

Company number: 07284437

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

CONTROL F1 LIMITED ("Company")

17 May

2017 (the "Circulation Date")

WEDNESDAY



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COMPANIES HOUSE

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

#### SPECIAL RESOLUTION

##### 1. Adoption of New Articles

**THAT**, the draft articles of association (and initialled for identification) to this resolution be adopted as the articles of association of the Company (the "**New Articles**") in substitution for, and to the exclusion of the existing articles of association.

#### AGREEMENT

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

The undersigned person being the members of the Company and entitled to vote on the Resolution, hereby irrevocably agree to the Resolution:

Signed by **CARL HOWARTH**

Date

17 May 2017

Signed for and on behalf of **ANDY DUMBELL** by a director of **Machine to Machine Solutions Limited**, under a power of attorney dated \_\_\_\_\_

.....

Date

.....

Signed by **ANNA HOWARTH**

Date

17 May 2017

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

CONTROL F1 LIMITED ("**Company**")

17 May 2017 (the "**Circulation Date**")

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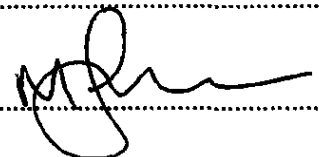
Signed by **CARL HOWARTH**

.....

Date

.....

Signed for and on behalf of **ANDY DUMBELL** by a director of **Machine to Machine Solutions Limited**, under a power of attorney dated 17 May 2017



Date

17 May 2017

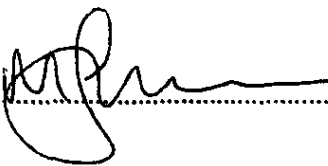
Signed by **ANNA HOWARTH**

.....

Date

.....

Signed for and on behalf of **RACHAEL DUMBELL** by a director of **Machine to Machine Solutions Limited**, under a power of attorney dated 17 May 2017



Date

17 May 2017

Signed by **PAUL WOOD**

.....

Date

.....

Signed for and on behalf of **DUNCAN DAVIES** by **Carl Howarth** under a power of attorney dated \_\_\_\_\_

.....

Date

.....

Signed by **NICK PAYNE**

.....

Date

.....

#### NOTES

1. If you agree with the Resolution, 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 Control F1 Limited, Unit 1B, First Floor, Colne Road Buildings, Fairfield Mills, Huddersfield, West Yorkshire HD1 3AG.

You may not return the Resolution to the Company by any other method.

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

2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
3. Unless, by 28 days from the Circulation Date, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.

Signed for and on behalf of **RACHAEL DUMBELL** by a director of **Machine to Machine Solutions Limited**, under a power of attorney dated \_\_\_\_\_

Date

Signed by **PAUL WOOD**

Date

Signed for and on behalf of **DUNCAN DAVIES** by **Carl Howarth** under a power of attorney dated 17 May 2017

Date

Signed by **NICK PAYNE**

Date

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17 May 2017



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14. CH  
up (E)

Company No 07284437

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**CONTROL F1 LIMITED**

**Incorporated 15 June 2010**

**(Adopted by special resolution on 17 May 2017)**

**INTERPRETATION**

**1 Defined terms**

1.1 In these Articles, unless the context requires otherwise:

"**Act**" means 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 from time to time);

"**Adoption Date**" means the date of adoption of these Articles;

"**Articles**" means these articles of association;

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"**Board**" means the board of directors of the Company (or any duly authorised committee thereof) from time to time;

"**business day**" means any day (other than a Saturday, Sunday or public holiday in England) on which clearing banks in the City of London are open for the transaction of all normal sterling banking business;

"**chairman**" means the person for the time being appointed to chair meetings of the director or the members of the Company as the case may be;

**"Companies Acts"** means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company;

**"Compulsory Transfer"** means a transfer of Shares pursuant to article 42;

**"Compulsory Transfer Date"** means:

- (a) where a member becomes bankrupt, the date of the bankruptcy order made against him;
- (b) where a member, being a corporate entity, is subject to an Insolvency Event, the date that event takes place;
- (c) where a member, being an individual, has committed a Material Breach, upon notice of that fact being given to that member by another member;
- (d) in the case of the events set out in paragraphs (a) or (b), where any competent person taking any analogous step in any jurisdiction in which that member carried on business, the date when such event first takes place or becomes first known to the Directors, whichever is the first to occur;

**"Compulsory Transfer Event"** means in relation to a member:

- (a) being an individual, that member's bankruptcy;
- (b) that member committing a Material Breach;
- (c) being a corporate entity, the passing of a resolution for its liquidation;
- (d) being a corporate entity, the presentation at court by any competent person of a petition for the winding up of the shareholder;
- (e) being a corporate entity, a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010 of that member);
- (f) being a corporate entity, the issue at court by any competent person of a notice of intention to appoint an administrator to that member, a notice of appointment of an administrator to that member or an application for an administration order in respect of that member;

- (g) being a corporate entity, any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of that member;
- (h) being a corporate entity, that member being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986;
- (i) that member entering into a composition or arrangement with its creditors;
- (j) being a corporate entity, a process having been instituted that could lead to that member being dissolved and its assets being distributed among that member's creditors, shareholders or other contributors; or
- (k) being a corporate entity, that member ceasing to carry on its business or substantially all of its business;

**"Compulsory Transfer Shares"** means in relation to a Departing Member, all Shares:

- (a) held by that member immediately before the Compulsory Transfer Date;
- (b) held immediately before the Compulsory Transfer Date by any persons who acquired the Shares while they were the Departing Member's Permitted Transferees (other than Shares which the directors are satisfied were not acquired by those persons either:
  - (i) directly or indirectly from the Departing Member; or
  - (ii) by reason of their connection with the Departing Member,
 and the decision of the board of directors in this respect will be final); and
- (c) acquired by the Departing Member or his Privileged Relations or his personal representatives after the Compulsory Transfer Date under any option scheme or other arrangement which was made before the Compulsory Transfer Date;

**"Controlling Interest"** means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

**"Departing Member"** means a member in relation to whom a Compulsory Transfer Event has occurred;

**"director"** means a director for the time being of the Company, and includes any person occupying the position of director, by whatever name called;

**"document"** includes, unless otherwise specified, any document sent or supplied in electronic form;

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

**"Family Member"** means in relation to an individual, any of his spouse, civil partner (or widow or widower), and children and grandchildren (including step and adopted children and grandchildren whether or not living);

**"Family Trust"** means, in relation to a shareholder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that shareholder or any of his Family Members (and any charity or charities as default beneficiaries meaning that the charity or charities have no immediate beneficial interest in any of the settled property or the income from it when the trust is created but may become so interested if there are no other beneficiaries from time to time except other charities) and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such shareholder or any of his Family Members;

**"Founders"** means the shareholders designated as Founders pursuant to the Shareholders Agreement;

**"fully paid"** in relation to a Share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company;

**"hard copy form"** has the meaning given in section 1168 of the Act;

**"holder"** in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares;

**"Independent Expert"** means:

- (a) the Company's auditors; or
- (b) if the Company's auditors are unwilling or unable to act, another umpire:



- (i) nominated by the parties concerned within 15 Business Days; or
- (ii) in the event that no such an umpire is nominated in such period, appointed by the President from time to time of the Institute of Chartered Accountants in England and Wales,

and the auditors or such other umpire shall act as an expert and not as an arbitrator;

**"Insolvency Event"** means in relation to a member, being a corporate entity, any of the events set out in the definition of *Compulsory Transfer Event* (excluding any of the events set out in sub-clauses (a) and (b) of that definition;

**"Instrument"** means a document in hard copy form;

**"Investor"** means shareholder designated as an Investor pursuant to the Shareholders Agreement;

**"Majority of Holders"** means the persons who together at the relevant time hold more than 50% in number of the Shares in issue at that time;

**"M2M"** means Machine to Machine Solutions Limited (registered number 07449188);

**"Material Breach"** means a material or persistent breach of any Relevant Agreement which if capable of remedy has not been so remedied within 20 Business Days of another party to that agreement giving notice to the party committing such breach requiring such remedy;

**"ordinary resolution"** has the meaning given in section 282 of the Act;

**"Original Shareholder"** means a member at the date of adoption of these Articles;

**"paid"** means paid or credited as paid;

**"participate"** in relation to a directors' meeting, has the meaning given in Article 14;

**"Permitted Transferee"** means in relation to a shareholder any transfer of his Shares permitted under article 46.1;

**"Privileged Relation"** means the concerned shareholder's spouse or children and grandchildren (including step and adopted children and their issue) and step or adopted children of their children;

**"proxy notice"** has the meaning given in Article 57.1;

**"Relevant Agreement"** means any agreement relating (in whole or in part) to the management and/or affairs of the Company entered into by the shareholders and any amendment or supplement thereto and which is binding from time to time on the shareholders and which (expressly or by implication) supplements or prevails over any provision of these Articles;

**"Sale Shares"** means the Shares specified in the Transfer Notice, or in respect of which the Transfer Notice was deemed to have been given;

**"shareholder"** means a person who is the holder of a Share;

**"Shareholders Agreement"** means the agreement dated the Adoption Date between the Company, the Investor, the Founders and M2M;

**"Shares"** means the ordinary shares of £0.01 each in the capital of the Company;

**"special resolutions"** has the meaning given in section 283 of the Act;

**"subsidiary"** has the meaning given in section 1159 of the Act;

**"Total Transfer Condition"** means a condition that unless all the Shares specified in a Transfer Notice are sold under Article 41.2, none shall be sold;

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

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

1.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company.

1.3 The headings to the Articles are for convenience only and shall not affect the interpretation or construction 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 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-amendment and includes any statute, statutory provision or subordinate legislation which is amended or re-enacted.

## **2 Exclusion of Model Articles**

2.1 No articles set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the Articles.

### **LIMITATION OF LIABILITY**

## **3 Liability of members**

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

### **NAME**

## **4 Change of name**

4.1 The Company may change its name by resolution of the Board.

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

## **5 Directors' general authority**

5.1 *Subject to the Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.*

## **6 Shareholders' reserve power**

6.1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, *specified action*.

- 6.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

## **7 Directors may delegate**

- 7.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions,

as they think fit.

- 7.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

- 7.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **8 Committees**

- 8.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.

- 8.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

### **DECISION-MAKING BY DIRECTORS**

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

- 9.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 10.

9.2 If:

- (a) the Company only has one director for the time being; and
- (b) no provision of the Articles requires it to have more than one director,

the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

## **10 Unanimous decisions**

10.1 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.

10.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

10.3 References in this Article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

10.4 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

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

11.1 Any director may call a directors' meeting by giving not less than 7 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.

11.2 Notice of any directors' meeting must indicate:

- (a) Its proposed date and time;
- (b) Where it is to take place;
- (c) In reasonable detail, the business to be considered at such meeting (and no other business shall be transacted at such meeting without the consent of all of the directors (including those not present at the meeting)); and

- (d) If it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

11.3 Notice of a directors' meeting must be given to each director and must be in writing.

11.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **12 Frequency of director's meeting**

12.1 As a minimum the board shall have directors' meetings at least four times a year which shall be held at least once every calendar quarter.

## **13 Participation in directors' meetings**

13.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

- (a) the meeting has been called and takes place in accordance with the Articles; and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

13.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

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

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

14.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

14.2 Subject to Article 14.4, the quorum at any meeting of the directors (including adjourned meetings) shall be two directors to include the Founder Director.

- 14.3 If a quorum is not present at any directors' meeting the meeting shall be adjourned and shall be reconvened on the tenth business day after the original meeting at 10am (or such other date and time as is agreed in writing by the Board). If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified then the quorum for such reconvened meeting shall be the directors present at that meeting.
- 14.4 For the purposes of any meeting (or part of a meeting) held pursuant to Article 20 to authorise a director's conflict of interest, where there is only one director in office who is not party to the relevant conflict, the quorum for such a meeting (or part of a meeting) shall be one eligible director.
- 14.5 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:
- (a) to appoint further directors; or
  - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

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

- 15.1 The directors may appoint a director to chair their meetings.
- 15.2 The person so appointed for the time being is known as the chairman.
- 15.3 The directors may terminate the chairman's appointment at any time.
- 15.4 If the chairman is not participating in a directors' meeting within 30 minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it and the appointment of the chairman of the meeting must be the first business of the meeting.

## **16 Casting vote**

- 16.1 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 not have a casting vote.

**17     Alternates voting at directors' meetings**

17.1     A director who is also an alternate director has an additional vote on behalf of each appointor who is:

- (a)     not participating in a directors' meeting, and
- (b)     would have been entitled to vote if they were participating in it.

**18     Records of decisions to be kept**

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

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

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

**CONFLICTS OF INTEREST**

**20     Interests in transactions and arrangements with the Company**

20.1     Subject to the provisions of the Act, to Articles 21.1 to 21.9, and provided that he has disclosed to the directors the nature and extent of any material interest of his, notwithstanding his office, a director:

- (a)     may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b)     may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c)     shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.



20.2 For the purposes of Article 20.1:

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

20.3 For the purposes of this Article, references to proposed decisions and decision making processes include any directors' meeting or part of a directors' meeting.

20.4 Subject to Article 20.5, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

20.5 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

20.6 Subject to:

- (a) the provisions of sections 177 and 182 of the Act; and
- (b) to the terms of any authorisation of a conflict made in accordance with the provisions of Articles 21.1 to 21.9,

a director may vote at any meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The director shall be counted in the quorum present at a meeting when any such resolution is under consideration and if he votes his vote shall be counted.

## **21      Powers of directors to authorise conflict of interest**

21.1      The directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.

21.2      Authorisation of a matter under Article 21.1 is effective only if:

- (a)      the matter has been proposed to the directors by its being submitted in writing for consideration at a meeting of the directors or for the authorisation of the directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve;
- (b)      any requirement as to quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director; and
- (c)      the matter has been agreed to without the director in question and any other interested director voting or would have been agreed to if their votes had not been counted.

21.3      Any authorisation of a matter under Article 21.1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

21.4      The Board may authorise a matter pursuant to Article 21.1 on such terms and for such duration, or impose such limits or conditions on it, as it may decide and vary the terms or duration of such an authorisation (including any limits or conditions imposed on it) or revoke it. A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation.

21.5      Any terms imposed by the Board under Article 21.4 may include (without limitation):

- (a)      whether the director may vote (or be counted in the quorum) at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution relating to the relevant matter;

- (b) whether the director is to be given any documents or other information in relation to the relevant matter; and
  - (c) whether the director is to be excluded from discussions in relation to the relevant matter at a meeting of the Board or any committee or sub-committee of the Board or otherwise.
- 21.6 The director shall not be required to disclose any confidential information obtained in relation to the relevant matter (other than through his position as a director of the Company) to the Company or to use or apply it in performing his duties as a director if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter.
- 21.7 A director does not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act if he acts in accordance with such terms, limits and conditions (if any) as the Board may impose in respect of its authorisation of the director's conflict of interest or possible conflict of interest under Article 21.1.
- 21.8 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under Article 21.1 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.
- 21.9 A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

## **APPOINTMENT OF DIRECTORS**

### **22     Number of directors**

- 22.1 Unless otherwise agreed by the Founder Director, the Investor Director and the M2M Director no shareholding qualification for directors is required.
- 22.2 The maximum number of directors should be 3 and shall be comprised of no other directors other than the Founder Director, the Investor Director and the M2M Director.

## **23     Methods of appointing directors**

23.1     Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

- (a)     by ordinary resolution; or
- (b)     by a decision of the directors.

23.2     In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee of the last shareholder to have died or to have a bankruptcy order made against him has 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.

23.3     For the purposes of Article 23.2, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

23.4

- (a)     The Founders and the successors to and assigns of the entire holding of the Shares held by them ("**Member Appointor**") shall for so long as it or they (acting jointly if more than one successor or assignee) is/are the holder(s) of Shares be entitled to appoint and maintain in office one person as director (and not more than a maximum between them of one person) ("**Founder Director**") of the Company on written notice in accordance with article 23.4(e).
- (b)     The Investor and the successors to and assigns of the entire holding of the Shares held by him ("**Member Appointor**") shall for so long as he or they (acting jointly if more than one successor or assignee) is/are the holder(s) of Shares be entitled to appoint and maintain in office one person as director (and not more than a maximum between them of one person) ("**Investor Director**") of the Company on written notice in accordance with article 23.4(e).
- (c)     M2M and the successors to and assigns of the entire holding of the Shares held by it ("**Member Appointor**") shall for so long as it or they (acting jointly if more than one successor or assignee) is/are the holder(s) of Shares be entitled to appoint and

*maintain in office one person as director (and not more than a maximum between them of one person) ("M2M Director") of the Company on written notice in accordance with article 23.4(e).*

- (d) A Founder Director, an Investor Director or an M2M Director may at any time be removed from office by his Member Appointor.
- (e) Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the Member Appointor and served on the Company at its registered office. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- (f) No Founder Director, Investor Director or M2M Director shall be appointed or removed as a director otherwise than pursuant to this Article 23.4, save as provided by law.

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

24.1 A person ceases to be a director as soon as:

- (a) that person ceases to be director by virtue of any provisions of the Act or these Articles or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (d) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (e) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- (f) he is convicted of a criminal offence (other than a motoring offence or series of offences) and the directors resolve that his office be vacated; or

- (g) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated; or
- (h) all the other directors unanimously resolve that his office be vacated, save in relation to the Founder Director(s) or the Investor Directors to whom this Article 24.1(h) shall not apply.

24.2 In addition and without prejudice to the provisions of section 168 of the Act, the Company may by ordinary resolution (whether at a general meeting or in writing and without special notice) remove any director before the expiration of his period of office and may by ordinary resolution (whether at a general meeting or in writing and without special notice) appoint another director in his place.

## **25 Directors' remuneration**

25.1 Directors may undertake any services for the Company that the directors decide.

25.2 Directors are entitled to such remuneration as the directors determine:

- (a) for their services to the Company as directors, and
- (b) for any other service which they undertake for the Company.

25.3 Subject to the Articles, a director's remuneration may:

- (a) take any form; and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

25.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

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

**26     Directors' and officers' expenses**

26.1    The Company may pay any reasonable expenses which the officers (including alternate directors and the secretary) properly incur in connection with their attendance at:

- (a)     meetings of directors or committees of directors;
- (b)     general meetings; or
- (c)     separate meetings of the holders of any class of Shares or of debentures of the Company,

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

**ALTERNATE DIRECTORS AND SECRETARY**

**27     Appointment and removal of alternates**

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

- (a)     exercise that director's powers, and
- (b)     carry out that director's responsibilities.

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

27.2    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 of approval by the directors.

27.3    The notice must:

- (a)     identify the proposed alternate, and
- (b)     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.

## **28     Rights and responsibilities of alternate directors**

28.1     An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.

28.2     Alternate directors:

- (a)     are, subject to Articles 26.1 and 28.5, deemed for all purposes to be directors;
- (b)     are liable for their own acts and omissions;
- (c)     *are subject to the same restrictions as their appointors; and*
- (d)     are not deemed to be agents of or for their appointors.

28.3     A person who is an alternate but not a director:

- (a)     may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
- (b)     may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

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

28.5     An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

## **29     Termination of alternate directorship**

29.1     An alternate director's appointment as an alternate terminates:

- (a)     when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b)     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;
- (c)     on the death of the alternate's appointor; or



(d) when the alternate's appointor's appointment as a director terminates.

**30 Secretary**

30.1 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 to remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

**SHARES**

**31 Shares**

31.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

**32 Powers to issue different classes of Share**

32.1 Subject to the Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution.

32.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such Shares.

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

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

**34 Authority to allot Shares**

34.1 The directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to:

(a) offer, allot or grant rights to subscribe for;

- (b) *convert securities into, or*
- (c) *otherwise deal in, or dispose of,*

any Shares or any other relevant securities in the Company to any persons, at any times and subject to any terms and conditions as the directors think proper, provided that:

- (i) *this authority shall be limited to a total maximum nominal amount of Shares equal to £28.00;*
- (ii) *this authority shall only apply insofar as the Company in general meeting or by way an ordinary resolution passed by shareholders has not waived or revoked it;*
- (iii) *this authority may only be exercised for a period of one year commencing upon the date of adoption of these Articles, save that the directors may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority (and the directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired).*

## **35     Issues of Shares**

35.1 Subject to these Articles and before allotting and issuing any new securities the Company shall offer these securities for subscription to the shareholders in accordance with Articles 35.1(a) to 35.1(h) below:

- (a) *the new securities shall be offered for subscription to each shareholder in proportion (as nearly as may be) to the number of issued Shares held by such shareholder as at the close of business on the date prior to such offer on the basis that a shareholder may take up all or part or none of the securities offered to it;*
- (b) *each offer pursuant to Article 35.1(a) shall be made by notice in writing (the "Notice") specifying the number of Shares which the shareholder is offered and a time limit (being not less than 21 days from the date of the notice) within which if the offer is not accepted in writing it will be deemed to be declined;*

- (c) any shareholder who accepts the offer in whole may also confirm in its acceptance if it wishes to apply on the same terms, for securities (specifying a maximum number) that have not been accepted by other shareholders ("**Excess Shares**");
- (d) if a shareholder who accepts the offer fails to make a confirmation in the terms of Article 35.1(c) he shall be deemed to have made a confirmation that he will not accept any Excess Shares;
- (e) excess Shares shall be allotted to each relevant shareholder who has indicated that he wishes to apply for Excess Shares but in the event of competition each application shall be allotted such Excess Shares in proportion to the number of issued Shares he holds, as compared with the aggregate number of issued Shares held by all those shareholders who have indicated that they wish to apply for Excess Shares provided that no such shareholder shall be allotted more Excess Shares than the maximum number of Excess Shares such shareholder has indicated he wishes to apply for;
- (f) excess Shares shall continue to be allotted on this basis until either all Excess Shares are allotted or all requests for Excess Shares have been satisfied;
- (g) upon expiry of the time limit for acceptance of an offer made pursuant to Article 35.1(a) or upon receipt by the Company of an acceptance or refusal of any offer made by the Company, the directors shall be entitled to allot to any person any Shares offered to shareholders and which are not required to be allotted in accordance with the foregoing provisions on terms no more favourable than those offered to the shareholders and in such manner as the directors may think most beneficial to the Company;
- (h) where any allotment referred to in this Article 35.1 would result in a fractional allotment, the directors may in their absolute discretion round up or down such fractional allotments or otherwise deal with such entitlements as they deem fit.

**35.2** *The pre-emption provisions of this Article 35 shall not apply;*

- (a) where so agreed in writing by the Company (including where set out in the Investment and Shareholders Agreement);

- (b) to a shareholder where a shareholder has notified the Company that it has waived its rights under this Article 35;
- (c) where the shareholders have, by special resolution, directed that this Article 35 shall not apply.

### **36 Share certificate**

36.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the Shares which that shareholder holds.

36.2 Every certificate must specify:

- (a) in respect of how many Shares, of what class, it is issued;
- (b) *the nominal value of those Shares;*
- (c) that the Shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

36.3 No certificate may be issued in respect of Shares of more than one class.

36.4 If more than one person holds a Share, only one certificate may be issued in respect of it.

36.5 Certificates must:

- (a) have affixed to them the Company's common seal; or
- (b) be otherwise executed in accordance with the Act.

### **37 Replacement Share certificates**

37.1 If a certificate issued in respect of a shareholder's Shares is:

- (a) damaged or defaced; or
- (b) said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.

37.2 A shareholder exercising the right to be issued with such a replacement certificate:

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

### **38 Share transfers**

38.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

38.2 No fee may be charged for registering any instrument or transfer or other document relating to or affecting the title to any Share.

38.3 *The Company may retain any instrument of transfer which is registered.*

38.4 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it.

### **39 Tag Along Rights on a change of control**

39.1 Except in the case of transfers pursuant to Articles 40 and 46, the provisions of this Article 39 shall apply if, in one or a series of related transactions, a Majority of Holders ("**Selling Shareholders**") propose to transfer any of their Shares ("**Proposed Transfer**") which would, if carried out, result in any person ("**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.

39.2 Before making a Proposed Transfer, a Selling shareholder shall procure that the Buyer makes an offer ("**Offer**") to:

- (a) the other shareholders to purchase all of the Shares held by them; and
- (b) the holders of any existing options to acquire Shares (granted by the Company or under any Share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the

Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer,

for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer.

39.3 The Offer shall be made by written notice ("**Offer Notice**"), at least 10 Business Days before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

- (a) the identity of the Buyer;
- (b) the purchase price and other terms and conditions of payment;
- (c) the Sale Date; and
- (d) the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**").

39.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with this Article 39, the Selling shareholder shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

39.5 If the Offer is accepted by any shareholder ("**Accepting shareholder**") in writing within five Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting shareholders.

39.6 The restrictions on transfer set out in Article 35 and 41 shall not apply to any transfer of Shares to a Buyer pursuant to the exercise of the Proposed Transfer.

#### **40 Drag Along Rights**

40.1 If a Majority of Holders ("**Selling Shareholders**") wish to transfer all (but not some only) of their Shares ("**Sellers' Shares**") to a bona fide purchaser on arm's length terms ("**Proposed Buyer**"), the Selling Shareholders may require all other shareholders ("**Called Shareholders**") to sell and transfer all their Shares ("**Called Shares**") to the Proposed Buyer (or as the

Proposed Buyer directs) in accordance with the provisions of this Article ("**Drag Along Option**").

40.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders ("**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:

- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article 40;
- (b) the person to whom the Called Shares are to be transferred;
- (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares; and
- (d) the proposed date of the transfer.

40.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 60 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.

40.4 No Drag Along Notice shall require a Called shareholder to agree to any terms except those specifically set out in this Article 40.

40.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date, for the purposes of this Article 40, means the date proposed for completion of the sale of the Sellers' Shares unless:

- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
- (b) that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 10 Business Days after service of the Drag Along Notice.

- 40.6 The restrictions on transfer set out in Articles 35, 39 and 41 shall not apply to any transfer of Shares to a Buyer pursuant to the exercise of the Drag Along Option.
- 40.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant Share certificates (or a suitable indemnity for any lost Share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to Article 40.2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 40.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and Share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 40 in respect of their Shares.
- 40.9 If any Called shareholder does not, on or before the Completion Date, execute and deliver (in accordance with Article 40.7 transfer(s) in respect of all of the Called Shares held by it, each defaulting Called shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a Share certificate shall not impede the registration of Shares under this Article 40.
- 40.10 Following the issue of a Drag Along Notice, upon any person exercising a pre-existing option to acquire Shares in the Company or exercising a conversion right in respect of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 40 shall apply with the necessary changes to the New Shareholder,



except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a shareholder of the Company, if later.

#### **41     Right of first refusal**

41.1     Except in the case of a transfer pursuant to, or that gives rise to the rights granted to any shareholder under Article 39 or 40 a shareholder who wishes to transfer any Shares (the "Seller") shall give written notice to the Company (a "**Transfer Notice**"). Each Transfer Notice shall:

- (a)     specify whether the Sale Shares are subject to a Total Transfer Condition pursuant to article 41.2;
- (b)     specify the number and class of Shares which the Seller wishes to transfer pursuant to that Transfer Notice (the "**Sale Shares**");
- (c)     specify the identity of any person to whom the Seller wishes to transfer the Sale Shares, if any;
- (d)     specify the price at which the Seller wishes to transfer the Sale Shares in accordance with Article 48;
- (e)     be deemed to constitute the Company as the Seller's agent for the sale of the Sale Shares at the Sale Price in the manner prescribed by these Articles; and
- (f)     not be varied or cancelled without the consent of all of the shareholders.

#### *Total Transfer Condition*

41.2     The Seller may provide in the Transfer Notice (but not in a deemed Transfer Notice) that, unless buyers are found for all of the Sale Shares (and all of the Sale Shares referred to in any other Transfer Notice(s) serviced by the Seller on the same date), he shall not be bound to transfer any of such Shares ("**Total Transfer Condition**") and any such provision shall be binding on the Company. Notwithstanding the other provisions of this Article 41, if the Transfer Notice contains a Total Transfer Condition the Company may not make any allocation of Sale Shares unless and until it has found buyers for all such Shares.

#### *Preliminary offer to the Company*

- 41.3 Within 14 days of the Sale Price being determined, any Sale Shares being sold under a Compulsory Transfer will be offered to the Company which may, subject to article 41.5 accept the offer itself.
- 41.4 Any authorisation of the Company to accept an offer pursuant to article 41.3 will only be effective if the matter was agreed to without the Seller voting or would have been agreed to if the Seller's vote had not been counted.
- 41.5 The Company may not accept the offer itself unless the purchase of the Sale Shares is permitted by the Act.
- 41.6 If the Company indicates that it does not wish to accept the offer under article 41.3 the Sale Shares concerned will immediately be offered to the holder of Shares (other than the Seller) in accordance with the following provisions of this article 41.

*Offers to shareholders*

- 41.7 The Sale Shares will be offered to all holders of Shares (other than the Seller and any shareholder who has served or is deemed to have served a Transfer Notice which is still outstanding) (the "**Relevant Shareholder**"):
- (a) in the case of a Compulsory Transfer, as soon as they become available (that is the Company has either declined an offer of Sale Shares, any period for accepting it has elapsed or it has accepted it in part); and
  - (b) in the case of Shares not being sold pursuant to a Compulsory Transfer, within 14 days of the Sale Price being determined.
- 41.8 *The Offer Notice shall include the details set out in the Transfer Notice and specify the basis on which the Sale Shares will be allocated and that each Relevant Shareholder shall have a period of 15 Business Days from the date of the Offer Notice within which to apply for some or all of the Sale Shares (the "**Expiry Date**").*
- 41.9 It shall be a term of the offer that the Sale Shares are offered to the Relevant Shareholders in proportion (as nearly as may be) to their existing holdings of Shares (the "**Proportionate Allocation**") (subject to the maximum number of Sale Shares applied for by each Relevant Shareholder). In his application for Sale Shares a Relevant Shareholder may, if he so desires,

indicate that he would be willing to purchase a number of Sale Shares in excess of his Proportionate Allocation ("**Extra Shares**").

41.10 In respect of each Relevant Shareholder, the Company shall allocate the Sale Shares as follows:

- (a) if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares, the Relevant Shareholder shall be allocated the number applied for in accordance with his application; or
- (b) if the total number of Sale Shares applied for is greater than the available number of Sale Shares, the Relevant Shareholder shall be allocated his Proportionate Allocation or such lesser number of Sale Shares for which he has applied and if there are then any unallocated Sale Shares, such Sale Shares shall be allocated to each Relevant Shareholder who has applied for Extra Shares (subject to the maximum number of Extra Shares applied for) provided that if there are insufficient unallocated Sale Shares to meet such applications, among those Relevant Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) to the relative proportions of all the Shares held by such Relevant Shareholder.

41.11 Allocations of Sale Shares made by the Company in accordance with this Article 41 shall constitute the acceptance by the Relevant Shareholders to whom they are allocated of the offer to purchase such Sale Shares on the terms offered to them.

41.12 If all the Sale Shares are not sold under right of first refusal provisions contained in this Article 41, the Company shall (forthwith upon the exhaustion of such provisions) so notify the Seller and the Seller shall not, without the prior sanction of the Board, be entitled to sell any of the Sale Shares for which no buyer has been found to the person specified in the Transfer Notice (if any) (unless required or entitled to sell in accordance with Articles 39 or 40).

41.13 Any Relevant Shareholder shall make a payment to the Seller for the Sale Shares that it is acquiring within 10 Business Days of the allocation of the Sale Shares by the Company in accordance with Article 41.10.

## **42      Compulsory Transfers**

- 42.1      If a Compulsory Transfer Event occurs in relation to a member a Transfer Notice shall be deemed to have been served on the Company at the time prescribed in article 42.2 in respect of all Compulsory Transfer Shares (including any Shares transferred in accordance with article 46) unless and to the extent that a Majority of Holders has agreed in writing that the Shares of a member should not be subject to a Compulsory Transfer.
- 42.2      A Transfer Notice shall be deemed to have been served under article 42.1 at 5.30pm on the first anniversary of the Compulsory Transfer Date in respect of all the Compulsory Transfer Shares, unless:
- (a)      before that time a Majority of Holders (excluding any holders of the Compulsory Transfer Shares) serves a written notice on the Company to the effect that the Transfer Notice should be deemed given immediately, in which case it will be deemed to have been served on:
    - (i)      the date the Company received that written notice in respect of any Compulsory Transfer Shares then held by the Departing Member or his Permitted Transferees; and
    - (ii)     if any Compulsory Transfer Shares are acquired by the Departing Member or his Permitted Transferees after the date the Company received the written notice, the date on which the Compulsory Transfer Shares were acquired; or
  - (b)      any Compulsory Transfer Shares were not acquired by the Departing Member or his Permitted Transferees until after 5.30 pm on the first anniversary of the Compulsory Transfer Date (and no notice is given under article 42.2(a)), in which case the Transfer Notice shall be deemed to have been served in respect of those Shares on the date they were acquired.
- 42.3      The Compulsory Transfer Shares shall remain the Departing Member's Shares until they have been validly transferred under article 42.1 or 42.2.
- 42.4      The rights attaching to each Compulsory Transfer Share shall be restricted immediately on the Compulsory Transfer Date so that the right to receive notice of, attend and vote at general meetings and be counted in the quorum attaching to each Compulsory Transfer Share shall be suspended.

#### **43      Transmission of Shares**

- 43.1      If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share.
- 43.2      A transmittee who produces such evidence of entitlement to Shares as the directors may properly require:
- (a)      may, subject to the Articles, choose either to become the holder of those Shares or to have them transferred to another person; and
  - (b)      subject to the Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.
- 43.3      Subject to Article 23.2 transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise.
- 43.4      If a transmittee in respect of Shares to which they are entitled by reason of the holder's death (and not bankruptcy in this case) becomes the holder of those Shares, the rights attaching to each of those Shares shall be restricted immediately on the date on which they become holder so that the right to receive notice of, attend and vote at general meetings and be counted in the quorum attaching to each of those Shares shall be suspended so that those Shares only carry the economic rights afforded to each of those Shares as if the Shares were held by the person from whom the transmittee has derived rights in respect of the Shares.

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

- 44.1      Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 44.2      If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 44.3      Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

**45     Transmittees bound by prior notices**

- 45.1     If a notice is given to a shareholder in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name or the name of any person nominated by the transmittee has been entered in the register of members.

**46     Permitted Transfers**

**Transfer to relations**

- 46.1     Subject to Article 47 and subject to the approval of the Board any shareholder may at any time during his lifetime transfer any of his Shares held by him to:
- (a)     a Privileged Relation but no transfer may be made under this article 46.1 to a minor or person of unsound mind; or
  - (b)     trustees to be held on a Family Trust of which he is the settlor, provided that any transfer of Shares to trustees to be held on a Family Trust may only be made with the consent in writing of the holders a Majority of Holders.
- 46.2     The restrictions on transfer set out in Articles 35 and 41 shall not apply to Permitted Transfers under this Article 46.

**47     Mandatory Transfers**

- 47.1     If any Shares are held by Permitted Transferees and:

- (a)     a trust ceases to be a Family Trust; or
- (b)     there cease to be any beneficiaries of the Family Trust other than charities; or
- (c)     the Permitted Transferee ceases to be a Permitted Transferee,

as the case may be, within 30 Business Days which Permitted Transferee shall transfer the Shares held by those trustees (in that capacity) or Permitted Transferee(s), as the case may be to the Original Shareholder.

47.2 If the Permitted Transferee fails to make a transfer in accordance with this article 47, the Company may execute a transfer of the Shares on behalf of the Permitted Transferee and register the Original Shareholder as the holder of such Shares.

#### **48 Calculation of the Sale Price**

48.1 The Sale Price shall be the price agreed by the shareholder transferring or otherwise disposing of his Shares (the "**Vendor**") and the directors. If the Vendor and the directors are unable to agree a price within 21 days of the Transfer Notice being given (or being deemed to have been given) the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value of the Sale Shares. In arriving at his opinion, the Independent Expert will value the Sale Shares:

- (a) as at the date the Transfer Notice is given or is deemed to have been given;
- (b) on a going concern basis as between a willing seller and a willing buyer;
- (c) ignoring any reduction or premium in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority or majority interest;
- (d) on the assumption that the Sale Shares are capable of transfer without restriction; and
- (e) taking into account the terms and value of any offer made or about to be made by a third party to obtain Control of the Company,

and the Independent Expert's opinion shall be final and binding on the parties (save in the case of manifest error).

48.2 In the case of a Compulsory Transfer where the Compulsory Transfer Event has arisen as a result of a member committing a Material Breach or when a member, being an individual, becomes bankrupt or, being a corporate entity, is the subject of an Insolvency Event the Sale Price shall be reduced to the nominal value of the Sale Shares.

48.3 If an Independent Expert is appointed under these Articles, each shareholder will sign an engagement letter from the Independent Expert in the form agreed between that expert and the Company. Each shareholder acknowledges that the engagement letter will include a waiver of claims against the Independent Expert and similar 'hold harmless' provisions

arising out of the expert's performance of its role. If a shareholder fails to sign the letter, the directors may authorise some person to sign it as attorney for the shareholder.

#### **Certification of the Sale Price and right of Vendor to cancel**

48.4 If the Independent Expert is asked to certify the Sale Price, his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. Unless the Shares are to be sold under a Deemed Transfer Notice, the Vendor may, by notice in writing to the Company within seven days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.

48.5 The cost of obtaining the certificate shall be paid by the Company unless:

- (a) the Vendor cancels the Company's authority to sell; or
- (b) the sale is pursuant to a Deemed Transfer Notice, and the Sale Price certified by the Independent Expert is less than the price (if any) offered by the directors to the Vendor for the Sale Shares before the Independent Expert was instructed,

in which case the Vendor shall bear the cost.

#### **DECISION-MAKING BY SHAREHOLDERS AND ORGANISATION OF GENERAL MEETINGS**

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

49.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

49.2 A person is able to exercise the right to vote at a general meeting when:

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

49.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.



49.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

49.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

**50 Quorum for general meetings**

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

**51 Chairing general meetings**

51.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

51.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

(a) the directors present; or

(b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

51.3 The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting".

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

52.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

52.2 The chairman of the meeting may in his absolute discretion permit others persons who are not:

(a) shareholders of the Company; or

- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

### **53     Adjournment**

53.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

53.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

53.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

53.4 When adjourning a general meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
- (b) have regard to any directions as to the time and place of any adjournment which has been given by the meeting.

53.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain.

- 53.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **VOTING AT GENERAL MEETINGS**

### **54 Voting: general**

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

### **55 Errors and disputes**

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

### **56 Poll votes**

- 56.1 A poll on a resolution may be demanded:
- (a) in advance of the general meeting where it is to be put to the vote; or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 56.2 A poll may be demanded by:
- (a) the chairman of the meeting;
  - (b) the directors;
  - (c) two or more persons having the right to vote on the resolution; or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- 56.3 A demand for a poll may be withdrawn if:

- (a) the poll had not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

56.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## **57 Consent of proxy notices**

57.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

- (a) states the name and address of the shareholder appointing the proxy;
- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the Company in accordance with the Articles 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 a proxy notice which is not delivered in such manner shall be invalid.

57.2 In calculating the period of 48 hours referred to in Article 57.1, no account shall be taken of any part of a day that is not a working day.

57.3 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

57.4 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

57.5 Unless a proxy notice indicates otherwise, it must be treated as:

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **58 Delivery of proxy notices**

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

## **59 Amendments to resolutions**

- 59.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 59.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

59.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **ADMINISTRATIVE ARRANGEMENTS**

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

60.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.

60.2 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) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

- (d) 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.

- 60.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.
- 60.4 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 60.5 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **61 Company seals**

- 61.1 Any common seal may only be used by the authority in writing of the directors.
- 61.2 The directors may decide by what means and in what form any common seal is to be used.
- 61.3 Unless otherwise decided by the directors in writing, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 61.4 For the purposes of this Article, an authorised person is:
  - (a) any director of the Company;
  - (b) the Company secretary (if any); or
  - (c) any person authorised by the directors in writing for the purpose of signing documents to which the common seal is applied.

**62     No right to inspect account and other records**

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

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

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

**DIRECTORS' INDEMNITY AND INSURANCE**

**64     Indemnity**

- 64.1     Subject to Article 64.2, 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:
  - (i)     in the actual or purported execution and/or discharge of his duties, or in relation to them; and
  - (ii)    in relation to any activities of the Company (or of any associated company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgement 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



- (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 64.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

64.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

64.3 In this Article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company, but excluding in each case 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).

## **65 Insurance**

65.1 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 relevant loss.