

SH08

Notice of name or other designation of class of shares



Companies House

✓ **What this form is for**
You may use this form to give notice
of name or other designation of
class of shares.

✗ **What this form is NOT for**
You cannot use this form to
give notice of name or other
designations of class of
members. To do this, please
use form SH13.

FRIDAY



A13 *A8BHLZG0* #239
09/08/2019
COMPANIES HOUSE

1 Company details

Company number 0 8 7 9 2 6 2 0

Company name in full BLANCO NINO UK LTD

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Date of assignment

Please insert the date on which the name or designation was assigned.

Date of assignment 01 00 00 07 02 00 01 09

3 Class(es) of shares

Existing class/description of shares	Name (or new name) or other designation
Ordinary Shares	A Ordinary Shares
8% cumulative redeemable convertible preference	-
B Investment Shares	-



4 Signature

I am signing this form on behalf of the company.

Signature

Signature

✗

This form may be signed by:
Director , Secretary, Person authorised , Administrator, Administrative
receiver, Receiver, Receiver manager, CIC manager.

✗

Societas Europaea

If the form is being filed on behalf
of a Societas Europaea (SE), please
delete 'director' and insert details
of which organ of the SE the person
signing has membership.

Person authorised

Under either Section 270 or 274 of
the Companies Act 2006.

SH08

Notice of name or other designation of class of shares

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name **PHILIP MARTIN**Address **GLEBE HOUSE****KILLSALLAGHAN**Post town **FINGAL**County/Region **DUBLIN**

Postcode

K 6 7 A 8 9 2

Country **IRELAND**

DX

Telephone **+353877883744****Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have entered the date of assignment in section 2.
- ☐ You have completed section 3.
- ☐ You have signed the form.

**Important information**

Please note that all information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Company number 08792620

**PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
of
BLANCO NINO UK LTD ("Company")**

30th of June 2019 ("Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 ("CA 2006"), the directors of the Company ("**Directors**") propose that the following resolutions are passed as ordinary and special resolutions as specified ("**Resolution**").

SPECIAL RESOLUTION

1) Adoption of Amended Articles of Association

That the Company adopt Amended Articles of association as are attached to this resolution ("**Amended Articles** ") and which are by this resolution adopted as the Amended Articles of association in substitution for and to the complete exclusion of the existing Articles of Association of the Company.

ORDINARY RESOLUTIONS

2) Subdivision

That the Ordinary Shares of £0.01 in the issued share capital of the Company be subdivided into A Ordinary Shares of £0.0001 each in the capital of the Company, with the rights and restrictions set out in the Amended Articles .

3) Authority to Allot

That, in accordance with section 551 of the CA 2006, the Directors be generally and unconditionally authorised to allot Ordinary Shares and B Investment Shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £112.4946 provided that this authority shall, unless renewed, varied or revoked by the Company, expire 12 months after the date of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This resolution shall become effective on the receipt of the relevant subscription monies and should any of the investors fail to advance their subscription monies, the relevant shares shall not be allotted to that investor and the number of shares allotted shall be adjusted down accordingly or reallocated to an alternative investor on the same terms as that of the original. This authority revokes and replaces all unexercised authorities previously granted to the Directors.

SPECIAL RESOLUTION

4) Disapplication of Pre-Emption Rights

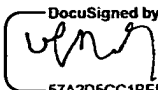
That, subject to the passing of resolution 3 and in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 3, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to the nominal amount and time period specified in resolution 3 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

AGREEMENT

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

The undersigned, being persons entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agree to the Resolution:

Signed by Willian Raftery
Print Name

DocuSigned by:

57A2D5CC1BEE42F...
Signature

Date: 6/30/2019

NOTES

BLANCO NINO UK LTD
("Company")
WRITTEN RESOLUTION OF A SOLE DIRECTOR

Written Resolution of Philip Martin the sole director of Blanco Nino Group Ltd **"Company"** dated 28th of June 2019.

1) Power to Make Decisions

Noted that, pursuant to the Company's Articles of Association ("**Articles**"), I may, as a sole director of the Company, take decisions without constraint by the provisions of the Articles relating to directors' decision making.

2) Interests in proposed transactions and/or arrangements with the Company

- a) Noted that, I as a Sole Director of the Company, had declared the nature and extent of my interest in the proposed transaction to be considered at the meeting in accordance with the requirements of section 177 of the Companies Act 2006 ("**CA 2006**") and the Company's articles of association.
- b) Noted that, when considering the resolutions, I would need to take into account my general duties as a director, including those under CA 2006, and in particular the matters referred to in section 172(1) of CA 2006.

3) Business of the meeting

I noted that it was a condition of the investment round carried out via the crowdfunding platform operated by Crowdcube Capital Limited ("**Crowdcube**") that the Company put in place a new capital structure and so the business of the meeting was to consider and, if thought fit, approve:

- a) the circulation of a written resolution ("**Written Resolution**") to obtain certain shareholder approvals in connection with a proposed allotment of new shares in the Company, namely to:
 - i) adopt Amended Articles of Association ("**Amended Articles**");
 - ii) subdivide the existing issued shares of £0.01 each to shares of £0.0001 each;
 - iii) create a new class of B Investment shares;
 - iv) to allot shares up to an aggregate nominal amount of £112.4946; and
 - v) disapply the statutory pre-emption rights under section 561 of the CA 2006 in relation to the proposed allotment of shares; and
- b) subject to the receipt of the relevant subscription monies, the proposed allotment and issue of shares to the persons referred to in the investor list sent by Crowdcube to the Company on 27th June 2019 ("**Crowdcube Investors**") of the shares applied for by them respectively ("**Proposed Allotment**").

4) Approval and circulation of Written Resolution

- a) After careful consideration of the Written Resolution, **IT WAS RESOLVED:**
- i) that the Written Resolution would promote the success of the Company for the benefit of its members as a whole having regard (amongst other matters) to the factors set out in section 172(1) of the CA 2006;
 - ii) to approve the Written Resolution in the form produced to the meeting; and
 - iii) to send the Written Resolution to every eligible member of the Company and to any auditors.

5) Allotment and issue of shares

After careful consideration, **I RESOLVED:**

- a) that the Proposed Allotment would promote the success of the Company for the benefit of its members as a whole having regard (amongst other matters) to the factors set out in section 172(1) of the CA 2006;
- b) on receipt of their subscription monies, to allot and issue to Crowdcube Investors the shares applied for by each of them respectively credited as fully paid;
- c) that should any of the Crowdcube Investors fail to advance their subscription monies, the relevant shares shall not be allotted to that investor and the number of shares allotted shall be adjusted down accordingly or reallocated to an alternative investor on the same terms as the original;
- d) to instruct Crowdcube to prepare share certificates in respect of the allotted and issued shares and deliver to the applicants and in accordance with article 15.3 of the New Articles it was resolved that these would not be issued under seal or signed by any person;
- e) to do all such acts and things and agree and execute on behalf of the Company all such documents to which the Company is a party and all other documents as may be required in connection with the Proposed Allotment and generally to sign all such certificates, notices and other documents as may be necessary or desirable in connection with the Proposed Allotment, subject in each case to such amendments as those executing the same on behalf of the Company consider fit; and
- f) to arrange for the relevant documents to be filed at Companies House and the register of members of the Company updated.



Philip Martin as Sole Director

THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF**

**BLANCO NINO UK LIMITED (the "Company")
(Company Number: 8792620)**

(Adopted by special resolution passed on 10th of July 2019)

1. Preliminary

- 1.1. The name of the Company is Blanco Nino UK Limited.
- 1.2. The liability of the members is limited.
- 1.3. The share capital of the Company is divided into A Ordinary Shares of £0.0001 each, B Investment Shares of £0.0001 each and Convertible Shares of €0.01 each.
- 1.4. In these Articles, unless the context otherwise requires:

3% Dividend	a fixed cumulative preferential dividend at the rate of 3% per annum on the amount paid up on the Convertible Shares (including share premium, if any);
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8% Dividend	a fixed cumulative preferential dividend at the rate of 8% per annum on the amount paid up on each Convertible Share (including share premium, if any);
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Accepting shareholder	has the meaning given in Article 13.5;
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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);
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Agreement	the share subscription and shareholders' agreement dated on or about 30 June 2017 between (1) the Parties Named in the First Schedule thereto, (2) Enterprise Ireland, (3) the Company and (4) the Operating Company;
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A Ordinary Shares	the A ordinary shares of £0.0001 each in the capital of the Company and "A Ordinary Share" shall mean any one of them;
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Articles	means the Company's Articles of Association;
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Asset Sale	the completion of any transaction whereby any person or group of persons purchase(s) the whole or a majority of the business and assets of the Company;
B Investment Shares	the B investment shares of £0.0001 each in the capital of the Company and "B Investment Share" shall mean any one of them;
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;
Business Plan	the business plan of the Company, the key elements of which are included in the application form received by Enterprise Ireland on 29 May 2017;
Buyer	has the meaning given in Article 13.1;
Called Shareholder	has the meaning given in Article 14.1;
Called Shares	has the meaning given in Article 14.2.1;
Companies Act	the Companies Act 2006;
Completion Date	has the meaning given in Article 14.5;
Compliance Statement	a statement in a format prescribed by Enterprise Ireland and signed by the Managing Director of the Company (or if there is no Managing Director, by any Director) detailing how the Subscription Monies have been spent by the Operating Company during the period commencing on 24 May 2017 and ending on the Milestones Completion 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;
Conversion Fair Value	the value of an Ordinary Share: <ul style="list-style-type: none"> (a) as at the date on which a Conversion Notice is issued to the Company pursuant to Article 3.14; and

- (a) on the basis of an open market price on a going concern basis as between a willing seller and a willing buyer;

such value to be either:

- (i) agreed between Enterprise Ireland and a duly authorised representative of the Shareholders within 10 Business Days of the issue of the Conversion Notice pursuant to Article 3.14; or
- (ii) certified by an independent third party nominated by the board of directors of the Company and satisfactory to the holder(s) of the Convertible Shares;

Conversion Notice	a notice in writing from the holder(s) of Convertible Shares to the Company requiring the conversion of some or all of the Convertible Shares;
Convertible Shares	8% Cumulative Redeemable Convertible Preference Shares of €0.01 each in the capital of the Company and "Convertible Share" shall mean any one of them;
Directors	means the directors of the Company from time to time, and Director means any one of them;
Dividends	the 8% Dividend or the 3% Dividend (as applies at that time);
Drag Along Notice	has the meaning given in Article 14.2;
Drag Along Option	has the meaning given in Article 14.1;
Employee Shareholder	means an employee of the Company, other than the Founder, who holds Shares in the Company.
Enterprise Ireland	means Enterprise Ireland, having its principal office at The Plaza, East Point Business Park, Dublin 3, Ireland.
Excess Amount	a sum equal to the aggregate subscription price (including share premium if any) of the Convertible Shares in issue (if any) following the First Conversion Event;
Expert	an independent firm of accountants appointed by the shareholders or, in the absence of agreement between

the shareholders on the expert or his terms of appointment within 10 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (acting as an expert and not as an arbitrator);

First Conversion Event	the earlier of: (a) the first Qualifying Investment to occur following First Stage Completion; or (b) a Listing;
First Offer Period	has the meaning given in Article 12.2.3;
First Redemption Date	the fifth anniversary of the date of allotment of the First Stage Investment Shares (or, if that day is not a Business Day, the next succeeding Business Day);
First Stage Completion	completion of the subscription for First Stage Investment Shares provided for in the Agreement;
First Stage Investment Shares	a total number of 6,348 Convertible Shares issued to Enterprise Ireland pursuant to clause 2.2.1 of the Agreement;
Founder	means Philip Martin;
Investment Round	(a) an investment for Shares; or (b) a series of investments for Shares on identical or substantially similar terms;
Listing	the admission of any Shares to trading on the official list or other market of the Irish Stock Exchange plc or the London Stock Exchange plc or on any other recognised stock exchange;
Listing Shares	the class of Shares to be admitted to a stock exchange pursuant to a Listing;
Milestones Completion Date	the second anniversary of the date of allotment of the First Stage Investment Shares;

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;
New Shares	the class of Shares to be allotted and issued by the Company to a Qualifying Investor pursuant to the first Qualifying Investment to occur after the date of the Agreement;
Offer	has the meaning given in Article 13.2;
Offer Notice	has the meaning given in Article 13.3;
Offer Period	has the meaning given in Article 13.3;
Offer Shares	has the meaning given in Article 13.3.4;
Operating Company	means Blanco Nino Limited, incorporated in Ireland under company number 535247 having its registered office at Globe House, Kilsallaghan, Dublin, K67A 892.
Option Breach	a breach by the Company or the Operating Company (as the case may be) of any of clauses 4.1.1, 4.1.2, 4.1.4, 4.2.1, 4.2.2, 4.2.3 and 4.2.5 of the Agreement by virtue of having carried out the actions contemplated by such clause without having first obtained the prior written consent of Enterprise Ireland;
Option Breach Redemption Notice	a written notice from Enterprise Ireland to the Company requiring the Company to redeem some or all of the Convertible Shares in accordance with paragraph 2.10 of the Third Schedule of the Agreement;
Option Breach Date	the date on which an Option Breach occurs;
Option Breach Dividend Notice	a written notice from Enterprise Ireland to the Company requiring the re-instatement of the 8% Dividend on the Convertible Shares with effect from the Option Breach Date;
Price	has the meaning given in Article 12.2.2.2;
Proposed Buyer	has the meaning given in Article 14.1;

Proposed Transfer	has the meaning given in Article 13.1;
Purchase Notice	has the meaning given in Article 12.2.4;
Purchasing Shareholder	has the meaning given in Article 12.2.4;
Qualifying Investment	<p>(a) an Investment Round of at least an amount equal to Enterprise Ireland's investment in the Company at the time of the Qualifying Investment, made by a Qualifying Investor or Qualifying Investors prior to the First Redemption Date that places a defined valuation on the Company; or</p> <p>(b) the conversion of loan notes held by a Qualifying Investor or Qualifying Investors with a value of at least an amount equal to Enterprise Ireland's investment in the Company at the time of such conversion, into Shares prior to the First Redemption Date;</p>
Qualifying Investor	such venture capital, trade or other investor as Enterprise Ireland shall, at its sole discretion, deem to be an applicable investor;
Qualifying Shareholder	means a Shareholder holding 25% or more of the issued A Ordinary Shares for the time being;
Redemption Price	a sum equal to the aggregate of (i) the amount paid up (including share premium, if any) on the Convertible Shares to be redeemed and (ii) the amount of Dividends accrued on the Convertible Shares (without any need to be declared) up to the date of redemption;
Sale Date	has the meaning given in Article 13.3;
Second Conversion Event	<p>the first Investment Round to occur after completion of the Qualifying Investment which is:</p> <p>(a) made by a Qualifying Investor; and</p> <p>(b) for a sum exceeding the Excess Amount;</p>
Second Redemption Date	the fifth anniversary of the date of allotment of the Second Stage Investment Shares (or, if that day is not a Business Day, the next succeeding Business Day);
Second Stage Investment	the subscription for Second Stage Investment Shares in consideration of the amount of €150,000;

Second Stage Investment Shares	a total of 6,348 Convertible Shares issued to Enterprise Ireland pursuant to clause 2.5.1 of the Agreement;
Sellers' Shares	has the meaning given in Article 14.1;
Selling Shareholder	has the meaning given in Article 14.1;
Share Sale	the completion of any transaction whereby any person or group of persons Acting in Concert (as defined in the City Code on Takeovers and Mergers) purchase(s) the whole or a majority of the issued voting share capital of the Company;
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	the A Ordinary Shares, B Investment Shares, Convertible Shares and any other shares in the capital of the Company from time to time;
Specified Price	has the meaning given in Article 13.2;
Subscription Monies	the monies subscribed by Enterprise Ireland pursuant to clause 2.2.1 and 2.5.1 of the Agreement;
Transfer Notice	has the meaning given in Article 12.2.1;
Transferring Shareholder	has the meaning given in Article 12.2.1;
Transferring Shares	has the meaning given in Article 12.2.1;
Validation Exercise	<p>an investigation to be undertaken by Enterprise Ireland to establish to its reasonable satisfaction that:</p> <p>(a) the Subscription Monies have been used to implement the Business Plan; and</p> <p>(b) the expenditure referred to in the Compliance Statement has been properly vouched.</p>

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. 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:
 - 1.5.1. any subordinate legislation from time to time made under it; and
 - 1.5.2. any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6. 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.
- 1.7. The singular includes the plural, the masculine includes the feminine and, in each case, vice versa.
- 1.8. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.9. Articles 13 and 14 of the Model Articles shall not apply to the Company.

2. A Ordinary Shares and B Investment Shares

Voting Rights

The A Ordinary Shares shall each carry one vote. The holders of the A Ordinary Shares shall have the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

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 notice of or to attend any such general meetings.

Transfer Rights

The provisions of Article 12 (Pre-emption rights on transfer) shall not apply to the B Investment Shares. Any holder of B Investment Shares shall be entitled to transfer or transmit B Investment Shares to such persons and at such prices as they see fit, provided that in each case such transfer is in respect of the holder's entire holding of B Investment Shares to a single transferee (except with the prior sanction of a resolution of the Board).

3. Convertible Shares

The following provisions shall apply to the Convertible Shares:

Attendance at General Meetings:

- 3.1. The holder(s) of Convertible Shares shall be entitled to receive notice of, and to attend at all general meetings of the Company but not to vote on any resolution proposed thereat.

Dividends:

- 3.2. Subject to Article 3.3, the holder(s) of Convertible Shares shall be entitled in priority to any payment of dividend on any other class of shares in the capital of the Company to be paid the 8% Dividend in respect of such Convertible Shares without the need for any declaration by the directors of the Company or by the Company in general meeting.

- 3.3. If, following receipt of the Compliance Statement and completion of the Validation Exercise, Enterprise Ireland determines that the Validation Exercise has been successful, the entitlement of the holder(s) of the Convertible Shares to receive the 8% Dividend shall be replaced with an entitlement to receive the 3% Dividend (such reduction to take effect from the date of issue of the relevant Convertible Shares). If an Option Breach occurs prior to completion of the Validation Exercise and such breach is not remedied in accordance with clause 5.4.1 of the Agreement, the entitlement to receive the 8% Dividend shall not be replaced by the entitlement to receive the 3% Dividend.
- 3.4. The Dividends shall accrue on a daily basis (assuming a 365 day year) from the relevant date of allotment of the Convertible Shares and shall be paid to the holder(s) of the Convertible Shares on the earlier of:
- 3.4.1. the redemption of the Convertible Shares; or
- 3.4.2. the repayment of capital to members of the Company in accordance with Article 3.7.
- without the need for any declaration by the directors of the Company or by the Company in general meeting.
- 3.5. If the Company fails to redeem the Convertible Shares in accordance with Article 3.8 or 3.9, the holder(s) of the Convertible Shares shall have the right (by serving a written notice on the Company) to require in priority to any payment of dividend on any other class of share in the capital of the Company to be paid the 8% Dividend as and from the First Redemption Date or Second Redemption Date (as the case may be) to the date of actual redemption of such Convertible Shares. Upon receipt of the written notice, the Company shall accrue the 8% Dividend as and from the First Redemption Date or Second Redemption Date (as the case may be) and shall pay the 8% Dividend upon redemption of the Convertible Shares.
- 3.6. If an Option Breach occurs and such breach is not remedied in accordance with the terms of the Agreement, the holder(s) of the Convertible Shares shall be entitled to issue an Option Breach Dividend Notice. Upon receipt of the Option Breach Dividend Notice, the Company shall accrue the 8% Dividend as and from the Option Breach Date and shall pay the 8% Dividend upon redemption of the Convertible Shares.

For the avoidance of doubt, the holder(s) of Convertible Shares shall at no time be entitled to receive dividends on the Convertible Shares in excess of the 8% Dividend.

Repayment of Capital:

- 3.7. The holder(s) of Convertible Shares shall have the right on the winding up of the Company to repayment of the capital paid up thereon (including share premium, if any) together with payment of all arrears of Dividends to the date of repayment in priority to payment of any dividends or repayment of capital to the holder(s) of any other shares in the capital of the Company. Upon receipt by the holder(s) of Convertible Shares of all amounts required to be paid pursuant to this Article 3.7, the holder(s) of the Convertible Shares shall not be entitled to participate in the distribution of the remaining assets of the Company on a winding-up.

Redemption:

- 3.8. On the First Redemption Date, the Company shall (subject to the Companies Act), redeem those First Stage Investment Shares then in issue at the Redemption Price.
- 3.9. On the Second Redemption Date, the Company shall (subject to the Companies Act), redeem those Second Stage Investment Shares then in issue at the Redemption Price.
- 3.10. If an Option Breach occurs and such breach is not remedied in accordance with the terms of the Agreement, the holder(s) of the Convertible Shares shall be entitled to issue an Option Breach Redemption Notice and the Company shall (subject to the provisions of the Companies Act), redeem such number of Convertible Shares as have been set out in the Option Breach Redemption Notice at the Redemption Price.
- 3.11. If the Company fails to redeem the Convertible Shares to be redeemed on the First Redemption Date or Second Redemption Date or on receipt of an Option Breach Redemption Notice, then until such Shares are redeemed:
 - 3.11.1. the Company shall not pay any dividends on any class of shares in the capital of the Company other than the Convertible Shares; and
 - 3.11.2. the Company shall not redeem any shares in the capital of the Company other than the Convertible Shares.

Conversion:

- 3.12. Prior to completing the First Conversion Event (and in any event, not later than 30 days before the proposed completion of the First Conversion Event), the Company shall notify the holder(s) of Convertible Shares in writing that it is proposed to complete the First Conversion Event (the "**First Conversion Event Notice**"). The holder(s) of the Convertible Share(s) shall have the right, exercisable for a period of:
 - 3.12.1. 60 days from the date of the First Conversion Event;
 - 3.12.2. if the First Conversion Event Notice is received after the date of the First Conversion Event, 60 days from the date of receipt of the First Conversion Event Notice; or
 - 3.12.3. if the Company fails to issue a First Conversion Event Notice, 60 days from the date such holder(s) become(s) aware of the First Conversion Event;

to issue a Conversion Notice requiring the Company to convert such number of Convertible Shares held by that holder (as is required) into such number of New Shares or Listing Shares (as appropriate) in the capital of the Company as shall immediately following such conversion represent up to (but not more than) 10% of the entire issued voting share capital of the Company.

The number of New Shares or Listing Shares (as appropriate) to be issued on conversion of the Convertible Shares pursuant to this Article 3.12 shall be calculated using the following formula:

$$A = \frac{B}{C \times D}$$

where:

- A = the number of New Shares or Listing Shares (as appropriate) into which the relevant Convertible Shares will be converted;
- B = the aggregate subscription price paid (including share premium, if any) on the Convertible Shares which are to be converted;
- C = either (i) the lowest subscription price paid per New Share or (ii) the listing price per Listing Share (as applicable); and
- D = discount to be applied in accordance with the table below:

The period which has elapsed since the date of issue of the relevant Convertible Shares	D: Discount Factor
0-12 months (0 – 365 days)	0.85
13-24 months (366 – 730 days)	0.75
25-36 months (731 – 1,095 days)	0.65
37-48 months (1,096 – 1,460 days)	0.55
49-60 months (1,461 – 1,825 days)	0.45

3.13.

- 3.13.1. If any member of the Company holds Convertible Shares following a conversion pursuant to Article 3.12, the terms of this Article 3.13 shall apply to all such Convertible Shares.
- 3.13.2. Prior to completing the Second Conversion Event (and in any event, not later than 30 days before the proposed completion of the Second Conversion Event), the Company shall notify the holder(s) of Convertible Shares in writing that it is proposed to complete the Second Conversion Event (the **"Second Conversion Event Notice"**). The holder(s) of the Convertible Share(s) shall have the right, exercisable for a period of:
 - 3.13.2.1. 60 days from the date of the Second Conversion Event;
 - 3.13.2.2. if the Second Conversion Event Notice is received after the date of the Second Conversion Event, 60 days from the date of receipt of the Second Conversion Event Notice; or
 - 3.13.2.3. if the Company fails to issue a Second Conversion Event Notice, 60 days from the date such holder(s) become(s) aware of the Second Conversion Event;

to issue a Conversion Notice requiring the Company to convert such number of Convertible Shares (as is required) into such number of New Shares in the capital of the Company as shall immediately following such conversion and when aggregated with the New Shares issued and allotted to Enterprise Ireland pursuant to Article 2.12 represent up to (but not more than) 10% of the entire issued voting share capital of the Company.

The number of New Shares to be issued on conversion of the Convertible Shares pursuant to this Article 3.13 shall be calculated as follows:

$$A = \frac{B}{C}$$

where:

A = the number of New Shares into which the relevant Convertible Shares will be converted;

B = an amount equal to the Excess Amount; and

C = the lowest subscription price paid per New Share pursuant to the Second Conversion Event

- 3.14. If, on the date which is one month prior to the First Redemption Date a First Conversion Event has not taken place, the holder(s) of Convertible Shares shall have the right, exercisable for a further period of 30 days to issue to the Company a Conversion Notice requiring the Company to convert such number of the Convertible Shares into A Ordinary Shares as shall immediately following such conversion represent up to (but not more than) 10% of the entire issued voting share capital of the Company.

The number of A Ordinary Shares to be issued on conversion of the Convertible Shares pursuant to this Article 3.14 shall be calculated using the following formula:

$$A = \frac{B}{C \times D}$$

where:

A = the number of A Ordinary Shares to be issued to the holder(s) of Convertible Shares;

B = the subscription price paid (including share premium, if any) on the Convertible Shares which are to be converted;

C = an amount equal to the Conversion Fair Value; and

D = discount to be applied in accordance with the table below:

The period which has elapsed since the date of issue of the relevant Convertible Shares

D: Discount Factor

0-12 months (0 – 365 days)	0.85
13-24 months (366 – 730 days)	0.75
25-36 months (731 – 1,095 days)	0.65
37-48 months (1,096 – 1,460 days)	0.55
49-60 months (1,461 – 1,825 days)	0.45

3.15. For the avoidance of doubt:

- 3.15.1. any conversion of Convertible Shares by the Company under Articles 3.12, 3.13 and/or 2.14 shall be subject to the holder(s) of Convertible Shares being satisfied with the terms and conditions of such conversion;
- 3.15.2. if any of the Convertible Shares are not converted in accordance with Article 2.14, any remaining Convertible Shares shall be redeemed at the Redemption Price in accordance with Articles 2.8 and 2.9 or dealt with in accordance with Article 2.11.

Share Sale:

3.16. The Company shall redeem the Convertible Shares in full immediately prior to a Share Sale at the Redemption Price together with an additional premium equivalent to:

- 3.16.1. the amount paid up on the Convertible Shares (including share premium, if any); or
- 3.16.2. an amount equivalent to the value of 10% of the entire issued voting share capital of the Company as at the date of the Share Sale;

whichever is the lesser (the “**Sale Redemption Price**”).

If the Company cannot redeem all of the Convertible Shares prior to completion of a Share Sale, it shall be a condition of the Share Sale that the purchaser of the shares shall also purchase the Convertible Shares at the Sale Redemption Price.

Asset Sale:

3.17. The Company shall redeem the Convertible Shares in full immediately upon completion of an Asset Sale at the Redemption Price together with an additional premium equivalent to:

- 3.17.1. the amount paid up on the Convertible Shares (including share premium, if any); or

- 3.17.2. an amount equivalent to the value of 10% of the total purchase consideration for the assets to be purchased pursuant to the Asset Sale;

whichever is the lesser (the “**Asset Sale Redemption Price**”).

- 3.18. If the Company fails to redeem the Convertible Shares upon completion of an Asset Sale in accordance with Article 2.17, the Company shall not declare or pay any dividends or otherwise distribute any assets (including cash) of the Company to any holder of shares in the capital of the Company until such time as all of the Convertible Shares have been fully redeemed.

4. Variation of class rights

- 4.1. Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated, either whilst the Company is a going concern or in contemplation of a winding up, with the consent of the holders of the issued shares of that class given in accordance with Article 4.2.

- 4.2. The consent of the holders of a class of shares may be given by:

- 4.2.1. a special resolution passed at a separate meeting of the holders of the issued shares of that class; or
- 4.2.2. a written resolution in any form signed by or on behalf of the holders of not less than three quarters in nominal value of the issued shares of that class,

but not otherwise. To every such meeting, all the provisions of these Articles and the Companies Act relating to general meetings of the Company shall apply (with such amendments as may be necessary to give such provisions efficacy) but so that the necessary quorum shall be two members of shares of the relevant class present in person or by proxy and holding or representing not less than one third in nominal value of the issued shares of the relevant class; that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and that any holder of shares of the class, present in person or by proxy or (being a corporation) by a duly authorised representative, may demand a poll. If at any adjourned meeting of such holders such a quorum is not present, not less than one holder who is present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum.

5. Pre-emption on transfers by Enterprise Ireland:

- 5.1. If Enterprise Ireland (the “**Offeror**”) wishes to transfer any of its Shares, it shall give a notice in writing (the “**Transfer Notice**”) to the Company, specifying in the Transfer Notice the number and class of Shares (the “**Sale Shares**”) which it wishes to transfer and the price offered for the Shares to be transferred (the “**Specified Price**”) (the “**Offer**”).

- 5.2. The Company shall as soon as practicable following receipt of a Transfer Notice either:

- 5.2.1. determine whether or not the Company will acquire or redeem some or all of the Sale Shares; or
- 5.2.2. issue a notice to the members of the Company (the “**Offerees**”), inviting each Offeree to state, in writing within 30 days from the date of such notice,

whether he/it is willing to acquire any and, if so, how many of the Sale Shares.

- 5.3. If an Offeree or Offerees shall apply for some or all of the Sale Shares (the **"Accepting Offeree"**), the directors of the Company shall allocate the Sale Shares (or so many of them as shall be applied for as aforesaid) to or amongst the Accepting Offerees and in case of competition pro rata (as nearly as possible) according to the number of Shares of which they are registered as holders, provided that no applicant shall be obliged to take more than the maximum number of Sale Shares specified by him as aforesaid.
- 5.4. If any Sale Shares are not applied for by the Offerees in accordance with Article 3.3, the directors of the Company may allocate the Sale Shares or the balance thereof (as the case may be) to any other person or persons who the directors of the Company may decide to admit to membership and who is or are willing to purchase the same at the Specified Price.
- 5.5. If the Company and/or the Offerees fails to unconditionally and irrevocably accept the Offer in respect of all of the Sale Shares within 60 days from the date of issue of the Transfer Notice, the Offeror shall be entitled to transfer such number of Sale Shares which have not been unconditionally and irrevocably agreed to be (a) acquired or redeemed by the Company and/or (b) acquired by the Offerees, to any person or persons at a price being not less than the Specified Price and the directors of the Company shall be obliged to register any duly executed transfers of shares made pursuant to this Article 3.
6. **Pre-emption on issue of Shares:**
 - 6.1. For so long as Enterprise Ireland holds any Shares which carry rights to vote at general meetings of the Company (the **"Voting Shares"**), all unissued Shares and all new Shares of whatever kind except for Shares issued in connection with a share split, dividend, recapitalisation (provided that this is done on a pro rata basis and has no effect on the respective proportionate shareholdings in the Company), shall on issue be offered to all the members of the Company holding Voting Shares in proportion as nearly as possible to the number of Voting Shares then held by them respectively.
7. **Quorum for general meetings**

The quorum for a general meeting shall be at least 2 Shareholders holding a majority of the Ordinary Shares.
8. **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.
9. **Casting vote**

If the numbers of votes for and against a proposal at a meeting of the Directors are equal, the chairman or other Director chairing the meeting shall have a casting vote.
10. **Directors' authority to allot**
 - 10.1. Subject to Article 6, the Directors are generally and unconditionally authorised, in

accordance with section 551 of the Companies Act, to exercise all the powers of the Company to allot Shares or to grant rights or to subscribe for or convert any security into Shares up to a maximum nominal value of £3000.

- 10.2. The authority contained in Article 10.1 shall expire on the day five years after the date of the adoption of these Article save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this Article 5 has expired.

11. Pre-emption rights on issue

- 11.1. Subject to Article 6 and 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.

12. Pre-emption rights on transfer

- 12.1. Transfers involving Enterprise Ireland are excluded from this Article 12. Enterprise Ireland transfers are detailed in Article 4.

- 12.2. Subject to Article 16 and Article 12.2 below, Shareholders shall not transfer any A Ordinary Shares, except in the circumstances set out in Articles 12.2.1 to 12.2.9 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 A Ordinary Share, if it has not been transferred in accordance with Articles 12.2.1 to 12.2.9.

- 12.2.1. Any Shareholder who wishes to transfer any A 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 Shareholders, by giving irrevocable written notice to the Company (a **"Transfer Notice"**).

- 12.2.2. The Transfer Notice shall specify:

12.2.2.1. the number of Transferring Shares the Transferring Shareholder wishes to transfer; and

12.2.2.2. 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 12.2.7 and 12.2.8, in which case the Transfer Notice shall not specify a price) (the **"Price"**).

- 12.2.3. Upon receipt of the Transfer Notice, the Board shall as soon as reasonably practicable, offer the Transferring Shares to the other Shareholders, inviting those 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 A Ordinary Shares held by them respectively.

- 12.2.4. Each Shareholder who wishes to purchase the shares offered to him in accordance with Article 12.2.3 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.

- 12.2.5. If following the expiry of the First Offer Period there remain Transferring Shares not accepted by 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.

- 12.2.6. Any Transferring Shares not accepted pursuant to Articles 12.2.4 and 12.2.5 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.
 - 12.2.7. 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.
 - 12.2.8. 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.
 - 12.2.9. Following completion of the procedure in respect of the Transferring Shares set out in Articles 12.2.1 to 12.2.8, 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.
 - 12.2.10. This Article 12 shall not apply to transfers of A Ordinary Shares by the Founder.
- 13. Tag along rights on a change of control**
- 13.1. The provisions of Articles 13.2 to 13.6 shall apply if, in one or a series of related transactions, one or more Shareholders (other than Enterprise Ireland) 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.
 - 13.2. 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**").
 - 13.3. 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:
 - 13.3.1. the identity of the Buyer;

- 13.3.2. the purchase price and other terms and conditions of payment;
 - 13.3.3. the Sale Date; and
 - 13.3.4. the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**").
- 13.4. If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 13.2 and 13.3, 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.
- 13.5. 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.
- 13.6. 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 13.
- 14. Drag along Option**
- 14.1. If the holders of a majority percentage of the A Ordinary Shares (with the exception of Enterprise Ireland) in issue for the time being ("**Selling Shareholders**") wish to transfer all of their interest in the 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**").
- 14.2. 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:
- 14.2.1. that the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to this Article 14;
 - 14.2.2. the person to whom the Called Shares are to be transferred;
 - 14.2.3. 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
 - 14.2.4. the proposed date of the transfer.
- 14.3. 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 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.
- 14.4. No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 14.
- 14.5. Completion of the sale of the Called Shares shall take place on such date as the Proposed Buyer may specify pursuant to Article 14.2.4 ("**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.

- 14.6. 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 14.2.3.
- 14.7. 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 9.

15. Compulsory Transfers

- 15.1. Notwithstanding anything to the contrary contained in Model Articles 27 to 29, this Article 15 applies in the event of an Employee Shareholder becoming a Leaver.
- 15.2. Within 30 days after the later of (i) the occurrence of any event specified in Article 15.1 (a "**Transfer Event**") or (ii) the date on which the directors become aware of the occurrence of a Transfer Event, the Company acting through the directors may serve notice (a "**Compulsory Sale Notice**") on the Employee Shareholder in question (each a "**Compulsory Seller**") notifying him that he is with immediate effect deemed to have given a notice to transfer such number of Shares as the Founder or the Company wishes to acquire ("**the Compulsory Sale Shares**") for the price determined in accordance with this Article 15.
- 15.3. The Compulsory Sale Notice shall be issued in respect of all the issued Shares in the capital of the Company held by the Employee Shareholder on that date on the terms set out below.
- 15.4. The Compulsory Sale Shares shall be offered for sale on the date of the Compulsory Sale Notice to the Founder first and thereafter to the Company second, at the price determined in accordance with this Article 15. The Compulsory Sale Shares shall be sold together with all rights attaching thereto as at the date of the service of the Compulsory Sale Notice or arising thereafter. The Founder and (if applicable) the Company shall notify the Compulsory Seller with fourteen (14) days whether they wish to accept the offer, in which case the Compulsory Sale Shares shall be transferred immediately on receipt of the transfer price as set out below, provided that delay in paying the transfer price shall not invalidate the transfer of the Compulsory Sale Shares.
- 15.5. The transfer price for each Compulsory Sale Share which is the subject of a Compulsory Sale Notice shall:
 - 15.5.1. if the Compulsory Seller is a Good Leaver, be the higher of its Fair Value and the price paid for that Compulsory Sale Share by the Good Leaver; and
 - 15.5.2. if the Compulsory Seller is a Bad Leaver, be the lower of its Fair Value and the price paid for that Compulsory Sale Share by the Bad Leaver.
- 15.6. In the event that a Compulsory Seller has been deemed to be a Good Leaver, and has disposed of Compulsory Sale Shares to the Founder or the Company at Fair Value, but thereafter he breaches the restrictive covenants in either his service

agreement ("**Breach**") then, upon becoming aware of the Breach, the Company shall calculate (a) what the Employee Shareholder would have received for those Compulsory Sale Shares had he been deemed to be a Bad Leaver; and (b) what the Founder Shareholder actually received pursuant to Article 15.5; and the Employee Shareholder shall be immediately required to repay the difference to the Company.

15.7. In this Article 15:

15.7.1. "**Good Leaver**" means any Leaver who is not a Bad Leaver;

15.7.2. "**Bad Leaver**" means the Employee Shareholder resigns or otherwise leaves his office or employment with the Company for any reason whatsoever prior to one year from the date of adoption of these Articles or at any time is a Leaver as a result of the termination of that Leaver's contract of employment, directorship and/or consultancy agreement on grounds of gross misconduct, fraud, material breach by him of any restrictive covenant under his service agreement or in any investment agreement, his being disqualified as a director or his being convicted of a criminal offence which carries a custodial sentence or otherwise in circumstances entitling any group company to terminate the same summarily (whether or not the same has been terminated summarily);

15.7.3. "**Leaver**" means an Employee Shareholder ceasing for whatever reason (including death) to be an employee or consultant of any group company and as a consequence no longer being an employee or consultant of any other group company.

15.8. For the purpose of this Article, the date upon which a Shareholder ceases to hold office or employment or to be a consultant shall be:

15.8.1. where a contract of employment or consultancy is terminated by the relevant group company by giving notice to the Employee Shareholder of the termination of the employment or directorship or consultancy, the date of that notice (whether or not a payment is made by the relevant group company in lieu of all or part of the notice period required to be given by the relevant group company in respect of such termination);

15.8.2. where a contract of employment or consultancy is terminated by the Employee Shareholder by giving notice to the relevant group company of the termination of the employment or consultancy, the date of that notice;

15.8.3. save as provided in Article 15.8.1 where a group company or Employee Shareholder wrongfully repudiates the contract of employment, consultancy or directorship and the other accepts that the contract of employment or consultancy has been terminated, the date of such acceptance;

15.8.4. where a contract of employment or consultancy is terminated under the doctrine of frustration, the date of the frustrating event; and

15.8.5. where a contract of employment or consultancy is terminated for any reason other than in the circumstances set out in Articles 15.8.1 to 15.8.4 above, the date on which the action or event giving rise to the termination occurs.

15.9. "**Fair Value**" for the purposes of these Articles means as agreed between the directors and the Compulsory Seller or, in the absence of agreement within 21 days of the date of service of the Compulsory Sale Notice, by an Expert, on the following bases and assumptions:

15.9.1. valuing each of the Compulsory Sale Shares on the assumption that the

- shares are sold free of all restrictions, liens, charges and other encumbrances;
- 15.9.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 15.9.3. the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 15.9.4. the sale is taking place on the date the Expert was requested to determine the Fair Value;
 - 15.9.5. as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent.
- 15.10. The provisions of this Article 15 shall not apply to any Shares held by an Employee Shareholder if the Board (with the consent of the Founder Director) has given its approval in writing for those Shares to be exempted from these provisions.
- 16. Rights attaching to Shares**
- 16.1. No dividend shall be payable in respect of any Shares unless and until the amount of such dividend when aggregated with all dividends then payable to the holder of such Shares exceeds the sum of £50 and all the dividends declared but not paid pursuant to this Article 16.1 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.
- 17. Purchase of Own Shares**
- 17.1. Subject to the Companies Act but without prejudice to any other provision of these Articles, save for as per Article 17.2 below, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of:
- 17.1.1. £15,000; and
 - 17.1.2. the value of 5% of the Company's share capital.
- 17.2. The provisions of Article 12.1 shall not apply to this Article 17.
- 18. Electronic Communication**
- 18.1. 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).
- 18.2. For the purposes of Article 18.1 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 18.2.

- 18.3. 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.
- 18.4. 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.
- 18.5. 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.
- 18.6. 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.

19. Share Certificates

- 19.1. Article 24(5) of the Model Articles in relation to share certificates shall not apply to the Company.
- 19.2. The Company will issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.
- 19.3. Every certificate will specify as minimum, the Share class; the number of Shares; and the certificate number. Certificates are not required to be executed by a Director or have the Company's seal affixed.
- 19.4. The Company nor directors shall not be liable for lost or stolen share certificates or registering a transfer or transmission of lost or stolen share certificates or otherwise for any fraudulent transfer or transmission.
- 19.5. Transferees of Shares should not rely on a share certificate as proof of a Shareholders' title to the Shares, and title shall not be acquired until the transfer has been registered by the Company and a new share certificate issued to the Transferee. The Directors may require a transferor to warrant to the Company that the share certificate produced is the only share certificate he holds in relation to such Shares and to indemnify the Company against any losses associated with registered such transfer.

20. Board Representation

- 20.1. Any Qualifying Shareholder 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.

- 20.2. Any Director appointed to the Board in accordance with Article 20.1 above shall immediately resign as a Director should his appointing Qualifying Shareholder, cease to be a Qualifying Shareholder.

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PART 1

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 of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(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 the meeting.

(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 7 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.

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 and conclusive.

(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 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

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 the directors.

(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 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.

PART 3

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, or any 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 amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or 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 are then 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.

PART 4

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