# THE COMPANIES ACT 2006

## A PRIVATE COMPANY LIMITED BY SHARES

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A20 09/01/2020 #271
COMPANIES HOUSE

## ARTICLES OF ASSOCIATION

## OF

**COINO UK LTD (the "Company")**
**(Company Number: 08691499)**

**(As amended by Special Resolution passed on 8 November 2019)**

## 1. Interpretation

1.1 In these Articles, unless the context otherwise requires:

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| **A Ordinary Shares** | means the A Ordinary Shares of £0.0000001 each in the capital of the Company and **A Ordinary Shareholder** means a holder of any of those shares; |
| **Accepting Shareholder** | has the meaning given in Article 12.5; |
| **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); |
| **Articles** | means the Company's Articles of Association; |
| **B Investment Shares** | means the B Investment Shares of £0.0000001 each in the capital of the Company and **B Investment Shareholder** means a holder of any of these shares; |
| **Board** | means the Board of Directors; |
| **Business Day** | means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business; |
| **Buyer** | has the meaning given in Article 12.1; |
| **C Ordinary Shares** | means the C Ordinary Shares of £0.0000001 each in the capital of the Company and **C Ordinary Shareholder** means a holder of any of those shares; |
| ***Called Shares*** | *has the meaning given in Article 13.3.1;* |

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| **Called Shareholders** | has the meaning given in Article 13.1 and **Called Shareholder** means any one of them; |
| **Companies Act** | the Companies Act 2006; |
| **Completion Date** | has the meaning given in Article 13.6; |
| **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; |
| **Directors** | means the Directors of the Company from time to time, and **Director** means any one of them; |
| **Drag Along Notice** | has the meaning given in Article 13.3; |
| **Drag Along Option** | has the meaning given in Article 13.1; |
| **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); |
| **Family Trust** | as regards any particular Founder (or deceased or former Founder) any trust (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 Ordinary Shares in question is for the time being vested in any person other than the particular Founder and/or any of the Privileged Relations of that Founder (and so that for this purpose a person shall be considered to be beneficially interested in an Ordinary Share if such Ordinary 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); |
| **First Offer Period** | has the meaning given in Article 11.1.3; |
| **Founders** | Oliver Du Toit and Jeffrey Paterson and **Founder** means any one of them; |
| **Investment Agreement** | the investment agreement dated on or around the Adoption Date between, amongst others, the Company and the Investors (as the same may have been varied, supplemented, adhered |

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| | to or superseded in accordance with its terms for the time being); |
| **Investors** | GCP Investment Holdings and Refucan Limited and **Investor** means any one of them; |
| **Majority Consent** | means the consent of both Investors and both Founders; |
| **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** | means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and for ease of reference annexed as Appendix 1 to these Articles; |
| **Offer** | has the meaning given in Article 12.2; |
| **Offer Notice** | has the meaning given in Article 12.3; |
| **Offer Period** | has the meaning given in Article 12.3; |
| **Offer Shares** | has the meaning given in Article 12.3.4; |
| **Ordinary Shares** | means the A Ordinary Shares and the C Ordinary Shares, **Ordinary Share** means any one of them and **Ordinary Shareholder** means a holder of any of those shares; |
| **Original Shareholder** | has the meaning given in Article 10.1; |
| **Permitted Transfer** | a transfer of Ordinary Shares made in accordance with Article 10; |
| **Permitted Transferor** | any Founder and any Investor; |
| **Permitted Transferee** | in relation to:<br>(a) a Founder:<br>(i) any of his Privileged Relations or the trustee(s) of a Family Trust; and<br>(ii) any other Founder; and<br>(b) an Investor which is a company:<br>(i) a Member of the Same Group as that company; and<br>(ii) any other Investor which is a company; |
| **Price** | has the meaning given in Article 11.1.2.2; |

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| **Privileged Relation** | in relation to a Founder (or a deceased or former Founder) 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); |
| **Proposed Buyer** | has the meaning given in Article 13.1; |
| **Proposed Transfer** | has the meaning given in Article 12.1; |
| **Purchase Notice** | has the meaning given in Article 11.1.4; |
| **Purchasing Shareholder** | has the meaning given in Article 11.1.4; |
| **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:<br>(a) the grant of any options under a Share Option Scheme (and the issue of Shares on the exercise of any such options);<br>(b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles and/or the Investment Agreement; and<br>(c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Majority Consent; |
| **Sale Date** | has the meaning given in Article 12.3; |
| **Share Option Scheme** | any share option scheme of the Company which has received Majority Consent; |
| **Sellers' Shares** | has the meaning given in Article 13.1; |
| **Selling Shareholders** | has the meaning given in Article 13.1 and **Selling Shareholder** means any one of them; |
| **Shareholders** | means all or any of those persons whose names are entered in the register of members of the Company, and **Shareholder** shall mean any one of them; |
| **Shares** | all or any shares in the Company; |
| **Specified Price** | has the meaning given in Article 12.2; |
| **Syndicate Investor** | means any person (GCP Investment Holdings having satisfied its due diligence obligations against said person in accordance with the appropriate regulatory regime then governing the company) with which GCP Investment Holdings, or any Member of the Same Group, |

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| | has a professional or business relationship or has dealt with from time to time or with whom they may deal with in an investment or other business capacity including a participant or partner in, or member of, any fund, partnership company or syndicated managed by GCP Investment Holdings; |
| **Transfer Notice** | has the meaning given in Article 11.1 1; |
| **Transferring Shares** | has the meaning given in Article 11.1.1; |
| **Transferring Shareholder** | has the meaning given in Article 11.1.1. |

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Companies Act shall have the same meanings in these Articles.

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

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

1.5 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's legal and personal representatives, successors and permitted assigns.

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:

1.6.1 any subordinate legislation from time to time made under it; and

1.6.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

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

1.8 The singular includes the plural, the masculine includes the feminine and, in each case, vice versa.

1.9 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.

1.10 Articles 13, 14 and 24 of the Model Articles shall not apply to the Company.

## 2. Quorum for General Meetings

2.1 Subject to clause 2.2 and 2.3, the quorum for a general meeting shall be both Investors together with both Founders.

2.2 If any Investor or Founder is not, or ceases to be, a Shareholder then the quorum shall be those Investor(s) and Founder(s) that are Shareholders.

2.3 If no Investor or Founder is a Shareholder, then the quorum shall be two Ordinary Shareholders.

## 3. Directors' Conflicts of Interest

If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director shall be counted as participating in the decision-making process for quorum or voting purposes, provided that he has declared the nature and extent of such interest as required by the Companies Act.

## 4. Directors

4.1 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 4.2 (subject to Article 4.3 and Article 4.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided:

4.1.1 by a unanimous decision; or

4.1.2 if less than 50% of the Directors have been appointed by or on behalf of the Investors, by a majority of votes.

4.2 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.

4.3 A decision taken in accordance with Article 4.2 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.

4.4 A decision may not be taken in accordance with Article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with Article 4.6.

4.5 Model articles 5(1) to (3) (inclusive) and 6(2) shall be modified by the insertion of the words "(acting with Majority Consent)" following each reference to "the directors" in such model articles.

4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be all Eligible Directors.

## 5. Appointment and Removal of Alternate Directors

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

5.1.1 exercise that Director's powers; and

5.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's Appointor.

5.2 Any appointment or removal of an Alternate Director must be effected by notice in writing to the Company signed by the Appointer, or in any other manner approved by the Directors.

5.3 The notice must:

5.3.1 identify the proposed Alternate Director; and

5.3.2 in the case of a notice of appointment, contain a statement signed by the proposed Alternate Director that the proposed Alternate Director is willing to act as the alternate of the Director giving the notice.

## 6. Rights and Responsibilities of Alternate Directors

6.1 An Alternate Director may act as Alternate Director to more than one Director and has the same rights in relation to any decision of the directors as the Alternate Director's Appointor.

6.2 Except as the Articles specify otherwise, Alternate Directors:

6.2.1 are deemed for all purposes to be Directors;

6.2.2 are liable for their own acts and omissions;

6.2.3 are subject to the same restrictions as their Appointors; and

6.2.4 are not deemed to be agents of or for their Appointors

and, in particular (without limitation), each Alternate Director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.

6.3 A person who is an Alternate Director but not a Director:

6.3.1 *may be counted as participating for the purposes of determining whether a* quorum is present (but only if that person's Appointor is not participating);

6.3.2 may participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and

6.3.3 shall not be counted as more than one Director for the purposes of Article 6.3.

6.4 A Director who is also an Alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision) and may be counted as more than one Director for determining whether a quorum is present (but only if that person's Appointer is not participating).

6.5 An Alternate Director may be paid expenses and may be indemnified by the Company to the same extent as his Appointor but shall not be entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

## 7. Termination of Alternate Directorship

An Alternate Director's appointment as an alternate terminates:

7.1.1 when the Alternate Director's Appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

7.1.2 on the occurrence, in relation to the Alternate Director, of any event which, if it occurred in relation to the Alternate Director's Appointor, would result in the termination of the Appointor's appointment as a Director;

7 1.3 on the death of the Alternate Director's Appointor; or

7.1.4 when the Alternate Director's Appointor's appointment as a Director terminates.

## 8. Directors' Authority to Allot

8.1 Save to the extent authorised by these Articles, the Directors shall not, save with Majority Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

8.2 Subject to the remaining provisions of this Article 8 and the provisions of Article 9, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Companies Act, to exercise any power of the Company to:

8.2.1 offer or allot;

8.2.2 grant rights to subscribe for or to convert any security into; and

8.2.3 otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

8.3 The authority referred to in Article 8.2:

8.3.1 shall be limited to a maximum nominal amount of £10.00;

8.3.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and

8.3.3 may only be exercised for a period of five years from 1 November 2017 save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

8.4 *Payment of commissions*

The Company may pay a commission (including by applying its shares or capital money) to a person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for shares in the company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares in the company, provided that the commission paid or agreed to be paid does not exceed 10% of the price at which the shares are issued.

**9. Pre-emption Rights of Shareholders on Allotment of Shares**

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

9.2 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 and the holders (on the date of the offer) of the B Investment Shares (the **"Offerees"** 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 Shares held by each Offeree bears to the total number of Shares in issue at such time (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.

9.3 An offer made under Article 9.2 shall:

9.3.1 be in writing and give details of the total number of the Relevant Securities being offered, the number and class offered to each Offeree, subscription price (including any share premium) and the date by which the offer, if not accepted, will be deemed to have been rejected; and

9.3.2 remain open for a period of at least 10 Business Days from the date of service of the offer (the **"Offer Period"**).

9.4 If, on the expiry of the Offer Period, 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 who have accepted the offer in accordance with their applications, subject to a maximum of each Offeree's proportionate

entitlement.

9.5 If, after completion of the allotment referred to in Article 9.4, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to Article 9.6 be offered to any other person(s) as the Directors may, with Majority Consent, determine, at the same price and on the same terms as the offer to the Offerees.

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

## 10. Permitted Transfers of Shares

10.1 A Permitted Transferor (the **"Original Shareholder"**) may:

10.1.1 transfer all or any of his or its Shares to a Permitted Transferee; or

10.1.2 in the case of a Permitted Transferor that is also a C Ordinary Shareholder, transfer all or any of its Shares to a Syndicate Investor.

10.2 Where Ordinary Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Ordinary Shares to:

10.2.1 the Original Shareholder;

10.2.2 any Privileged Relation(s) of the Original Shareholder;

10.2.3 the trustee(s) of another Family Trust of which the Original Shareholder is the settler, or

10.2.4 to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

10.3 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Ordinary Shares held by it to:

10.3.1 the Original Shareholder; or

10.3.2 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 10.3, a Transfer Notice shall be deemed to have been given in respect of such Ordinary Shares on the expiry of the period set out in this Article 10.3.

10.4 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 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

10.4.1 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

10.4.2 give a Transfer Notice to the Company in accordance with Article 11,

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 10.4. This Article 10.4 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

10.5 Where C Ordinary Shares are held by a Syndicate Investor, the Syndicate Investor may transfer C Ordinary Shares to:

10.5.1 the Original Shareholder;

10.5.2 a Member of the Same Group as the Original Shareholder; or

10.5.3 any other Syndicate Investor,

without any price or other restriction.

10.6 Notwithstanding any other provision of this Article 10, 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.

## 11. Pre-emption Rights on Transfer of Shares

11.1 Subject to Article 10, 13 and 15, Ordinary Shareholders shall not transfer any Ordinary Shares, except in the circumstances set out in Articles 11.1.1 to 11.1.9 and, for the avoidance of doubt and without prejudice to the generality of Article 26 of the Model Articles, the Board may refuse to register the transfer of any Ordinary Share, if it has not been transferred in accordance with Articles 11.1.1 to 11.1.9.

11.1.1 Any Ordinary Shareholders who wishes to transfer any Ordinary Shares (the **"Transferring Shareholder"**) shall before transferring or agreeing to transfer such shares (the **"Transferring Shares"**) or any interest in them, first offer those Transferring Shares to the existing Ordinary Shareholders, by giving irrevocable written notice to the Company (a **"Transfer Notice"**).

11.1.2 The Transfer Notice shall specify and/or contain:

11.1.2.1 the number of Transferring Shares the Transferring Shareholder wishes to transfer;

11.1.2.2 the price (in cash) and any other consideration, at which the Transferring Shareholder wishes to transfer the Transferring Shares (which shall be the price offered to the Transferring Shareholder by a bona fide third party for the Transferring Shares, or in the absence of such an offer, the price calculated pursuant to Articles 11.1.7 and 11.1.8, in which case the Transfer Notice shall not specify a price) (the **"Price"**); and

11.1.2.3 a copy of any offer made by a bona fide third party shall be attached to the Transfer Notice.

11.1.3 Upon receipt of the Transfer Notice, the Board shall as soon as reasonably practicable, offer the Transferring Shares to the other Ordinary Shareholders, inviting those Ordinary Shareholders to state by notice in writing to the Company within 10 Business Days of the offer by the Board (the **"First Offer Period"**), whether they are willing to purchase at the Price, such number of Transferring Shares as corresponds to the proportion of other Ordinary Shares held by them respectively.

11.1.4 Each Ordinary Shareholder who wishes to purchase the shares offered to him in accordance with Article 11.1.3 above, (a **"Purchasing Shareholder"**) may within the First Offer Period, serve notice (the **"Purchase Notice"**) on the Board specifying how many Transferring Shares he wishes to purchase.

11.1.5 If following the expiry of the First Offer Period there remain Transferring Shares not accepted by Ordinary Shareholders, the Board shall reoffer the unaccepted Transferring Shares to the Purchasing Shareholders within a further 10 Business Days, in the appropriate proportions until such time as the Transferring Shares are exhausted or no further acceptances are forthcoming from Purchasing Shareholders and the Board shall conduct such process as it sees fit.

11.1.6 Any Transferring Shares not accepted pursuant to Articles 11.1.4 and 11.1.5 may be transferred by the Transferring Shareholder to any person, provided the transfer is at the Price and takes place within 60 Business Days of the end of the First Offer Period.

11.1.7 If there is no bona fide third party offer for any of the Transferring Shares, the Price shall be such price per Transferring Share as may be determined by the accountants for the time being of the Company as the fair value thereof. The Board shall instruct such accountants to specify such fair value as soon as practicable upon receipt of the Transfer Notice not having the Price specified therein and such accountants shall, acting as experts and not arbitrators, calculate the fair value on such bases as they consider most applicable, but without discount for minority or uplift for majority shareholdings and their costs and expenses shall be borne equally by the Company and the Transferring Shareholder.

11.1.8 In determining the fair value of the Transferring Shares, the accountants will rely on the following assumptions: the sale is between a willing seller and a willing buyer of the Transferring Shares, the Company is carrying on its business as a going concern and shall continue to do so, the Transferring Shares are sold free of all restrictions, liens, charges and other encumbrances and the sale is taking place on the date the accountants were instructed to calculate the fair value.

11.1.9 Following completion of the procedure in respect of the Transferring Shares set out in Articles 11.1.1 to 11.1.8, the Transferring Shareholder shall sell the Transferring Shares as required and shall execute and deliver to the Board stock transfer forms relating to the Transferring Shares as required by the Board against receipt of the Price which the Board may receive from and transfer on behalf of purchasers.

11.2 For the avoidance of doubt, the provisions of Article 11.1 above shall not apply with regard to B Investment Shares. Any B Investment Shareholder shall be entitled to transfer or transmit B Investment Shares to such persons and at such prices as they see fit, provided that such transfer is in respect of the B Investment Shareholder's entire holding of B Investment Shares to a single transferee (except with the prior sanction of a resolution of the Board).

## 12. Tag Along Rights on a Change of Control

12.1 The provisions of Articles 12.2 to 12.6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any 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.

12.2 Before making a Proposed Transfer, each Shareholder proposing to transfer Shares shall procure that the Buyer makes an offer (**"Offer"**) to all of the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is 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 or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (**"Specified Price"**).

12.3 The Offer shall be given by written notice (**"Offer Notice"**), at least 30 Business Days (**"Offer Period"**) before the proposed sale date (**"Sale Date"**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

12.3.1 the identity of the Buyer;

12.3.2 the purchase price and other terms and conditions of payment;

12.3 3 the Sale Date; and

12.3.4 the number of Shares proposed to be purchased by the Buyer (**"Offer Shares"**).

12.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 12.2 and 12.3, the Shareholders proposing to transfer

Shares shall not be entitled to complete the Proposed Transfer and the Directors shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

12.5 If the Offer is accepted in writing by any Shareholder (**"Accepting Shareholder"**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

12.6 If any Accepting Shareholder does not, at the time appointed for completion of the Proposed Transfer, deliver a duly executed stock transfer form in respect of the Offer Shares then the defaulting Accepting Shareholder shall be deemed to have irrevocably appointed any Director to be his agent or attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such Accepting Shareholder) of the consideration payable for the Offer Shares. After the Buyer has been registered as the holder of such Offer 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 12.

## 13. Drag Along Option

13.1 Subject to Article 13.2, if either:

13.1 1 all of the Founders and Investors that are Shareholders; or

13.1.2 any one or more Founder or Investor (but not all),

(in each case hereinafter referred to as the **"Selling Shareholders"**) wish(es) to transfer all of their interest in their Shares (**"Sellers' Shares"**) to a bona fide arm's length purchaser (**"Proposed Buyer"**), the Selling Shareholders may require all other Shareholders (**"Called Shareholders"**) to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**"Drag Along Option"**).

13.2 If Article 13.1.1 does not apply, a Drag Along Option shall only be valid and exercisable where the Shareholders are in receipt of an offer from a Proposed Buyer to acquire the entire issued share capital of the Company, the aggregate consideration for which is £500,000,000 or greater.

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

13.3.1 that the Called Shareholders are required to transfer all their Shares (**"Called Shares"**) pursuant to this Article 13;

13.3.2 the person to whom the Called Shares are to be transferred;

13.3.3 the consideration payable for the Called Shares which shall, for each Called Share, be an amount equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares; and

13.3.4 the proposed date of the transfer.

13.4 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 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.

13.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 13.

13.6 Completion of the sale of the Called Shares shall take place on such date as the Proposed Buyer may specify pursuant to Article 13.3.4 (**"Completion Date"**). The

Completion Date shall be such specified date unless the Proposed Buyer, 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 them.

13.7 On the Completion Date the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Proposed Buyer against payment of the amounts they are due for their Shares pursuant to Article 13.3.3.

13.8 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any Director to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a Share certificate shall not impede the registration of Shares under this Article 13.

## 14. Rights Attaching to Shares

14.1 The share capital of the Company shall comprise A Ordinary Shares, B Investment Shares and C Ordinary Shares. The A Ordinary Shares, B Investment Shares and C Ordinary Shares shall rank pari passu in all respects, save as provided in these Articles.

14.2 The B Investment Shares shall have no voting rights attached to them, and holders of B investment Shares shall not have the right to receive notices of any general meetings, or the right to attend at such general meetings.

14.3 Unless and until the amount of dividend to be paid to a Shareholder in respect of all of his or its Shares then held (when aggregated with all dividends then payable on such Shares) exceeds the sum of £50 no dividend shall be payable and all the dividends declared but not paid pursuant to this Article 14.3 shall be held by the Company as dedicated retained dividends on trust for such holder of Shares and shall be payable to such persons either upon the winding up of the Company or when the cumulative value of such withheld dividends exceeds £50.

## 15. Purchase of Own Shares

15.1 Subject to the Companies Act but without prejudice to any other provision of these Articles, save for as per Article 15.2 below, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of:

15.1.1 £15,000; and

15.1.2 the value of 5% of the Company's share capital.

15.2 The provisions of Article 10 shall not apply to this Article 15.

## 16. Electronic Communication

16.1 Without prejudice to Article 48 of the Model Articles, notices and any other communications sent or supplied, by or to Shareholders or Directors under these Articles may be sent or supplied by electronic means as defined *in* section 1168 of the Companies Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such Shareholder or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such Shareholders or Directors).

16.2 For the purposes of Article 16.1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by Shareholders or

Directors are up to date and current, and it is the sole responsibility of each Shareholder and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all Shareholders and Directors agree that the Company has no responsibility to any Shareholder or Director who fails to receive any notice or other communication as a result of the Shareholder or Director failing to comply with this Article 16.2.

16.3 When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Companies Act.

16.4 Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient 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, and any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission.

16.5 The Company's obligation to send or supply any notice or communication to Shareholders or Directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control.

16.6 Each Shareholder and Director shall for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Companies Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website.

## 17. Board Representation

17.1 Subject always to the provisions of the Investment Agreement, any Founder or Investor shall be entitled to be a Director of the Board, or to appoint one nominee Director to the Board, and to remove and replace such nominee Director upon written notice to the Board, provided that such nominee Director shall have been previously approved by the Board such approval not to be unreasonably withheld or delayed.

17.2 Any Director appointed to the Board in accordance with Article 17.1 above shall immediately cease to be a Director:

17.2.1 should the Founder or the Investor cease to be a Shareholder; or

17.2.2 as required in accordance with the provisions of the Investment Agreement.

## 18. Share Certificates

18.1 The conditions of issue of any Shares shall not require the Company to issue any Share certificate although the Board may resolve to do so.

18.2 The Company shall not be bound to issue more than one certificate in respect of Shares held jointly by two or more persons. Delivery of a certificate to the person first named in the register shall be sufficient delivery to all joint holders.

18.3 If the Board resolves to issue a Share certificate it may be issued under seal (by affixing the seal to or printing the seal or a representation of it on the certificate) or

signed by at least two Directors or by at least one Director and the Secretary. Such certificate shall specify the number and class of the Shares in respect of which it is issued and the amount or respective amounts paid up on it. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any Share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be issued under seal or signed by any person.

18.4 Every Share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any Share certificate lost or delayed in the course of delivery.

# Appendix 1

## MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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# PART I

# INTERPRETATION AND LIMITATION OF LIABILITY

**Defined terms**

**1.** In the articles, unless the context requires otherwise-

"articles" means the company's 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;

"chairman" has the meaning given in article 12;

"chairman of the meeting" has the meaning given in article 39;

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

"director" means a director of the company, and includes any person occupying the position of director, by whatever name called;

"distribution recipient" has the meaning given in article 31;

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

"electronic form" has the meaning given in section 1168 of the Companies Act 2006;

"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 Companies Act 2006;

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

"instrument" means a document in hard copy form;

"ordinary resolution" has the meaning given in section 282 of the Companies Act 2006;

"paid" means paid or credited as paid;

"participate", in relation to a directors' meeting, has the meaning given in article 10;

"proxy notice" has the meaning given in article 45;

"shareholder" means a person who is the holder of a share;

"shares" means shares in the company;

"special resolution" has the meaning given in section 283 of the Companies Act 2006;

"subsidiary" has the meaning given in section 1159 of the Companies Act 2006;

"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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

**Liability of members**

**2.** The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

# PART 2

# DIRECTORS

## DIRECTORS' POWERS AND RESPONSIBILITIES

**Directors' general authority**

**3.** 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.

**Shareholders' reserve power**

**4.**-(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

**Directors may delegate**

**5.**-(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.

(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.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

**Committees**

**6.**-(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.

(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

***Directors to take decisions collectively***

**7.**-(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 8.

(2) If-

(a) the company only has one director, 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 take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

**Unanimous decisions**

**8.**-(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.

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

(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.

(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.

**Calling a directors' meeting**

**9.**-(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate-

(a) its proposed date and time;

(b) where it is to take place; and

(c) 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 themeeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(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 7days 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.

**Participation in directors' meetings**

**10.**-(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.

(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.

(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.

**Quorum for directors' meetings**

**11.**-(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors 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.

**Chairing of directors' meetings**

**12.** - (1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman's appointment at any time.

(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

**Casting vote**

**13.**-(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

**Conflicts of interest**

**14**.-(1) If a proposed decision of the directors is concerned with an actual or proposed

transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when-

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes-

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), 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 andconclusive.

(7) 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.

**Records of decisions to be kept**

**15.** The directors must ensure that the company keeps a record, in writing, for at least I 0 years from the date of the decision recorded, of every unanimous or majority decision taken by thedirectors.

**Directors' discretion to make further rules**

**16.** 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.

APPOINTMENT OF DIRECTORS

**Methods of appointing directors**

**17.**-(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 thedirectors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 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.

**Termination of director's appointment**

**18.** A person ceases to be a director as soon as-

(a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

(b) a bankruptcy order is made against that person;

(c) a composition is made with that person's creditors generally in satisfaction of that

person's debts;

(d) 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;

*(e) [paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*

(f) 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.

**Directors' remuneration**

**19.**-(1) Directors may undertake any services for the company that the directors decide.

(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.

(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.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(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.

**Directors' expenses**

**20.** The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at-

(a) meetings of directors or committees ofdirectors,

(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 thecompany.

## PART3

## SHARES AND DISTRIBUTIONS

### SHARES

**All shares to be fully paid up**

**21**.-(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.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

**Powers to issue different classes of share**

**22.**-(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.

(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.

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

**23.** 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.

**Share certificates**

**24.**-(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(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.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must-

(a) have affixed to them the company's common seal, or

(b) be otherwise executed in accordance with the Companies Acts.

**Replacement share certificates**

**25**.-(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.

(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.

**Share transfers**

**26**.-(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.

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

(3) The company may retain any instrument of transfer which is registered.

(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.

(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

***Transmission of shares***

**27**.-(1) If title to a share passes to a transmittee, the company may only recognise the

transmittee as having any title to that share.

(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.

(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

**Exercise of transmittees' rights**

**28.**-(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.

(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.

(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.

**Transmittees bound by prior notices**

**29.** If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

## DIVIDENDS AND OTHER DISTRIBUTIONS

**Procedure for declaring dividends**

**30.**-(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares

conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

**Payment of dividends and other distributions**

**31**.-(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means-

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable-

(a) the holder of the share; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or

otherwise by operation of law, the transmittee.

**No interest on distributions**

**32.** The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by-

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

**Unclaimed distributions**

**33.**-(1) All dividends or other sums which are-

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If-

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

***Non-cash distributions***

**34.**-(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever

arrangements they think fit, including, where any difficulty arises regarding the distribution-

(a) fixing the value of any assets;

(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

(c) vesting any assets in trustees.

**Waiver of distributions**

**35.** Distribution recipients may waive their entitlement to a dividend or other distribution

payable in respect of a share by giving the company notice in writing to that effect, but if-

(a) the share has more than one holder, or

(b) more than one person is entitled to the share, whether by reason of the death or

bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

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

**36.**-(1) Subject to the articles, the directors may, if they are so authorised by an ordinary

resolution-

(a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, orany sum standing to the credit of the company's share premium account or capital redemption reserve; and

(b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied-

(a) on behalf of the persons entitled, and

(b) in the same proportions as a dividend would have been distributed to them.

(3) Any capitalised sum may be applied in paying up new shares of a nominal amountequal to the capitalised sum which are then allotted credited as fully paid to the persons entitledor as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which arethen allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may-

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and

(c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## PART4

## DECISION-MAKING BY SHAREHOLDERS

## ORGANISATION OF GENERAL MEETINGS

### Attendance and speaking at general meetings

**37.**-(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.

(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.

(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.

(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.

(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.

### Quorum for general meetings

**38.** 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.

### Chairing general meetings

**39.**-(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(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.

(3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

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

**40.**-(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairman of the meeting may permit other 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.

**Adjournment**

**41.**-(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.

(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.

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

(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 have been given by the meeting.

(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 7 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.

(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

**Voting: general**

**42.** 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.

**Errors and disputes**

**43.**-(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.

(2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

**Poll votes**

**44.**-(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.

(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.

(3) A demand for a poll may be withdrawn if-

(a) the poll has not yet been taken, and

(b) the chairman of the meeting consents to the withdrawal.

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

**Content of proxy notices**

**45.**-(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 and any instructions contained in the notice of the general meeting to which they relate.

(2) The company may require proxy notices to be delivered in a particular form, and may

specify different forms for different purposes.

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

(4) 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.

**Delivery of proxy notices**

**46.**-(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.

(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.

(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.

(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.

**Amendments to resolutions**

**47.**-(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.

(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.

(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.

## PART 5

## ADMINISTRATIVE ARRANGEMENTS

**Means of communication to be used**

**48.**-(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 Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) 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.

(3) 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.

**Company seals**

**49.**-(1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(3) Unless otherwise decided by the directors, 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.

(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 for the purpose of signing documents to which the common seal is applied.

**No right to inspect accounts and other records**

**50.** 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.

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

**51.** 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

**Indemnity**

**52.**-(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against-

(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,

(b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

(c) any other liability incurred by that director as an officer of the company or an associated company.

(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.

(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 director" means any director or former director of the company or an associated company.

**Insurance**

**53.**-(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article-

(a) a "relevant director" means any director or former director of the company or an associated company,

(b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

(c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.