

FRIDAY



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**MINUTES OF A MEMBERS MEETING  
OF RED ROBOT LIMITED  
ON 25 FEBRUARY 2013**

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**Held at:** Held At Friary Court, 13-21 High Street, Guildford, Surrey GU1 3dl

**Present:** Malcolm Switzer (Chairman)  
Ron Carey

**In attendance:** Chris Cairns

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**The member resolved that :-**

**The new Articles of Association of the company as drafted by Messrs. Blandy and Blandy Solicitors, and dated 25 February 2013, be and are adopted by the company.**

**The share capital of the company, presently divided into 51 Ordinary 'A' Share of £1 each and 49 Ordinary 'B' Shares of £1 each, be reclassified as Ordinary £1 Shares, all of which shall rank equally in all respects.**

**These Resolutions were approved.**

**There being no other business, the meeting terminated.**

.....  
**Chairman**

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**Company Number 07215806**

**Incorporated on 7 April 2010**

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**NEW ARTICLES OF ASSOCIATION OF**

**RED ROBOT LIMITED**

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(as adopted by special resolution passed on [ ] 2013)



**BLANDY & BLANDY**  
solicitors

**One Friar Street**

**Reading**

**Berkshire**

**RG1 1DA**

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

FRIDAY



**ARTICLES OF ASSOCIATION**

**OF**

**RED ROBOT LIMITED**

(Adopted by special resolution passed on [    ])

**1. DEFINITIONS AND INTERPRETATION**

1.1 In these Articles the following words and phrases have the meanings set out opposite them below.

<b>Act</b>	Companies Act 2006
<b>Adoption Date</b>	the date on which these Articles were adopted by the Company
<b>Articles</b>	these articles of association (as altered or varied from time to time) and <b>Article</b> means a provision of these Articles
<b>Auditors</b>	the auditors of the Company from time to time (or the Company's accountants if no auditors have been appointed by the relevant time)
<b>Available Profits</b>	the profits of the Company available for distribution from time to time in accordance with the Act
<b>Board</b>	the board of directors from time to time of the Company or (where the context permits) a duly authorised committee of such board or directors
<b>Business Day</b>	a day (other than a Saturday or a Sunday) on which banks are open for general business in London
<b>Connected Person</b>	in relation to a person, has the meaning given in section 1122 of the Corporation Tax Act 2010

**Employee Shareholder** a person who is or has been a director and/or an employee of the Company.

**Model Articles** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Adoption Date

**Shareholder** any person who is the holder of any Share(s)

**Shares** ordinary shares of £1 00 each in the capital of the Company

**Transfer Notice** has the meaning set out in Article 20 2

**Third Party Purchaser** a person who is not already a Shareholder and who is not a Connected Person of a Shareholder

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company

1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise

1 5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

1 6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

## **2. ADOPTION OF THE MODEL ARTICLES**

2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such

- modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the company
- 2.3 Article 7 of the Model Articles shall be amended by:
- 2 3 1 the insertion of the words "for the time being" at the end of article 7(2)(a), and
- 2 3.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 2 4 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur"
- 2 5 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.6 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But"
- 2 7 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 2 8 Articles 31(1)(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

## **DIRECTORS**

### **3. UNANIMOUS DECISIONS**

- 3 1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter
- 3 2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing
- 3 3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

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

Any director may call a Board meeting by giving not less than five Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice

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

5 1 Subject to Article 5 2, the quorum for the transaction of business at a Board meeting is any two eligible directors

5.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

5 3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision

5 3 1 to appoint further directors, or

5.3 2 to call a general meeting so as to enable the Shareholders to appoint further directors

#### **6. CASTING VOTE**

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall have a casting vote

#### **7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

7 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

7 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

7 1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,

- 7.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- 7.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 7.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
- 7.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

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

- 8.1 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 Act to avoid conflicts of interest (**Conflict**)
- 8.2 Any authorisation under this Article 8 will be effective only if
- 8.2.1 to the extent permitted by the Act, the matter in question shall have 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,
- 8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- 8.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted
- 8.3 Any authorisation of a Conflict under this Article 8 may (whether at the time of giving the authorisation or subsequently)

- 8 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,
- 8 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;
- 8 3 3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- 8 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- 8 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
- 8.3.6 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.
- 8 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 8 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
- 8 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.



**9. RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

**10. NUMBER OF DIRECTORS**

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

**11. APPOINTMENT OF DIRECTORS**

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 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

**12. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

12.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

12.1.1 exercise that director's powers, and

12.1.2 carry out that director's responsibilities,

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

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

12.3 The notice must

12.3.1 identify the proposed alternate, and

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

**13. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

13 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor

13.2 Except as the Articles specify otherwise, alternate directors

13 2 1 are deemed for all purposes to be directors,

13.2.2 are liable for their own acts and omissions,

13 2 3 are subject to the same restrictions as their appointors, and

13 2 4 are not deemed to be agents of or for their appointors

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

13 3 A person who is an alternate director but not a director

13 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),

13 3 2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and

13 3 3 shall not be counted as more than one director for the purposes of Articles 13 3 1 and 13 3 2

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

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

#### **14. TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate director's appointment as an alternate terminates.

- 14 1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- 14 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 14 3 on the death of the alternate's appointor; or
- 14.4 when the alternate's appointor's appointment as a director terminates

#### **15. SECRETARY**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

### **SHARES**

#### **16. ISSUE OF SHARES**

- 16 1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the Shareholders, the Board shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company
  - 16 2 Subject to the remaining provisions of this Article 16, the Board is generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to
    - 16 2 1 offer or allot,
    - 16 2 2 grant rights to subscribe for or to convert any security into,
    - 16 2.3 otherwise deal in, or dispose of,
- any Shares to any person, at any time and subject to any terms and conditions as the Board thinks proper

16.3 The authority referred to in Article 16.2

16 3 1 shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution, and

16 3 2 may only be exercised for a period of five years commencing on the Adoption Date, save that the Board may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the Board may allot Shares in pursuance of an offer or agreement as if such authority had not expired)

16 4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

16.5 Unless otherwise agreed by special resolution, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all Shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as possible without involving fractions) The offer

16 5 1 shall be in writing, shall be open for acceptance for a period of 20 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities, and

16 5 2 may stipulate that any Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe

16 6 Any equity securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 16 5 shall be used for satisfying any requests for Excess Securities made pursuant to Article 16 5 If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Shares of the same class held by the applicants immediately before the offer was made to Shareholders in accordance with Article 16 5 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him) After that allotment, any Excess Securities remaining shall be offered to any other person as the Board may determine, at the same price and on the same terms as the offer to the Shareholders

- 16 7 Subject to Articles 16 5 and 16 6 and to section 551 of the Act, any equity securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions it thinks proper

**17. LIEN**

- 17.1 The Company shall have a first and paramount lien on all Shares, whether or not fully paid, registered (whether as sole registered Shareholder or as one of two or more joint Shareholders) in the name of any person indebted or under any other liability to the Company, for all moneys owing to the Company from him or his estate either alone or jointly with any other person, whether as a Shareholder or not and whether such moneys are presently payable or not
- 17.2 The Company's lien on a Share shall extend to all dividends or other moneys and rights payable on such Share or accruing to it or in respect of it

**18. PURCHASE OF OWN SHARES**

Subject to compliance with and to the provisions of the Act and these Articles, the Company may exercise all the powers conferred by law to purchase by agreement its own Shares (including, without limitation, any redeemable shares) upon such terms and in such manner as the Board shall think fit (including in particular the making of a payment in respect of the redemption or purchase of its own Shares out of Available Profits or out of the proceeds of a fresh issue of shares or otherwise)

**19. TRANSFER OF SHARES**

- 19 1 The Board shall refuse to register any transfer of Shares made in contravention with these Articles but (subject to section 770 of the Act) shall not otherwise be entitled to refuse any transfer of Shares.
- 19.2 In these Articles, a reference to the transfer of Shares shall include any transfer, assignment, disposition or proposed or purported transfer assignment or disposition of any
- 19.2 1 share or shares of the Company,
- 19 2.2 interest of any kind (including the grant of options or contractual rights) in or over any share or shares of the Company, or
- 19 2 3 any right to receive or subscribe for any share or shares of the Company

19 3 Shareholders shall not transfer nor create nor dispose of any interest in or over any of the Shares being transferred except by a transfer of the entire legal and beneficial interest in the Shares

19 4 Save for transfers pursuant to Articles 20 (Pre-emption Rights), 21 (Compulsory Transfers), 22 (Drag Along) or 23 (Tag Along), no Shares may be transferred to any person without the prior written approval being obtained from Shareholders holding Shares constituting at least 75 per cent of the issued share capital of the Company at the relevant time. Provided that such prior written approval is obtained, a transfer of Shares (**Permitted Transfer**) may be made without restriction as to price or otherwise and any such transfer(s) shall be registered by the Board, notwithstanding any other provision in these Articles.

## **20. PRE-EMPTION RIGHTS**

20 1 Except in the case of a Permitted Transfer or any transfer pursuant to Article 21 (Compulsory Transfers), Article 22 (Drag Along) or Article 23 (Tag Along), the right to transfer Shares or any interest in Shares shall be subject to the following restrictions and provisions

20 2 Any Shareholder wishing to transfer any Share(s) held by him (**the Transferor**) shall be required (before effecting, or purporting to effect the transfer), to give a notice in writing (**the Transfer Notice**) to the Board specifying

20 2 1 the number of Share(s) which the Transferor wishes to transfer (**the Transfer Shares**), which may be all or part only of the Shares then held by the Transferor,

20.2 2 (unless the Transfer Notice is a Deemed Transfer Notice served pursuant to Article 21), whether the transfer is conditional on all of the Transfer Shares being sold (**a Total Transfer Condition**), and in the absence of such a statement, the Transfer Notice shall be deemed not to contain a Total Transfer Condition,

20 2 3 whether or not the Transferor has received an offer from a third party for the Transfer Shares, and if so, the identity of such third party and the price offered for the Transfer Shares; and

20 2 4 the price at which the Transferor wishes to sell the Transfer Shares and the identity of any person who is prepared to purchase the Transfer Shares at such price

20.3 The Transfer Notice shall constitute an offer by the Transferor for the sale of the Transfer Shares (together with all rights then attached thereto) at the Transfer Price (as agreed or determined in accordance with Articles 20 4 or 20 5) in accordance with the following provisions of this Article 20 only

20 4 The price for the Transfer Shares (**the Transfer Price**) shall be whichever is applicable of

20 4 1 the price per Transfer Share agreed between the Transferor and the Board, or

20 4 2 if no such agreement is reached within 20 days of the date on which the Transfer Notice is given or deemed to given (**the Notice Date**), the price for the Transfer Shares determined and certified by the Auditors as being in their opinion the fair sale value of the Transfer Shares at the Notice Date (on a going concern basis, as between a willing seller and a willing buyer, without any premium or discount being attributable to the percentage of the issued share capital of the Company represented by the Transfer Shares)

In the event that the Auditors are instructed to determine the Transfer Price, they shall act as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith. The Auditors shall be instructed at the Company's cost and expense, unless the Transfer serves a cancellation notice pursuant to Article 20 5, in which case the Transferor shall bear the cost

20.5 The Board shall send a copy of the Transfer Notice to all Shareholders within five Business Days of the Notice Date. In the event that the Transfer Price is determined in accordance with Article 20 4 2, the Board shall also send a copy of the Auditors' certification to all Shareholders within five Business Days of receipt of the same. The Transferor shall be entitled to cancel the Transfer Notice, by notice in writing given to the Company within five Business Days of the service upon him of the copy certificate, provided that this entitlement will not apply in the event of a Deemed Transfer Notice served or deemed to be served pursuant to Article 21

20 6 Within ten Business Days after the date on which the Transfer Price is agreed or determined in accordance with Article 20 4, then unless the Transferor has properly cancelled the Transfer Notice in accordance with Article 20.5, the Transfer Shares shall be offered by the Board (as agents for the Transferor) for purchase at the Transfer Price

20 6 1 first, to the Company (subject to the provisions of the Act) to redeem or repurchase the Transfer Shares at the Transfer Price (**the First Offer**), and

20 6 2 second, to all Shareholders (other than the holder of the Transfer Shares), on the basis that in case of competition, any remaining Transfer Shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing

the number sold to any Shareholder beyond that applied for by him) to their existing holdings of Shares (**the Second Offer**)

20.7 The Company shall be entitled to redeem or repurchase the Transfer Shares (in whole or in part) at the Transfer Price within 30 days of the date on which the First Offer is made to the Company (**the First Offer Period**) If the Company does not re-purchase all of the Transfer Shares by the end of the First Offer Period, the remaining Transfer Shares shall be offered to all Shareholders (other than the holder of the Transfer Shares) within ten Business Days after the end of the First Offer Period. Such offer shall

20 7 1 specify a period (being not less than 30 days) within which it must be accepted, failing which it will lapse (such period being **the Second Offer Period**),

20 7 2 invite the relevant Shareholders to state in writing whether they are willing to purchase during the Second Offer Period

(a) all the Transfer Shares offered to them, and

(b) (if they accept all such Transfer Shares), whether they are also prepared to purchase any Transfer Shares which remain unallocated,

in each case, at the Transfer Price

20.8 Within ten Business Days after the expiry of either

20.8 1 the First Offer Period (if the Company decides to purchase all the Transfer Shares or the Company receives written acceptances for all the Transfer Shares prior to the commencement of the Second Offer Period), or

20 8 2 the Second Offer Period (if the Board makes a further offer of all or any remaining Transfer Shares pursuant to Article 20 7 1),

the Board shall give written notice (**the Allocation Notice**) to the Transferor of the number of Transfer Shares that have been accepted (**the Allocated Shares**) for purchase by the Company or by the proposed transferee(s) (**the Transferee**) and also specify which (if any) of the Transfer Shares have not been accepted for purchase (**the Unallocated Shares**).

20 9 Subject to Article 20 12, the Transferor shall be bound, upon receipt of the Transfer Price, to transfer to the Company or each Transferee (as applicable) the number of relevant Allocated Shares The transfer(s) shall be completed at a place and time to be decided by the Board, not being less than three Business Days nor more than ten Business Days after the date of the Allocation Notice



- 20.10 If a Transferor shall fail or refuse to transfer any Allocated Shares to the Company or any Transferee (as applicable) pursuant to Article 20 9, the Board may authorise some person to execute and deliver on the Transferor's behalf the necessary transfer(s) and the Company may receive the purchase money in trust for the Transferor and cause the Transferee(s) to be registered as the holder of such Allocated Shares or cause such Allocated Shares to be cancelled by the Company (as applicable) In the event of a transfer of Allocated Shares to a Transferee(s), the receipt by the Company of the purchase money shall constitute a good discharge to the Transferee(s) (who shall not be bound to see to the application thereof) and after the Transferee(s) has been registered in purported exercise of the aforesaid powers the validity of the proceeding shall not be questioned by any person The Company shall not pay the purchase money to the Transferor until he delivers his share certificate(s) or a suitable indemnity and the necessary transfer(s) for the Allocated Shares to the Company.
- 20 11 If the Transfer Notice contains a Total Transfer Condition, then no offer of the Transfer Shares made by the Board pursuant to this Article 20 shall be capable of acceptance until all the Transfer Shares have been accepted by the Company or a Transferee (as applicable) If the Board does not receive acceptances in respect of all the Transfer Shares prior to the expiry of the Second Offer Period, then none of the Transfer Shares will be purchased by the Company nor sold to Shareholders or Transferees (provided that the Transfer Notice contains a Total Transfer Condition)
- 20 12 If the Allocation Notice includes any Unallocated Shares, or if the Board fails to serve an Allocation Notice on the Transferor within the time period prescribed in Article 20 8, the Transferor shall be free during a period of three months from the end of the Second Offer Period to transfer (subject to 770 of the Act) to any person by way of a bona fide sale at any price not being less than the Transfer Price, provided that:
- 20.12 1 If the Board has served an Allocation Notice, then unless the Transfer Notice contains a Total Transfer Condition, the Transferor shall only be entitled to transfer the Unallocated Shares,
- 20 12 2 if the Transfer Notice contains a Total Transfer Condition, the Transferor shall only be entitled to transfer all the Transfer Shares and not part only, and
- 20 12 3 the Board may request the Transferor to provide such information and documentation as it may reasonably require in order to satisfy itself that the Transfer Shares are being transferred under this Article 20 pursuant to a bona fide sale at the Transfer Price per share, without any deduction, rebate or allowance whatsoever to the Transferee, and if not so satisfied, may refuse to register the instrument of transfer

20 13 Any purported transfer of Shares otherwise than in accordance with the foregoing provisions of these Articles shall be void and have no effect

## **21. COMPULSORY TRANSFERS**

21.1 In this Article 21, the **Relevant Event** means a Shareholder

21 1 1 becoming bankrupt or insolvent or making any arrangement or composition with his creditors generally,

21 1 2 being admitted to hospital pursuant to the Mental Health Act 1983 or having a receiver appointed by a Court over his affairs; or

21 1 3 who is an Employee Shareholder

(a) becoming seriously incapacitated, preventing him from performing his role as a director or employee of the Company for a minimum period of at least 12 consecutive months, or

(b) ceasing to be a director or employee of the Company for any reason whatsoever (including without limitation death, retirement, resignation or termination by the Company of any service agreement or other arrangement with the Company for the provision of his services or otherwise).

21 2 On the occurrence of any Relevant Event, the relevant Shareholder (**Compulsory Transferor**) shall immediately notify the Board in writing of the Relevant Event, whereupon the Board shall (by written notice to the Compulsory Transferor within 90 days of the Board receiving notice of the Relevant Event) be entitled to require the Compulsory Transferor to serve a Transfer Notice in respect of any or all of his Shares. If the Compulsory Transferor fails to serve such a Transfer Notice within 5 Business Days after having been requested to do so by the Board, the Compulsory Transferor shall be deemed to have served a Transfer Notice in respect of all of his Shares (with effect from the end of the aforementioned period of 90 days)

21 3 If any person (other than an existing Shareholder) becomes entitled to any Shares in consequence of the death, bankruptcy or insolvency (which shall include a Shareholder making any arrangement or composition with his creditors generally), he shall immediately notify the Board in writing to that effect, whereupon the Board shall (by written notice to the Compulsory Transferor within 90 days of the Board receiving such notice) be entitled to require such person to serve a Transfer Notice in respect of all of his Shares. If such person

fails to serve such a Transfer Notice within 5 Business Days after having been requested to do so by the Board, he shall be deemed to have served a Transfer Notice in respect of all of his Shares (with effect from the end of the aforementioned period of 90 days)

21.4 In the event that a Transfer Notice is deemed to be served pursuant to Article 21.2 or 21.3 (either a **Deemed Transfer Notice**), the provisions of Article 20 relating to a Transfer Notice and the procedure to be adopted following the service of such a notice shall apply as if the necessary changes had been made to a Deemed Transfer Notice given pursuant to this Article 21, provided that a Deemed Transfer Notice may not contain a Total Transfer Condition.

21.5 For the purposes of this Article 21

21.5.1 any Compulsory Transferor giving or being deemed to have given a Transfer Notice or a Deemed Transfer Notice, appoints the members of the Board to be his lawful attorney to authorise some person to execute and deliver on the Transferor's behalf the necessary transfer(s) and the Company may receive the **purchase** money in trust for the Compulsory Transferor, and

21.5.2 if the Board decides that a Compulsory Transferor should be required to serve a Deemed Transfer Notice pursuant to this Article 21, the Board shall also be entitled to simultaneously require a Deemed Transfer Notice to be served by any person or persons who are the registered holder of any Shares, in respect of any or all of their Shares which have at any time been held by the Compulsory Transferor and which have been transferred to them by a transfer or successive transfers pursuant to Article 20 and any or all of any additional Shares issued or transferred to them or their predecessors by reasons of their original holding of Shares. In such circumstances, such person or persons shall be deemed to be a Compulsory Transferor, and the relevant provisions of this Article 21 shall be interpreted accordingly

## 22. **DRAG ALONG**

22.1 If Shareholders holding at least 75 per cent in nominal value of the Shares in issue at the relevant time (**Selling Shareholders**) wish to transfer all their interest in their Shares (**Sale Shares**) to a bona fide Third Party Purchaser, the Selling Shareholders shall have the option (**Drag Along Option**) to require all other Shareholders (**Called Shareholders**) to sell with full title guarantee and transfer all their Shares (**Called Shares**) to the Third Party Purchaser in accordance with this Article 22

- 22.2 The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sale Shares. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all of the Called Shares pursuant to this Article 22, the person to whom they are to be transferred, the price at which the Called Shares are to be transferred (calculated in accordance with Article 22.4) and the proposed date of transfer (**Completion**).
- 22.3 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if for any reason there is not a sale of the Sale Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Drag Along Notice.
- 22.4 The Called Shareholders shall be obliged to sell each of the Called Shares at the same price per share as the price offered by the Third Party Purchaser for the Sale Shares.
- 22.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sale Shares unless -
- 22.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise, or
- 22.5.2 that date is less than 5 Business Days after the Drag Along Notice (in which case it shall be deferred until the fifth Business Day after the Drag Along Notice).
- 22.6 The rights of pre-emption set out in Article 20 shall not arise on any transfer of Shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.
- 22.7 If any Called Shareholder does not execute transfer(s) in respect of the Called Shares held by him on Completion, the Board shall be irrevocably entitled to and shall authorise and instruct such person as it shall think fit to execute necessary transfer(s) on his behalf and against receipt by the Company (on trust for such Called Shareholder) of the purchase monies payable for the Called Shares, deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and register the Third Party Purchaser (or his nominee) as the holder thereof. Upon completion of such registration, the validity of such proceedings shall not be questioned by any such person.

## **23. TAG ALONG**

- 23.1 If at any time one or more Shareholders (**Proposed Sellers**) propose to sell, in one or a series of related transactions, a majority in nominal value of the Shares in issue at the relevant time (**Majority Holding**) to any person (not being a Third Party Purchaser for the purposes of

Article 22) other than in the case of a Permitted Transfer, the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this Article 23

- 23.2 The Proposed Sellers shall give written notice (**Proposed Sale Notice**) to the other Shareholders of such intended sale at least ten Business Days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer (**Proposed Buyer**), the purchase price and other terms and conditions of payment, the proposed date of sale (**Proposed Sale Date**) and the number of Shares proposed to be purchased by the Proposed Buyer (**Proposed Sale Shares**)
- 23.3 Any other Shareholder shall be entitled, by written notice given to the Proposed Sellers within five Business Days of receipt of the Proposed Sale Notice, to be permitted to sell all of his Shares to the Proposed Buyer on the same terms and conditions as those set out in the Proposed Sale Notice.
- 23.4 If any other Shareholder is not given the rights accorded him by the provisions of this article, the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect

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

##### **24. POLL VOTES**

- 24.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 24.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

##### **25. PROXIES**

- 25.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"
- 25.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in

their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

## **ADMINISTRATIVE ARRANGEMENTS**

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

26 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

26.1 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);

26.1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

26 1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

26 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

For the purposes of this article, no account shall be taken of any part of a day that is not a working day

26.2 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

### **27. INDEMNITY**

27 1 Subject to Article 27 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- 27 1 1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
- 27.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 27 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure
- 27 2 This Article 27 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 27 3 In this Article 27
- 27 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- 27 3.2 a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company, but excluding any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

## **28. INSURANCE**

- 28 1 The Board may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss
- 28 2 In this Article 28
- 28 2 1 a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company, but excluding any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

- 28 2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
- 28 2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate