transferee.

**8 GENERAL MEETINGS**

**8.1** An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:

**8.1.1** in the case of an annual general meeting, by all the Members entitled to attend and vote at it; and

**8.1.2** in the case of any other meeting by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the Shares giving that right.

**8.2** A notice of general meeting shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

**8.3** Regulation 40 of Table A shall be read and construed as if the words, "unless the Company has only one Member, or has only one Member holding Shares which give the holders thereof the right to receive notice of, attend and vote at general meetings, in which case one Member present in person or by proxy shall be the quorum" were added at the end of Regulation 40 of Table A.

**8.4** Subject as may otherwise be provided for under the Act, a resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as it had been passed at a general meeting of the Company duly convened and held and may consist of several instruments in a like form each executed by or on behalf of one or more such Members.

**9 NUMBER OF DIRECTORS**

9.1 The minimum number of Directors shall be one and there shall be no maximum number. Regulation 64 of Table A shall not apply.

9.2 A sole director shall have all the powers, duties and discretions conferred on or vested in the directors by these Articles and the Act.

**10 ALTERNATE DIRECTORS**

10.1 Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. Save as otherwise provided in these Articles, unless he is already an officer of the Company in his own right, an alternate Director shall not, as such, have any rights other than those mentioned in sub-Article 10.2.

10.2 An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, and to attend, speak and vote at any such meeting at which the Director appointing him is not personally present but it shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom. A Director present at such meeting and appointed alternate Director for any other Directors entitled to attend and vote at such meeting shall have an additional vote for each of his appointors absent from the meeting. An alternate Director shall not be entitled to receive any remuneration from the company for his services as an alternate Director.

10.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but, if a Director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

10.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

10.5 Without prejudice to sub-article 10.2 and save as otherwise provided in the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall

not be deemed to be the agent of the Director appointing him.

- 10.6 Regulations 65 to 69 (inclusive) shall not apply and Regulation 88 shall be modified accordingly.

## **11 POWERS OF DIRECTORS**

- 11.1 The Directors may sanction the exercise by the Company of all the powers of the Company to make provision for the benefit of persons (including Directors) employed or formerly employed by the Company or any subsidiary of the Company in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or any such subsidiary as are conferred by section 247 of the Act and approved by resolution of the Directors or, if required under section 247, resolution of the Company, and the Insolvency Act 1986, section 187 and, subject to such sanction, the Directors may exercise all such powers of the Company.

- 11.2 When one Director only is in office he shall have the power and authority to exercise all the powers and discretions conferred by Table A or these Articles and expressed to be vested in the Directors generally and Regulation 89 shall be modified accordingly.

## **12 APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 12.1 The Directors of the Company shall not retire by rotation and Regulations 73 to 77 (inclusive) of Table A shall not apply and Regulation 78 shall be modified accordingly.
- 12.2 The Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the Board. Subject to sub-Article 13.1 a Director may be appointed under this Article to hold office for life or any other period or upon such terms in respect of his retirement as the Directors shall at the time of his appointment determine. Regulation 79 of Table A shall not apply.

## **13 DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 13.1 The office of Director shall be vacated if:
- 13.1.1 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or

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- 13.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - 13.1.3 he is or may be, in the reasonable opinion of the other Directors a person who is, or may be, suffering from mental disorder and either;
  - 13.1.4 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
  - 13.1.5 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
  - 13.1.6 he resigns his office by notice to the Company; or
  - 13.1.7 he is removed from office under section 168 of the Act, or by extraordinary resolution of the Company.
- 13.2 No person shall be disqualified from being or becoming a Director of the Company by reason of his attaining or having attained the age of 70 years or any other age.
- 14 DIRECTORS' INTERESTS**
- 14.1 Provided that a Director declares his interest in a contract or arrangement or proposed contract or arrangement with the Company in the manner provided by Section 177 of the Act he shall be counted in the quorum of any meeting of Directors at which it is considered and shall be entitled to vote as a Director in respect of it. Regulation 94 of Table A shall not apply.
- 14.2 The Directors may, authorize any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (**Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 14.3 Any authorization of a Conflict may, from time to time, impose upon an

Interested Director such terms and conditions for the purpose of dealing with the Conflict as the Directors think fit, and the Interested Director will be obliged to conduct himself in accordance with any such terms and conditions. The Directors may revoke or vary any authorisation of a Conflict, but this will not affect anything done by an Interested Director prior to such revocation or variation, in accordance with the terms of such prior authorisation.

14.4 A Director may be a director or other officer or employee of, or otherwise interested in, any parent company or subsidiary company of, or other associated entity to, the Company, and no authorization shall be necessary in respect of such interest.

14.5 A Director is not required, 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 in accordance with these Articles or by the Company in general meeting (subject, in each case, to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **15 DIRECTORS' GRATUITIES AND PENSIONS**

15.1 The Directors shall have power to pay or provide and agree to pay or provide pensions or other retirement, superannuation, death or disability benefits to, or to any person in respect of any Director or former Director of the Company or any subsidiary or holding company of the Company or another subsidiary of any such holding company and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums (whether before or after such Director ceases to hold office or employment). A Director may vote at a meeting of Directors in respect of any matter referred to in this article, notwithstanding that he is personally interested in such matter and shall be counted in the quorum present at the meeting. Regulation 87 of Table A shall not apply.

## **16 PROCEEDINGS OF DIRECTORS**

16.1 The quorum for the transaction of the business of the Directors shall be one in the event of the Company having a sole Director only, and shall be two in the event that the Company has more than one Director. A person who holds office as an alternate Director shall, if his appointor is not present, be counted in the quorum. Regulation 89 of Table A shall not apply.

16.2 A resolution in writing signed by all the Directors (including a sole

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Director) entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity. Regulation 93 of Table A shall not apply.

16.3 Any Director for the time being absent from the United Kingdom may supply to the company an address including an email address and/or facsimile transmission number whether or not within the United Kingdom to which notices of meetings of the Directors may be sent and shall then be entitled to receive at such address or number notice of such meetings. Regulation 88 of Table A shall be modified accordingly.

16.4 A meeting of the Directors may be validly held notwithstanding that all of the Directors are not present at the same place and at the same time provided that:

16.4.1 a quorum of the Directors at the time of the meeting are in direct communication with each other whether by way of telephone, audiovisual link or other form of telecommunication; and

16.4.2 a quorum of the Directors entitled to attend a meeting of the Directors agree to the holding of the meeting in this manner.

## **17 BORROWING POWERS**

17.1 The Directors may exercise all the powers of the Company to borrow or raise money, and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and, subject to the provisions of the Act, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party (including any member).

## **18 NOTICES**

18.1 Any notice given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing. Any notice given by or on behalf of any person to the Company may be given by



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leaving it at or by sending it by post to the office or such other place as the Directors may appoint. Regulation 111 of Table A shall not apply.

- 18.2 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 24 hours after the envelope containing it was posted. Regulation 115 of Table A shall not apply.

**19 INDEMNITY**

- 19.1 Without prejudice to the provisions of Regulation 118 of Table A, the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, or Employees or auditors of the Company, or of any other company which is its holding company or parent undertaking or in which the Company or such holding company or parent undertaking or any of the predecessors of the Company or of such holding company or parent undertaking has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any Employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund. For the purposes of this regulation '**holding company**', '**parent undertaking**' and '**subsidiary undertaking**' shall have the same meaning as in the Act.

- 19.2 Every Director and other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution and discharge of his duties, including any liability incurred by him in defending any proceedings (civil or criminal), in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of his duties. This sub-Article 19.2 shall only have effect in so far as