

Company number 09018497

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

COCONTROL LIMITED ('the Company')

28th

October 2015 (**Circulation Date**)

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

### **SPECIAL RESOLUTION**

#### **1. ADOPTION OF ARTICLES**

THAT, the Company adopt new Articles of Association as are set out in the Articles of Association attached to this resolution and which are by this resolution adopted as the new Articles of Association in substitution for and to the complete exclusion of the existing Articles of Association of the Company.

### **ORDINARY RESOLUTIONS**

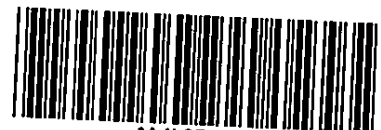
#### **2. REDESIGNATION**

That the Ordinary Shares of the Company be and are hereby redesignated as A Ordinary Shares with the rights and obligations of those shares being laid down in the new Articles of Association attached to this resolution.

#### **3. SUBDIVISION**

That the Ordinary Shares of £0.01 in the issued share capital of the Company be subdivided into one thousand A Ordinary Shares of £0.00001 each in the capital of the Company, with the rights and restrictions set out in the Articles of Association of the Company referred to in the resolution above.

### **SPECIAL RESOLUTION**



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4. That the Company create a new class of shares known as B Investment Shares with the rights and obligations of those shares being laid down in the new Articles of Association attached to this resolution.

## **ORDINARY RESOLUTION**

### **5. AUTHORITY TO ALLOT**

THAT, in accordance with section 551 of the Companies Act 2006 (**CA 2006**), the directors of the Company (**Directors**) be generally and unconditionally authorised to allot A 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 £48.33 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 listed in the attached Schedule of Investment 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.

## **SPECIAL RESOLUTION**

### **6. DISAPPLICATION OF PRE-EMPTION RIGHTS**

THAT, subject to the passing of resolution 5 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 5, 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 5 (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, a person entitled to vote on the Resolution on the Circulation Date hereby irrevocably agrees to the Resolution:

Signed by :  
Sustainable Venture  
Development Capital LLC



.....

Date:

...28-10-15.....

## NOTES

1. If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods:

**By hand:** delivering the signed copy to Andrew Wordsworth, 29 Shand Street, London SE1 2ES.

**Post:** returning the signed copy by post to Andrew Wordsworth, 29 Shand Street, London SE1 2ES.

**E-mail.** by attaching a scanned copy of the signed document to an e-mail and sending it to [andrew.wordsworth@sustainableventures.co.uk](mailto:andrew.wordsworth@sustainableventures.co.uk)

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

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

3 Unless, within 30 days of the circulation date, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.

4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members

5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

# THE COMPANIES ACT 2006

## A PRIVATE COMPANY LIMITED BY SHARES

### ARTICLES OF ASSOCIATION OF

**COCONTROL LTD (the "Company") (Company Number: 09018497)**

**(Adopted by special resolution passed on.....28th October 2015.....)**

#### 1. Interpretation

1.1 In these Articles, unless the context otherwise requires

**A Ordinary Shares** means the A Ordinary Shares of £0 00001 each in the capital of the Company and **A Ordinary Shareholder** means a holder of any of those shares,

**Accepting shareholder** has the meaning given in Article 7 5;

**Acting in Concert** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time),

**Articles** means the Company's Articles of Association,

**B Investment Shares** means the B Investment Shares of £0 00001 each in the capital of the Company and **B Investment Shareholder** means a holder of any of these shares,

**Board** means the board of Directors,

**Business Day** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,

**Buyer** has the meaning given in Article 7 1,

**Called Shares** has the meaning given in Article 8 2 1,

**Called Shareholder** has the meaning given in Article 8 1,

**Companies Act** the Companies Act 2006;

**Completion Date** has the meaning given in Article 8 7,

**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,

|                               |   |
|-------------------------------|---|
| <b>Directors</b>              | means the directors of the Company from time to time, and <b>Director</b> means any one of them,  |
| <b>Drag Along Notice</b>      | has the meaning given in Article 8 2,   |
| <b>Drag Along Option</b>      | has the meaning given in Article 8 1,   |
| <b>First Offer Period</b>     | has the meaning given in Article 6 1 3,   |
| <b>Group</b>                  | means the Company and its subsidiaries (if any) from time to time,  |
| <b>Model Articles</b>         | means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ) as amended prior to the date of adoption of these Articles and for ease of reference annexed as Appendix 1 to these Articles, |
| <b>New Share(s)</b>           | has the meaning given in Article 9 2,   |
| <b>New Share Offer</b>        | has the meaning given in Article 9 2,   |
| <b>Offer</b>                  | has the meaning given in Article 7 2,   |
| <b>Offer Notice</b>           | has the meaning given in Article 7 3;   |
| <b>Offer Period</b>           | has the meaning given in Article 7 3,   |
| <b>Offer Shares</b>           | has the meaning given in Article 7 3 4,   |
| <b>Price</b>                  | has the meaning given in Article 6 1 2 2,   |
| <b>Proposed Buyer</b>         | has the meaning given in Article 8 1,   |
| <b>Proposed Transfer</b>      | has the meaning given in Article 7.1,   |
| <b>Purchase Notice</b>        | has the meaning given in Article 6.1 4,   |
| <b>Purchasing Shareholder</b> | has the meaning given in Article 6 1 4,   |
| <b>Qualifying Shareholder</b> | means a Shareholder holding 25% or more of the issued A Ordinary Shares at any time,  |
| <b>Sale Date</b>              | has the meaning given in Article 7 3;   |
| <b>Sellers' Shares</b>        | has the meaning given in Article 8 1;   |
| <b>Selling Shareholder</b>    | has the meaning given in Article 8 1,   |
| <b>Shareholders</b>           | means all or any of those persons whose names are entered in the register of members of the Company, and <b>Shareholder</b> shall mean any one of them,   |

|                                 |   |
|---------------------------------|---|
| <b>Shares</b>                   | all or any Shares in the Company,   |
| <b>Specified Price</b>          | has the meaning given in Article 7 2;   |
| <b>Transfer Notice</b>          | has the meaning given in Article 6 1.1,   |
| <b>Transferring Shares</b>      | has the meaning given in Article 6 1.1,   |
| <b>Transferring Shareholder</b> | has the meaning given in Article 6 1.1,   |
| <b>Unacceptable Purchaser</b>   | means a person or corporate body (i) who is involved in the production, distribution or sale of arms, illegal drugs, tobacco products, alcoholic drinks and/or pornography or (ii) whose activities pose or could pose a threat to national security. |

- 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, 14 and 24 of the Model Articles shall not apply to the Company
- 2. Quorum for general meetings**
- The quorum for a general meeting shall be at least 2 Shareholders holding a majority of the A Ordinary Shares
- 3. Directors' conflicts of interest**
- If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director shall be counted as participating in the decision-making process for quorum or voting purposes, provided that he has declared the nature and extent of such interest as required by the Companies Act

#### 4. 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

#### 5. Directors' authority to allot

5.1 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 amount of £100

5.2 The authority contained in Article 5.1 shall expire on the day five years after the date of the adoption of these Articles

#### 6. Pre-emption rights of shareholders on transfers of shares

6.1 A Ordinary Shareholders shall not transfer any A Ordinary Shares, except in the circumstances set out in Articles 6.1.1 to 6.1.9 and, for the avoidance of doubt and without prejudice to the generality of Article 26 of the Model Articles, the Board may refuse to register the transfer of any A Ordinary Share, if it has not been transferred in accordance with Articles 6.1.1 to 6.1.9

6.1.1 Any A Ordinary 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 A Ordinary Shareholders, by giving irrevocable written notice to the Company (a **"Transfer Notice"**)

6.1.2 The Transfer Notice shall specify

6.1.2.1 the number of Transferring Shares the Transferring Shareholder wishes to transfer, and

6.1.2.2 the price (in cash) and any other consideration, at which the Transferring Shareholder wishes to transfer the Transferring Shares (which shall be the price offered to the Transferring Shareholder by a bona fide third party for the Transferring Shares, or in the absence of such an offer, the price calculated pursuant to Articles 6.1.7 and 6.1.8, in which case the Transfer Notice shall not specify a price) (the **"Price"**)

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

6.1.4. Each A Ordinary Shareholder who wishes to purchase the shares offered to him in accordance with Article 6.1.3 above, (a **"Purchasing Shareholder"**) may within the First Offer Period, serve notice (the **"Purchase Notice"**) on the Board specifying how many Transferring Shares he wishes to purchase

6.1.5 If following the expiry of the First Offer Period there remain Transferring Shares not accepted by A Ordinary Shareholders, the Board shall reoffer the unaccepted Transferring Shares to the Purchasing Shareholders within a further 10 Business Days, in the appropriate proportions until such time as the Transferring Shares are exhausted or no further

acceptances are forthcoming from Purchasing Shareholders and the Board shall conduct such process as it sees fit

- 6 1 6 Any Transferring Shares not accepted pursuant to Articles 6 1 4 and 6 1 5 may be transferred by the Transferring Shareholder to any person, provided the transfer is at the Price and takes place within 60 Business Days of the end of the First Offer Period
- 6 1 7. If there is no bona fide third party offer for any of the Transferring Shares, the Price shall be such price per Transferring Share as may be determined by the accountants for the time being of the Company as the fair value thereof. The Board shall instruct such accountants to specify such fair value as soon as practicable upon receipt of the Transfer Notice not having the Price specified therein and such accountants shall, acting as experts and not arbitrators, calculate the fair value on such bases as they consider most applicable, but without discount for minority or uplift for majority shareholdings and their costs and expenses shall be borne equally by the Company and the Transferring Shareholder
- 6 1 8 In determining the fair value of the Transferring Shares, the accountants will rely on the following assumptions: the sale is between a willing seller and a willing buyer of the Transferring Shares, the Company is carrying on its business as a going concern and shall continue to do so, the Transferring Shares are sold free of all restrictions, liens, charges and other encumbrances and the sale is taking place on the date the accountants were instructed to calculate the fair value
- 6 1 9 Following completion of the procedure in respect of the Transferring Shares set out in Articles 6 1 1 to 6 1 8, the Transferring Shareholder shall sell the Transferring Shares as required and shall execute and deliver to the Board stock transfer forms relating to the Transferring Shares as required by the Board against receipt of the Price which the Board may receive from and transfer on behalf of purchasers.
- 6 2 The provisions of Article 6 1 above shall not apply with regard to B Investment Shares. Subject to the provisions of Article 10, any B Investment Shareholder shall be entitled to transfer or transmit B Investment Shares to such persons and at such prices as they see fit, provided that such transfer or transmission is in respect of the B Investment Shareholder's entire holding of B Investment Shares to a single transferee or transmittee (except with the prior sanction of a resolution of the Board)
- 7. **Tag along rights on a change of control**
- 7 1 The provisions of Articles 7 2 to 7.6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any Shares ("**Proposed Transfer**") which would, if carried out, result in any person ("**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company
- 7 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**")
- 7 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



- 7 3 1 the identity of the Buyer,
- 7 3 2 the purchase price and other terms and conditions of payment,
- 7 3 3 the Sale Date, and
- 7 3 4 the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**")
- 7 4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 7 2 and 7 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
- 7 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
- 7 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 7
- 8. **Drag along Option**
- 8 1 If the Shareholders holding 50 per cent or more in nominal value of the A Ordinary Shares 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 (free from all liens, charges and encumbrances and together with all rights attaching to them and with full title guarantee) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article ("**Drag Along Option**")
- 8 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:
  - 8 2 1 that the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to this Article 8,
  - 8 2 2. the person to whom the Called Shares are to be transferred,
  - 8 2 3 the amount (if any) and form of consideration for which the Called Shares are to be transferred (determined in accordance with Articles 8 3 to 8 5) which shall, for each Called Share, be an amount equal in value to the total consideration per Share offered by the Proposed Buyer for the Sellers' Shares, and
  - 8 2 4 the proposed place, date and time of the transfer
- 8 3. For the avoidance of doubt, "**total consideration**" for the purposes of Article 8 2 3 shall be construed as meaning the value or worth of the total consideration regardless of the form of the total consideration and shall include any offer to subscribe for or acquire any share, debt instrument or other security in the capital of any Proposed Buyer made to a shareholder

- 8 4 The amount of consideration (if any) to be paid by the Proposed Buyer for the Called Shares (as determined in accordance with Article 8 3) shall be paid in cash or in such other form of non-cash consideration with an equivalent cash value as shall be elected by the Proposed Buyer provided that the form of any non-cash consideration and the proportion of cash and/or any non-cash consideration to be paid for the Called Shares shall be the same for each Called Shareholder,
- 8 5 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.
- 8 6 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 8.
- 8 7 Completion of the sale of the Called Shares shall take place on such date as the Proposed Buyer may specify pursuant to Article 8.2 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.
- 8 8 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 8 2 3.
- 8 9 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 8.
- 9. Pre-emption rights in respect of new issues of Shares**
- 9 1 The statutory pre-emption rights contained in sections 561 and 562 of the Companies Act shall not apply to an issue of equity securities (as defined in section 560(1) of the Companies Act) made by the Board. The pre-emption rights set out in this Article 9 shall apply to the issue of new A Ordinary Shares, but shall for the avoidance of doubt not apply to the issue of new B Investment Shares.
- 9 2 **Pre-emption rights** If the Board wish to issue any new A Ordinary Share(s) ("**New Share(s)**") after the date of adoption of these Articles they must first offer the New Shares to the existing A Ordinary Shareholders in accordance with this Article 9 ("**New Share Offer**"). However, the New Share Offer shall not be made to any Shareholder who has served, or is deemed to have served, a Transfer Notice which is then in its First Offer Period or within 60 days of the end of the First Offer Period.
- 9 3 **Terms of the New Share Offer** The New Shares must be offered to the existing A Ordinary Shareholders in proportion (as nearly as possible) to the numbers of A Ordinary Shares already held by them, avoiding any fractional entitlements. The New Share Offer must be at the same price and on the same terms for each A

Ordinary Shareholder An A Ordinary Shareholder may accept all or part of his proportionate entitlement by written notice to the Board

- 9 4 **Notice of the New Share Offer** The New Share Offer must be made to each A Ordinary Shareholder by the Board by written notice specifying the price per Share, the number of Shares offered and the proportionate entitlement of the relevant A Ordinary Shareholder. The notice must also set a period of 10 Business Days within which the New Share Offer must be accepted ("**Acceptance Period**")
- 9 5 **Issue of the shares** After the end of the Acceptance Period the Board shall promptly issue the Shares to those A Ordinary Shareholders who have accepted them, subject to payment of the relevant price
- 9 6 **Shares not taken up** Any Shares not accepted by the existing A Ordinary Shareholders pursuant to the New Share Offer, or not capable of being so offered except by way of fractions, may be issued to any person at the discretion of the Board. This may include an existing A Ordinary Shareholder who has expressed an intention in writing to the Board to subscribe for more Shares than his proportionate entitlement. However, such Shares shall not be issued to any person on terms more favourable than the terms on which they were offered to the existing A Ordinary Shareholders in accordance with Article 9 3
- 9 7 **New subscription and conversion rights are also covered by this Article** A reference to the issue of Shares in the above provisions of this Article 9 includes the granting by the Company of a right to subscribe for, or convert any securities into, Shares in the and this Article 9 shall apply to the granting of such rights. However, such a reference does not include the subsequent issue of any Shares pursuant to such a right
- 9 8. **Rights of holders of existing subscription and conversion rights** If under the terms of any right to subscribe for, or convert securities into, Company, a person is entitled to receive any New Share Offer made pursuant to this Article 9 as if that person had exercised his right in full prior to the making of the New Share Offer then the New Share Offer shall be extended to that person accordingly. This will only apply to a right which was granted lawfully and not made in contravention of any agreement binding on the Company
- 9 9 **Share Options:** The provisions of this clause 9 shall not apply to the issues or transfers of New Shares to employees or consultants, or to a trust on behalf of or for the benefit of employees or consultants, of the Company selected and approved by the Board, provided that
- 9 9 1 the number of shares issued shall be those reasonably appropriate for the purposes of employee incentivisation and shall be limited to no more than 1,500,000 shares, and
- 9 9 2 the shares shall not be issued at a lower purchase price than the price at which existing A Ordinary Shareholders' subscribed for shares on or about the date of adoption of these Articles

**10. Restrictions on disposing of Shares or interests in them**

**10 1 Obligation to transfer whole legal and beneficial interest** An obligation to transfer any Share pursuant to any provision of these Articles is an obligation to transfer the whole of the legal and beneficial title to such Share free from all charges, liens and encumbrances and other third party rights and together with all rights, title and interest in such Share in existence at the date of transfer and which may arise afterwards. A Shareholder must not do anything which would be inconsistent with or which would prevent the Shareholder from complying with this obligation.

**10 2 Entitlement of the Board to refuse to register transfers** The Board may refuse to register the transfer of any Share

10 2 1 in accordance with the discretions vested in them pursuant to Article 26 of the Model Articles,

10 2 2 to a person who is, or whom the Board reasonably believes to be, under 18 years of age or who does not have, or whom the Board reasonably believes does not have, the legal capacity freely to dispose of any Share without restriction or court approval,

10 2 3 if they have reasonable grounds for believing that such Share will or may be transferred to or become beneficially owned by a person, or an associate of a person, carrying on business in competition with any business at the relevant time being carried on by a member of the Group,

10 2 4 if the transferor fails to comply with any information request under Article 10 3 in connection with the transfer,

10 2 5 if the transferee is an Unacceptable Purchaser,

and any right to transfer a share under these Articles shall be subject to this Article 10 2

**10 3 Information** For the purpose of ensuring compliance with any provision of these Articles in connection with a transfer or proposed transfer of a Share or an interest in a share, the Board may from time to time require any Shareholder to provide to the Company with such information and evidence as the Board may reasonably determine in its absolute discretion regarding any matter which they may deem relevant for such purposes.

**11. Rights attaching to Shares**

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

**11 2** The B Investment Shares shall have no voting rights attached to them, and holders of B investment Shares shall not have the right to receive notices of any general meetings, or the right to attend at such general meetings.

**11 3.** 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 11 3 shall be held by the Company as dedicated retained

dividends on trust for such holder of Shares and shall be payable to such persons either upon the winding up of the Company or when the cumulative value of such withheld dividends exceeds £50

**12. Purchase of Own Shares**

12 1 Subject to the Companies Act but without prejudice to any other provision of these Articles, save for as per Article 12 2 below, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of

12 1 1 £15,000, and

12 1 2 the value of 5% of the Company's share capital

12 2 The provisions of Article 6 1 shall not apply to this Article 12

**13. Electronic Communication**

13 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)

13 2 For the purposes of Article 13 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 13.2

13.3 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

13 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

13 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

13 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

**14. Board Representation**

- 14 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
- 14 2 Any Director appointed to the Board in accordance with Article 14 1 above shall immediately resign as a Director should his appointing Qualifying Shareholder, cease to be a Qualifying Shareholder
- 14 3 Any Shareholder holding 50 per cent or more of the in nominal value of the A Ordinary Shares in issue for the time being shall be entitled to appoint an additional 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
- 14 4 Any Director appointed to the Board in accordance with Article 14 3 above shall immediately resign as a Director should his appointing Shareholder cease to hold 50 per cent or more of the nominal value of the A Ordinary Shares in issue for the time
- 14 5 Any Director appointed under Article 14 1 or 14 3 shall automatically cease to be a Director if he is disqualified from acting as a Director of the Company by law or by any regulatory authority regulating the Company or he ceases to be a director pursuant to article 18 of the Model Articles as applied by the Company, but this shall be without prejudice to the right of the Shareholder to appoint a replacement in accordance with this Article 14

**15. Board meetings**

- 15 1. Board meetings shall be held no less often than quarterly and at least 4 Board meetings will be held pro rata in each calendar year.
- 15 2. Except in the case of an emergency and unless otherwise agreed by all the Directors of the Company, the Board shall give no less than 7 days' (14 days' in the case of a meeting requested by a director which is not a scheduled meeting) prior written notice of meetings of the Board accompanied by a written agenda specifying the business to be conducted at the meeting and that no business other than that properly described on the agenda shall be conducted at the meeting
- 15 3 The following matters shall only be effected with the majority vote of the Directors in a Board meeting of the Company or the prior written approval by all of the Directors of the Company
  - 15 3 1 the establishment and any change to the powers, composition or voting of committees of the Board,
  - 15 3 2 the granting of any rights (by licence or otherwise) in or over any intellectual property owned, licensed to or by, or used by the Company,
  - 15 3 3 the adoption or amendment of its annual business plan, or the entering into of any contract or commitment not provided for in the business plan under which it may incur costs in excess of £10,000, or which may not be fulfilled or completed within the period of one calendar year,
  - 15 3 4 the variation of the terms of employment of the company secretary or any

- senior employee (meaning an employee whose total remuneration including commission and pension benefits may exceed £60,000 per annum),
- 15 3 5 the establishment or amendment of any pension scheme or the granting of any pension rights to any director, officer, employee, former director, officer or employee, or any member of any such person's family,
- 15 3 6 the factoring or assignment of any of the book debts of the Company,
- 15 3 7 the incurring of any expenditure or liability of a capital nature (except in respect of office machinery and equipment reasonably required in the ordinary course of business) of a sum equal to more than 10 per cent of the aggregate net asset value of the Company and, if it has any subsidiaries, its subsidiaries as shown in its or their accounting records as at the date of such expenditure,
- 15 3 8 the employment of any senior employee (meaning an employee whose total remuneration including commission and pension benefits may exceed £60,000 per annum) or dismiss any senior employee (save in circumstances where it is entitled summarily to dismiss that senior employee),
- 15 3 9 the increase of the remuneration or benefits provided to any Shareholder or any associate of a Shareholder in his capacity as a director or employee of or consultant to any company in the Group or the award of any discretionary bonus or commission payment to any Shareholder or any associate of a Shareholder or the entering into or variation of any contract or arrangement in which any Shareholder or any associate of a Shareholder has an interest,
- 15 3 10 the instituting, settling or compromise of any legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the Company or the submission to arbitration or alternative dispute resolution of any dispute involving the Company,
- 15 3.11 the change of its bankers or alteration in any mandate given to the Company's bankers relating to any matter concerning the operation of the Company's bank accounts other than by the substitution of any person nominated as a signatory by the party entitled to make such nomination;
- 15 3.12 the change of its registered office, accountants, auditors or accounting reference date,
- 15 3.13 any material change in the accounting policies and principles adopted by the Company in the preparation of its audited accounts except as may be required to ensure compliance with relevant accounting standards under the Companies Act 2006 or any other generally accepted accounting principles in the United Kingdom,
- 15 3 14 the acquisition or disposal of any freehold or leasehold property or the entering into of any agreement so to do, or the variation of the terms of any lease or licence (or agree any sub-lease or licence to a third party) relating to any site which it occupies or from which it operates, or
- 15 3 15 the engagement of a financial advisor for the sale of the Company or for the application for listing or trading of any shares or debt securities on any stock exchange or market

**16. Reserved Matters**

- 16 1 The Company shall not, without the prior written consent of A Ordinary Shareholders holding not less than 75 per cent in nominal value of the issued A Ordinary Shares of the Company for the time being
- 16 1 1 change the nature or scope of its business as carried on from time to time or discontinue such business or commence any new business not being ancillary or incidental to such business,
  - 16 1 2 issue any option over its unissued shares (other than management share options up to 10 per cent in nominal value of the equity of the Company in issue for the time being) or issue any securities convertible into shares,
  - 16 1 3 pass any special resolution to alter any of the provisions of its memorandum or articles of association or adopt new articles of association;
  - 16 1 4 apply for the listing or trading of any shares or debt securities on any stock exchange or market,
  - 16 1 5 pay or make any distribution of its assets or lend any money or grant any credit to any person (except for dividends properly recommended by the Board and declared by the Shareholders, loans to another company in the Group, reasonable loans to its employees or credit granted to its customers in the ordinary course of business),
  - 16 1 6 establish a subsidiary of the Company,
  - 16 1 7 expand or develop its business otherwise than through itself or any wholly-owned subsidiary,
  - 16 1 8 acquire or make any investment in another company or business (other than a wholly-owned subsidiary already owned),
  - 16 1 9 dispose of or issue (otherwise than to the Company or any of its wholly-owned subsidiaries) any issued or unissued share capital of any of the Company's subsidiaries,
  - 16 1 10 create any mortgage, charge or other encumbrance over any of its assets (other than in the ordinary course of business),
  - 16 1 11. dispose or permit the disposal (otherwise than to the Company or a wholly-owned subsidiary of the Company) of the whole or any part of the undertaking or assets of the Company or any of its subsidiaries where such disposal individually, or collectively with any other such disposal made within any consecutive period of 12 months, has an aggregate book value taken as at the date of such disposal, or the date of each such disposal, of a sum equal to more than 10 per cent of the aggregate net asset value of the Company and, if it has any subsidiaries, its subsidiaries as shown in its or their accounting records as at the date of such disposal or, if more than one such disposal has occurred, the date of the last to be made of such disposals,
  - 16 1 12 repay any loan owing to a Shareholder or any associate of a Shareholder,
  - 16 1 13 enter into or vary any contract or arrangement otherwise than on wholly arm's length terms,
  - 16 1 14 enter into any long term or onerous contract outside the ordinary course of business or, which if within the ordinary course of business, might reasonably be regarded as exceptional,



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- 16 1.15 make any gift or donation over £1,000,
  - 16 1.16 pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent), or
  - 16 1 17 permit any of its subsidiaries to do any of the things mentioned above in this clause 16 as though they, instead of the Company, were referred to

**Appendix 1**

**MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY  
SHARES**

**INDEX TO THE ARTICLES**

**PART 1**

**INTERPRETATION AND LIMITATION OF LIABILITY**

- 1 Defined terms
- 2 Liability of members

**PART 2**

**DIRECTORS**

**DIRECTORS' POWERS AND RESPONSIBILITIES**

- 3 Directors' general authority
- 4 Shareholders' reserve power
- 5 Directors may delegate
- 6 Committees

**DECISION-MAKING BY DIRECTORS**

- 7 Directors to take decisions collectively
- 8 Unanimous decisions
- 9 Calling a directors' meeting
- 10 Participation in directors' meetings
- 11 Quorum for directors' meetings
- 12 Chairing of directors' meetings
- 13 Casting vote
- 14 Conflicts of interest
- 15 Records of decisions to be kept
- 16. Directors' discretion to make further rules

**APPOINTMENT OF DIRECTORS**

- 17 Methods of appointing directors
- 18. Termination of director's appointment
- 19 Directors' remuneration
- 20. Directors' expenses

**PART 3**

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## **SHARES AND DISTRIBUTIONS**

### **SHARES**

- 21 All shares to be fully paid up
- 22 Powers to issue different classes of share
- 23 Company not bound by less than absolute interests
- 24 Share certificates
- 25 Replacement share certificates
- 26 Share transfers
- 27 Transmission of shares
- 28 Exercise of transmitters' rights
- 29. Transmitters bound by prior notices

### **DIVIDENDS AND OTHER DISTRIBUTIONS**

- 30 Procedure for declaring dividends
- 31 Payment of dividends and other distributions
- 32. No interest on distributions
- 33. Unclaimed distributions
- 34. Non-cash distributions
- 35 Waiver of distributions

### **CAPITALISATION OF PROFITS**

- 36 Authority to capitalise and appropriation of capitalised sums

## **PART 4**

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

#### **ORGANISATION OF GENERAL MEETINGS**

- 37 Attendance and speaking at general meetings
- 38 Quorum for general meetings
- 39 Chairing general meetings
- 40 Attendance and speaking by directors and non-shareholders
- 41 Adjournment

#### **VOTING AT GENERAL MEETINGS**

- 42. Voting general
- 43. Errors and disputes
- 44. Poll votes

- 45 Content of proxy notices
- 46 Delivery of proxy notices
- 47 Amendments to resolutions

## PART 5

### ADMINISTRATIVE ARRANGEMENTS

- 48 Means of communication to be used
- 49 Company seals
- 50 No right to inspect accounts and other records
- 51 Provision for employees on cessation of business

### DIRECTORS' INDEMNITY AND INSURANCE

- 52 Indemnity
- 53 Insurance

## 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) 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

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