

Company number 07278564

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

ALTA BIOSCIENCE LIMITED (Company)

20 June 2016 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as special resolutions (**Resolutions**)

**SPECIAL RESOLUTIONS**

- 1 THAT with immediate effect the Company adopt new Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association of the Company in the form attached to this written resolution
- 2 THAT, in accordance with article 11 of the Company's Articles of Association (Articles), the board of directors of the Company be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by article 11 of Articles, as if the pre-emption rights of existing members referenced within article 11 of the Articles did not apply to any such allotment provided that this power shall
  - a) be limited to the allotment of equity securities up to an aggregate nominal amount of £72,813 00, and
  - b) expire on 1 May 2021 (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board of directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired

**AGREEMENT**

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

The undersigned, the sole member of the Company entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions

Signed by **KATHERINE HAND**

*Katherine Hand*

Date

*20 JUNE 2016*

TUESDAY



A16 \*A5AK5UYH\* 05/07/2016 #56  
COMPANIES HOUSE

## **NOTES**

1 If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning the signed version either by hand or by post to The Directors Alta Bioscience Limited, Building Y10, University of Birmingham Edgbaston, B15 2TT

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

2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement

3 Unless, by the end of the 28 day period beginning with the Circulation Date, sufficient agreement has been received for the Resolutions to pass, it will lapse If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**– of –**

**ALTA BIOSCIENCE LIMITED**

**(Adopted by special resolution passed on 20 June 2016)**

**INTRODUCTION**

**1. INTERPRETATION**

- 1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings:

**Act:** the Companies Act 2006,

**acting in concert:** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended),

**Adoption Date:** the date of adoption of these Articles;

**Affiliated Company:** in relation to a company, a person who is, from time to time, a subsidiary or holding company of that company, or is a subsidiary of that company's holding company,

**AH Group of Companies:** means Abingdon Health Limited and its subsidiaries from time to time,

**Articles:** the Company's articles of association for the time being in force,

**Board:** means the directors of the Company from time to time,

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**Business Day:** means a day on which the English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday, Sunday, closed day of the University of Birmingham published on its website, or public holiday),

**Call:** has the meaning given to it in article 21.3,

**Call Notice:** has the meaning given to it in article 21.3,

**Chairman:** has the meaning given to it in article 5 4,

**Companies Acts:** has the meaning given to it in the Act,

**Company:** means Alta Bioscience Limited (Company number 07278564),

**connected:** has the meaning given in section 252 of the Act,

**Controlling Interest:** an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**Deemed Transfer Notice:** a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;

**Directors:** the directors of the Company from time to time,

**Disposal:** the disposal by the Company of all, or a substantial part of, its business and assets,

**Eligible Director:** means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter),

**Employee Trust:** a trust, the terms of which are approved by the Board, whose beneficiaries are the bona fide employees of the Group;

**Exit:** a Share Sale, a Disposal or a Listing,

**Fair Value:** has the meaning given in article 15 2,

**Family Trust:** as regards any particular individual Shareholder (or deceased or former individual Shareholder) trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons),

**Financial Year:** an accounting reference period (as defined in section 391 of the Act) of the Company,

**Group:** the Company and its subsidiaries (if any) from time to time and **Group Company** shall be construed accordingly,

**holding company:** has the meaning given in section 1159 of the Act.

**Independent Expert:** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Board and the Seller on the identity of the expert within 15 Business Days of the expiry of the 15 Business Day period referred to in article 15 1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator),

**Issue Price:** in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium,

**Lien Enforcement Notice:** means a notice in writing which complies with the requirements of article 21 2(b),

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**Listing:** the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc, or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

**Member of the Same Group:** as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company,

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

**Options** options over Ordinary Shares granted to optionholders pursuant to the Share Scheme,

**Ordinary Shares:** the ordinary shares of £1 each in the capital of the Company,

**Original Shareholder:** has the meaning given in article 13.1;

**Permitted Transfer:** a transfer of Shares made in accordance with article 13,

**Permitted Transferee:** in relation to

- (a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust; and
- (b) a Shareholder which is a company, a Member of the Same Group as that company or any individual shareholder of a Shareholder company,

**Privileged Relation:** in relation to a Shareholder who is an individual Shareholder (or a deceased or former individual Shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue),

**Relevant Securities:** any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than

- (a) the grant of any options under a Share Scheme (and the issue of Shares on the exercise of any such options),
- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles, and
- (c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business,

**Relevant Officer:** means any director or other officer of any Group Company,

**Sale Shares:** has the meaning given in article 14 2(a),

**Seller:** has the meaning given in article 14 2,

**Shareholder:** a holder for the time being of any Share or Shares,

**Shareholder Director:** has the meaning given in article 5 2,

**Shares:** shares (of any class) in the capital of the Company and **Share** shall be construed accordingly;

**Share Sale:** the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the Shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the Shareholders and their shareholdings in the Company immediately before the sale,

**Share Scheme:** means any scheme, plan or arrangement pursuant to which the Directors, employees and/or consultants of the Company hold Ordinary Shares (or options in respect of Ordinary Shares), as adopted by the Board from time to time

**subsidiary:** in relation to a holding company wherever incorporated, means a “subsidiary” (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

**Transfer Notice:** has the meaning given in article 14 2; and

**Transfer Price:** shall be the price calculated in accordance with article 15 and

**UOB:** means The University of Birmingham of Edgbaston, Birmingham B15 2TT

1 2 A reference in these Articles to

(a) an **Article** is a reference to the relevant numbered article of these Articles, and

(b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise

1 3 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 Adoption Date)

1 4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1 5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa

1 6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of

(a) any subordinate legislation from time to time made under it; and



- (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

## **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 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 22, 26(5), 38, 39, 44(2), 50 and 51 to 53 (inclusive) shall not apply to the Company

## **DIRECTORS**

### **3. PROCEEDINGS OF DIRECTORS**

- 3 1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 3 2 (subject to article 3 3 and article 3 4).
- 3 2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 3 3 A decision taken in accordance with article 3 2 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 4 A decision may not be taken in accordance with article 3 2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 3 6
- 3 5 Meetings of the Directors shall take place at least 6 times in each year, with a period of not more than 2 months between any two meetings. Any Director may call a meeting of the Directors with at least 5 Business Days' advance notice Directors

may attend meetings of Directors by telephone or such other means of communication as the Board shall approve

3 6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must include the Chairman in office for the time being, unless:

- (a) there is no Chairman in office for the time being, or
- (b) such Chairman has, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting

If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Chairman determines.

3 7 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to.

- (a) appoint further Directors, or
- (b) call a general meeting so as to enable the Shareholders to appoint further Directors

3 8 Questions arising at any meeting of the Directors shall be decided by a majority of votes. When all Directors are present at a Board meeting and all vote on a matter, if there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote subject to the provisions of any agreement between the Shareholders

3 9 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

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

Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words “provided that the appointment does not cause the number of Directors to exceed ten (10)”

#### **5. DIRECTORS**

5 1 Any shareholder shall have the right, for so long as it and its permitted transferees collectively hold 10% or more in number of the issued Ordinary Shares, to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a Director (a **Shareholder Director**) and to remove any such Director from the Board and to appoint a replacement.

5 2 Any appointment or removal of a Shareholder Director made in accordance with article 5 1 respectively shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice

5 3 The reasonable out-of-pocket expenses of each Director shall be payable by the Company but no other fees shall be payable to a Director by the Company save as provided for in a written agreement between the Shareholders

5 4 The Directors may appoint any person as chairman of the board of Directors (**Chairman**) and may remove and replace any such Chairman

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

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 Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

(a) 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,

- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested,
- (c) 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 existing or proposed transaction or arrangement in which he is interested,
- (d) 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,
- (e) 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
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

## 7. DIRECTORS' CONFLICTS

7.1 The Directors may, in accordance with the requirements set out in this article 7, 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**)

7.2 Any authorisation under this article 7 will be effective only if

- (a) 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,

- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) 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

7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) 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,
- (c) 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,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,
- (e) 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
- (f) 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

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- 7 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
- 7 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
- 7 6 Authorisation shall not be required under the provisions of this Article 7 in the case where a Shareholder Director may be or become subject to one or more Conflict as a result of him having a direct or indirect interest in any transaction or arrangement with, holding any office, employment or position with or having any other direct or indirect interest (including, without limitation, any economic or commercial interest) in any AH Group of Companies or with UOB
- 7 7 Clause not used
- 7 8 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under article 7 1 shall be necessary in respect of any such interest
- 7 9 Clause not used
- 7 10 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 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

## **8. 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 AND DISTRIBUTIONS**

### **9. DIVIDENDS AND LIQUIDATION PREFERENCE**

- 9 1 The profits of the Company available for distribution which the Directors resolve to distribute shall be distributed amongst the holders of the Ordinary Shares (pari passu)

### **10. VARIATION OF CLASS RIGHTS**

Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class

### **11. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

- 11 1 The Directors shall not, save with the consent of Shareholders holding at least 75% of the total issued Ordinary Shares at that time, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares
- 11 2 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.
- 11 3 Save with the prior written consent of Shareholders holding at least 75% of the total issued Ordinary Shares at that time or pursuant to any Share Scheme, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Ordinary Shares (each an **Offeree**) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving

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fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

11 4 An offer made under article 11 3 shall

- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered,
- (b) remain open for a period of at least 10 Business Days from the date of service of the offer, and
- (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 11.3 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.

11 5 If, on the expiry of an offer made in accordance with article 11 3, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement

11 6 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 11 3 shall be used to satisfy any requests for Excess Securities made pursuant to article 11 4(c) If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Ordinary Shares held by each such applicant bears to the total number of such Ordinary Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him).

11 7 If, after completion of the allotments referred to in article 11 5 and article 11 6, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to the holders (on the date of this offer) of the Ordinary Shares on a pari passu basis and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all



such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person. Such offer shall be made in accordance with article 11 4 and the provisions of article 11 5 and article 11 6 shall, with necessary modifications, apply to such offer.

11 8 If, after completion of the allotments referred to in article 11 5, article 11 6 and article 11 7, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to article 11 9 be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.

11 9 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

## **12. TRANSFERS OF SHARES: GENERAL**

12 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.

12 2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles or a written agreement between all the Shareholders. Subject to article 12 5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

12 3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.

- 12 4 Any transfer of a Share by way of sale which is required to be made under article 16, article 17 or article 18 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee
- 12 5 The Directors shall, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor) If any condition is imposed in accordance with this article 12 5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee
- 12 6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require
- (a) any holder (or the legal representatives of a deceased holder), or
  - (b) any person named as a transferee in a transfer lodged for registration; or
  - (c) such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose
- 12 7 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that
- (a) it does not contain a Minimum Transfer Condition; and
  - (b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice)

12 8 Any Transfer Notice (but not an Offer Notice (as defined in article 17) or a Drag Along Notice (as defined in article 18)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice

### 13. PERMITTED TRANSFERS OF SHARES

13 1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee

13 2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to

- (a) the Original Shareholder,
- (b) any Privileged Relation(s) of the Original Shareholder,
- (c) subject to article 13 3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor, or
- (d) subject to article 13 3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

13 3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s),
- (b) with the identity of the proposed trustee(s),
- (c) that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts, and
- (d) that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company

13 4 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 20 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to

(a) the Original Shareholder; or

(b) a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 13.4, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 13 4.

13 5 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 20 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either

(a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

(b) give a Transfer Notice to the Company in accordance with article 14,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article

13 6 Notwithstanding any other provision of this article 13, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors

#### **14. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

14 1 Except where the provisions of article 13, article 17 or article 18 apply or in respect of a transfer of Ordinary Shares between Shareholders with the prior written consent of Shareholders holding more than 50% of the Ordinary Shares, any transfer of Ordinary Shares by a Shareholder shall be subject to the pre-emption rights in this article 14

14.2 A Shareholder who wishes to transfer Ordinary Shares (a **Seller**) shall, before transferring or agreeing to transfer any Ordinary Shares, give notice in writing (a **Transfer Notice**) to the Company specifying

- (a) subject to article 12.7(b), the number of Ordinary Shares he wishes to transfer (**Sale Shares**);
- (b) the name of the proposed transferee, if any;
- (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**)

14.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within 15 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with consent of the Directors

14.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price

14.5 As soon as practicable following the later of

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), and
- (b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 14.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 14 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered

14 6 The Directors shall offer the Sale Shares to all Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy

14 7 If

- (a) at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Ordinary Shares (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors) No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,
- (b) not all Sale Shares are allocated following allocations in accordance with article 14.7(a), but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 14 7(a) The procedure set out in this article 14.7(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Shareholders in accordance with their applications The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 14 8

14 8 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to those Shareholders that applied for Sale Shares under article 14 7 (other than the Seller), inviting them to apply in writing within the period from the date of

the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy

14.9 If

- (a) at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by such Shareholders bears to the total number of Shares of the class held by all such Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors) No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy,
- (b) not all Initial Surplus Shares are allocated following allocations in accordance with article 14.9(a), but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in article 14.9(a) The procedure set out in this article 14.9(b) shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied, and
- (c) at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to such Shareholders in accordance with their applications The balance (the **Second Surplus Shares**) shall, subject to article 14.10, be offered to any other person in accordance with article 14.14

14 10 Where the Transfer Notice contains a Minimum Transfer Condition.

- (a) any allocation made under article 14.6 to article 14 9 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition, and
- (b) if the total number of Sale Shares applied for under article 14 6 to article 14 9 (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

14 11 Where either

- (a) the Transfer Notice does not contain a Minimum Transfer Condition, or
- (b) allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under article 14 6 to article 14.9 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 25 Business Days, after the date of the Allocation Notice)

14 12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice

14 13 If the Seller fails to comply with article 14 12.

- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller)
  - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,



- (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and
  - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
- (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

14 14 Where a Transfer Notice lapses pursuant to article 14 10(b) or an Allocation Notice does not relate to all the Sale Shares, then, subject to article 14 15, the Seller may, at any time during the 35 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Second Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 14 14 shall continue to be subject to any Minimum Transfer Condition

14 15 The Seller's right to transfer Shares under article 14 14 does not apply if the Directors reasonably consider that

- (a) the transferee is a person (or a nominee for a person) whom the Directors determine to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company,
- (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
- (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable them to form the opinion referred to in article 14 15(b).

## **15. VALUATION**

- 15 1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 15 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share
- 15 2 The Fair Value shall be the price per Sale Share determined by an Independent Expert on the following bases and assumptions
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served),
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction,
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent, and
  - (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account
- 15 3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit

- 15 4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 15 5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 15 6 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 15 7 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs

## **16. COMPULSORY TRANSFERS**

- 16 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.
- 16 2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine
- 16 3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a body corporate, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)).

## 17. MANDATORY OFFER ON CHANGE OF CONTROL

- 17.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 13, but after the operation of the pre-emption procedure set out in article 14), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 17 shall apply
- 17.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder and holder of Options on the date of the Offer, to buy all of the Ordinary Shares held by such Shareholders and Ordinary Shares that will be held by holders of Options on or prior to the completion of the Proposed Transfer, on the date of the Offer for a consideration in cash per Equity Share (the **Offer Price**) which is equal to the highest price per Equity Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer for any Ordinary Shares in connection with the Proposed Transfer.
- 17.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Shareholder on the date of the Offer at least 15 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). The Offer Notice shall specify:
- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer),
  - (b) the Offer Price and any other terms and conditions of the Offer;
  - (c) the Sale Date, and
  - (d) the number of Ordinary Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 17.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- (a) the making of an Offer in accordance with this article 17, and

- (b) the completion of the transfer of any Ordinary Shares by any Shareholder (each an **Accepting Shareholder**) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this article 17.4

- 17.5 The Proposed Transfer is, but the purchase of Shares from Accepting Shareholders pursuant to an Offer made under this article 17 shall not be, subject to the pre-emption provisions of article 14

## **18. DRAG ALONG**

- 18.1 If a Shareholder or Shareholders holding more than 75% of the Ordinary Shares then in issue (the **Selling Shareholder(s)**) wishes to transfer all of its or their interest in Ordinary Shares (**Sellers' Shares**) to a bona fide arm's-length purchaser (**Proposed Buyer**), the Selling Shareholder(s) shall have the option (**Drag Along Option**) to require all the other holders of Shares and holders of Options which are exercisable on or prior to the completion of the sale of the Sellers' Shares, on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares (including, in accordance with the terms of the Share Scheme or otherwise, all Shares to be issued pursuant to the exercise of any Options on or prior to the completion of the sale of the Sellers' Shares) with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 18
- 18.2 The Selling Shareholder(s) may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify
- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 18,
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),

- (c) the consideration payable for the Called Shares which will be the same or no less favourable terms per share than those paid to the Selling Shareholders,
  - (d) the proposed date of completion of transfer of the Called Shares
- 18.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 18.
- 18.5 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree, or
  - (b) that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 18.6 Within 10 Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 18 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 18 shall be a good discharge to the Proposed

Buyer The Company shall hold the amounts due to the Called Shareholders pursuant to article 18 in trust for the Called Shareholders without any obligation to pay interest

- 18.7 To the extent that the Proposed Buyer has not, on the expiration of the 60 Business Day period, put the Company in funds to pay the amounts due pursuant to article 18, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 18 in respect of their Shares
- 18.8 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 18.
- 18.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Ordinary Shares, whether or not pursuant to a Share Scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Ordinary Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 18 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Ordinary Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares

- 18 10 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 14.
- 18 11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice

## **DECISION-MAKING BY SHAREHOLDERS**

### **19. GENERAL MEETINGS**

- 19 1 No business other than, subject to article 19 2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on. The quorum shall be two Shareholders. If a quorum is not present within half an hour of the time fixed for any such meeting, that meeting shall be adjourned for five Business Days to be reconvened (if possible) at the same time and place, and notice thereof shall be given to the Shareholders. If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed for such adjourned general meeting, the quorum necessary for the purposes of such adjourned general meeting shall be 2 Shareholders entitled to attend and vote at a general meeting of the Company, present in person or by proxy. Model article 41 is amended accordingly
- 19 2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

### **20. VOTING**

- 20 1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote



at all general meetings of the Company. All Ordinary Shares shall carry one vote per Share.

20 2 Model article 44(3) 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 model article

20 3 Model article 45(1) shall be amended by

- (a) the deletion of model article 45(1)(d) and its replacement 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”, and
- (b) 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 model article

## **21. LIEN, CALLS ON SHARES AND FORFEITURE**

21 1 The Company has a lien (the **Company’s Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future

### **21 2 Enforcement of the Company’s Lien**

- (a) Subject to the provisions of this article 21 2, if
  - (i) a Lien Enforcement Notice has been given in respect of a Share, and
  - (ii) the person to whom the notice was given has failed to comply with it,the Company may sell that Share in such manner as the Directors decide.

(b) A Lien Enforcement Notice

- (i) may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (ii) must specify the Share concerned;
- (iii) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (iv) must be addressed either to the holder of the Share or to a transmittee of that holder, and
- (v) must state the Company's intention to sell the Share if the notice is not complied with.

(c) Where Shares are sold under this article 21.2

- (i) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
  - (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- (d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied
- (i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
  - (ii) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or

any joint holder of the Shares) after the date of the Lien Enforcement Notice.

- (e) A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date
  - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
  - (ii) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

### 21.3 **Call notices**

- (a) Subject to the Articles and the terms on which Shares are allotted, the Directors may send a notice (a **Call Notice**) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a **Call**) which is payable to the Company at the date when the Directors decide to send the Call Notice
- (b) A Call Notice
  - (i) may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company,
  - (ii) must state when and how any Call to which it relates is to be paid, and
  - (iii) may permit or require the Call to be made in instalments.
- (c) A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent
- (d) Before the Company has received any Call due under a Call Notice the Directors may
  - (i) revoke it wholly or in part, or
  - (ii) specify a later time for payment than is specified in the notice,

by a further notice in writing to the Shareholder in respect of whose Shares the Call is made

- (e) A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share
  - (i) on allotment;
  - (ii) on the occurrence of a particular event, or
  - (iii) on a date fixed by or in accordance with the terms of issue

#### 21.4 **Forfeiture**

- (a) If a person is liable to pay a Call and fails to do so by the Call payment date
  - (i) the Directors may issue a notice of intended forfeiture to that person; and
  - (ii) until the Call is paid, that person must pay the company interest on the Call from the Call payment date at the relevant rate
- (b) A notice of intended forfeiture
  - (i) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice,
  - (ii) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder,
  - (iii) must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
  - (iv) must state how the payment is to be made, and
  - (v) must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited

- (c) At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit.

## **ADMINISTRATIVE ARRANGEMENTS**

### **22. NOTICES**

22 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) 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),
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- (c) (save in respect of UOB who shall not accept notice delivered by electronic means) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- (d) (save in respect of UOB who shall not accept notice delivered by electronic means) 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 22 1, no account shall be taken of any part of a day that is not a working day.

- 22 2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act

## **23. INDEMNITY AND INSURANCE**

- 23 1 Subject to article 23.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled

- (a) 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 thereto including (in each case) 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 other Group Company's or Affiliated Company) affairs, and
- (b) 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 23 1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

- 23 2 This article 23 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

- 23 3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any loss or liability which has been or may be incurred by him or her in connection with his or her duties or powers in relation to the Company (or other Group Company) or affiliated company