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COMPANIES HOUSE

PRIVATE COMPANY LIMITED BY SHARES

Written Resolutions

of

Honcho Markets Ld (the "Company")

Company No. 09190148

Passed on 13 February 2018.

The following resolutions were duly passed as ordinary and special resolutions on 13 February 2018 by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006.

SPECIAL RESOLUTION

1. Waiver of Pre-emption Rights

That the pre-emption rights of shareholders in respect of transfers of existing shares and which are contained in the Company's articles of association do not apply to the transfer of 741 shares by Stephen Purvis to Mohammed Hossain Rezaei MBE and the transfer of 1482 shares by Stephen Purvis to Andy Scaife.

SPECIAL RESOLUTION

2. Adoption of Articles of Association

That the Company adopt new articles of association as are attached to this resolution ("**New Articles**") 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

3. Subdivision

That each Ordinary Share of £0.001 each in the issued share capital of the Company be subdivided into 10 Ordinary Shares of £0.0001 each in the capital of the Company, with the rights and restrictions set out in the New Articles.

ORDINARY RESOLUTION

4. Authority to Allot

That, in accordance with section 551 of the CA 2006, the Directors be generally and unconditionally authorised to allot Ordinary Shares or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to:

1. an aggregate nominal amount of £140.2433 in connection with the investment round being conducted by the Company via the crowdfunding platform operated by Crowdcube Capital Limited, 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 paragraph 1 of this resolution has expired. This paragraph 1 of 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; and

2. an aggregate nominal amount of £66.006 in connection with the issue of EMI share options to members of the Company's management team and the exercise of such EMI share options, provided that this authority shall, unless renewed, varied or revoked by the Company, expire 5 years after the date of this resolution; and

3. an aggregate nominal amount of £3.919 in connection with share options which were granted by the Company on 17 October 2016 and the exercise of such share options, provided that this authority shall, unless renewed, varied or revoked by the Company, expire 5 years after the date of this resolution,

This authority revokes and replaces all unexercised authorities previously granted to the Directors.

SPECIAL RESOLUTION

5. Disapplication of Pre-Emption Rights

That, subject to the passing of resolution 4 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 purposes and the nominal amounts and time periods specified in resolution 4 (unless renewed, varied or revoked by the Company prior to or on that date), save that for the purposes of the authority granted by paragraph 1 of resolution 4,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.



Signed .....

Director

14/2/2018

THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

HONCHO MARKETS LTD (the "Company") (Company Number: 09190148)

(Adopted by special resolution passed on 13 February 2018)

1. Interpretation

1.1. In these Articles, unless the context otherwise requires:

Accepting Shareholder	has the meaning given in Article 9.5;
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;
AS Options	means the share options granted to Andy Scaife, a Shareholder, on 16 October 2016;
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 9.1;
Called Shares	has the meaning given in Article 10.2.1;
Called Shareholder	has the meaning given in Article 10.1;
Civil Partner	means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;
Companies Act	the Companies Act 2006;
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;
Convertible Securities	has the meaning given in Article 9.2.3;
Date of Adoption	means the date on which these Articles were adopted;

Directors	means the directors of the Company from time to time, and **Director** means any one of them;
Drag Along Notice	has the meaning given in Article 10.2;
Drag Along Option	has the meaning given in Article 10.1;
Drag Buyer	has the meaning given in Article 10.1;
Drag Completion Date	has the meaning given in Article 10.5;
Drag Consideration	has the meaning given in Article 10.3;
Drag Documents	has the meaning given in Article 10.5;
Employee	means an individual who is employed by or who provides consultancy services to, the Company;
Equity Securities	has the meaning given in sections 560(1) to (3) inclusive of the Companies Act;
the Existing Options	the share options granted to members of the Company's management team in respect of 660,060 Shares on or around the Date of Adoption;
Family Trust	means, in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder (**"Settlor"**) and/or the Settlor's Privileged Relations;
Finance Durham Fund	means Finance Durham LP, a limited partnership registered in England and Wales (registered number LP017970);
Financial Institution	means any financial investor authorised by or registered with the Financial Conduct Authority or the Prudential Regulation Authority (as the case may be);
Financial Year	an accounting reference period (as defined in section 391 of the Companies Act) of the Company;
Fund Manager	means a person whose principal business is to make, manage or advise upon investments in securities;
"HHH"	means Mohammed Hossain Rezaei MBE, a Shareholder;
Investor Director	any Director appointed by the Finance Durham Fund pursuant to Article 13.3;
Institutional Investor	means a fund, partnership, body corporate, trust, or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing;

Member of the same Group	means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;
Member of the same Fund Group	means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "Investment Fund") or is a nominee of that Investment Fund: (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund; (b) any Investment Fund managed or advised by that Fund Manager; (c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager; or (d) any trustee, nominee or custodian of such Investment Fund and vice versa;
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 and for ease of reference annexed as Appendix 1 to these Articles;
the NEAF Fund	means NEAF Limited Partnership, its sucessors in title, transferees and asignees;
New Investment Agreement	means the investment agreement between the Company and its existing Shareholders which was entered into on or around the Date of Adoption;
New Securities	means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 6.6);
New Shareholder	has the meaning given in Article 10.10;
Offer	has the meaning given in Article 9.2;
Offer Notice	has the meaning given in Article 9.3;
Offer Period	has the meaning given in Article 9.3;
Offer Shares	has the meaning given in Article 9.3.4;
Ordinary Shares	means all or any of the shares in the Company;
Original Shareholder	has the meaning given in Article 8.1;

Parent Undertaking, Subsidiary and Subsidiary Undertaking	have the respective meanings set out in sections 1159 and 1162 of the Companies Act;
Permitted Transferee	means: (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies; and (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Companies Act) means any Member of the same Group; (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group or any Financial Institution or Institutional Investor;
Price	has the meaning given in Article 7.1.2.2;
Privileged Relations	means in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);
Proposed Buyer	means a bona fide arm's length buyer;
Proposed Transfer	has the meaning given in Article 9.1;
Purchase Notice	has the meaning given in Article 7.1.4;
Purchasing Shareholder	has the meaning given in Article 7.1.4;
Qualifying Company	means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);
Qualifying Shareholder	means a Shareholder holding 25% or more of the issued Ordinary Shares for the time being;
Right to Invest Agreement	means the agreement between the Company and the Finance Durham Fund entered into on or around the Date of Adoption, providing *inter alia* for the Finance Durham Fund to participate in a further fund raising by the Company;
Sale Agreement	has the meaning given in Article 10.2.5;
Sale Date	has the meaning given in Article 9.3;
Sale Documents	has the meaning given in Article 9.6;

Sellers' Shares	has the meaning given in Article 10.1;
Selling Shareholder	has the meaning given in Article 10.1;
Shareholders	means all or any of those persons whose names are entered in the register of members of the Company, and **Shareholder** shall mean any one of them;
Shares	all or any Shares in the Company;
Share Option Plan	any share option scheme of the Company(and which does not relate to the Existing Options), the terms of which have been approved by the Board and by the holders of more than 50% of the Shares in issue from time to time;
Specified Price	has the meaning given in Article 9.2.3;
Subscribers	has the meaning given in Article 6.2
Subscription Period	has the meaning given in Article 6.2.1;
Transaction Expenses	any fees, costs and expenses, payable in respect of such Share sale pursuant to Article 10 as approved by the holders of a majority percentage of the Ordinary Shares in issue from time to time;
Transfer Notice	has the meaning given in Article 7.1.1;
Transfer Offer Period	has the meaning given in Article 7.1.3
Transferring Shares	has the meaning given in Article 7.1.1;
Transferring Shareholder	has the meaning given in Article 7.1.1;
Trust	A Family Trust or any other trust whereby legal title of Shares of the Ordinary Shareholder are held on trust by a third party Trustee subject to a declaration of trust including without limitation a nominee;
Trustees	means in relation to a Shareholder means the trustee or the trustees of a Trust.

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 or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy of the Model Articles is appended to 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 (in aggregate) more than 10% of the Shares.

3. Directors' conflicts of interest

3.1. 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 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.

3.2. In addition to the provisions of Article 3.1, subject to the provisions of the Companies Act and provided that he has declared to the Directors the nature and extent of his interest, where a Director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of carried interest, remuneration or incentive arrangements or the holdings of securities in):

3.2.1. a Shareholder that is an Investment Fund;

3.2.2. a Fund Manager which advises or manages a Shareholder that is an Investment Fund;

3.2.3. any of the funds advised or managed by a Fund Manager who advises or manages a Shareholder who is an Investment Fund from time to time; or

3.2.4. another body corporate or firm in which a Fund Manager who advises or manages any Shareholder that is an Investment Fund or any fund advised or managed by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies.

3.3. Notwithstanding any other provision of these Articles, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Companies Act, that he shall be restricted from voting or counting in the quorum of any meeting of, or of any committee of the Directors or that he shall be required to disclose to the Company any confidential information of a third party to whom he owes an obligation of confidence.

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 value of £0.0001.

5.2. The authority contained in Article 5.1 shall expire on the day five years after the Date of Adoption.

6. Further issues of Shares: pre-emption rights

6.1. Sections 561(1) and 562(1) to (5) (inclusive) of the Companies Act do not apply to an allotment of Equity Securities made by the Company.

6.2. Unless otherwise agreed by special resolution, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the Shareholders (the "**Subscribers**") on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those - Shareholders (as nearly as may be without involving fractions). The offer:

6.2.1. shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the "**Subscription Period**") and give details of the number and subscription price of the New Securities; and

6.2.2. may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.

6.3. If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the total number of New Securities that the Company had proposed to allot, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).

6.4. If, at the end of the Subscription Period, the number of New Securities applied for is less than the total number of New Securities that the Company has proposed to allot, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person

as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.

6.5. Subject to the requirements of Articles 6.2 to 6.4 (inclusive) and to the provisions of section 551 of the Companies Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

6.6. The provisions of Articles 6.2 to 6.5 (inclusive) shall not apply to:

6.6.1. the grant of any options to subscribe for Shares under a Share Option Plan and the issue of Shares on the exercise of any such options;

6.6.2. the issue of Shares on the exercise of the Existing Options or on the exercise of the AS Options;

6.6.3. further Issues of Shares where each Shareholder is notified by the Board in advance and is entitled to participate via Investing through the Crowdcube Ltd website; or

6.6.4. any issue of Shares pursuant to the Right to Invest Agreement or pursuant to the New Investment Agreement.

6.7. No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.

6.8. Any New Securities offered under this Article 13 to a Shareholder that is an Investment Fund may be accepted in full or part only by a Member of the same Fund Group as that Investment Fund in accordance with the terms of this Article 6.

7. Transfer of Shares: pre-emption rights

7.1. Subject to Articles 8, 9 and 10, the Shareholders shall not transfer any Shares, except in the circumstances set out in Articles 7.1.1 to 7.1.8 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 Share, if it has not been transferred in accordance with Articles 7.1.1 to 7.1.8.

7.1.1. Any Shareholder who wishes to transfer any 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"**).

7.1.2. The Transfer Notice shall specify:

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

7.1.2.2. 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 7.1.6 and 7.1.7, in which case the Transfer Notice shall not specify a price) (the **"Price"**).

7.1.3. 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 5 Business Days of the offer by the Board (the **"Transfer Offer Period"**), whether they are willing to purchase at the Price, such number of Transferring Shares as corresponds to the proportion of other Shares held by them respectively.

7.1.4. Each Shareholder who wishes to purchase the shares offered to him in accordance with Article 7.1.3 above (a **"Purchasing Shareholder"**) may within the Transfer Offer Period, serve notice (the **"Purchase Notice"**) on the Board specifying how many Transferring Shares he wishes to purchase.

7.1.5. Any Transferring Shares not accepted pursuant to Articles 7.1.4 may be transferred by the Transferring Shareholder to any person, provided the transfer is at the Price and takes place within 90 Business Days of the end of the Transfer Offer Period.

7.1.6. 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.

7.1.7. 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 (including restrictions on transfers), liens, charges and other encumbrances, the sale is taking place on the date the accountants were instructed to calculate the fair value and valuing the Transferring Shares as a rateable proportion of the entire issued share capital of the Company applying no discount or premium to any Transferring Shares by virtue of the fact that they represent a minority or majority shareholding.

7.1.8. Following completion of the procedure in respect of the Transferring Shares set out in Articles 7.1.1 to 7.1.7, 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 the purchasers.

7.2. Any Transferring Shares offered under this Article 7 to a Shareholder that is an Investment Fund may be accepted in full or part only by a Member of the same Fund Group as that Investment Fund in accordance with the terms of this Article 7.

8. Permitted Transfers

8.1. A Shareholder (who is not a Permitted Transferee) (the **"Original Shareholder"**) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.

8.2. Shares previously transferred as permitted by Article 8.1 may be transferred by the

transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

8.3. Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.

8.4. If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

8.5. If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

8.6. Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

8.7. No transfer of Shares may be made to Trustees unless the Board is satisfied:

8.7.1. with the terms of the trust instrument and in particular with the powers of the trustees;

8.7.2. with the identity of the proposed trustees;

8.7.3. the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

8.7.4. that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

8.8. If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.

8.9. If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:

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

them; or

8.9.2. give a Transfer Notice to the Company in accordance with Article 7.1.1,

failing which he shall be deemed to have given a Transfer Notice.

8.10. On the death (subject to Article 8.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

9. Tag along rights on a change of control

9.1. The provisions of Articles 9.2 to 9.6 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.

9.2. Before making a Proposed Transfer, each Shareholder proposing to transfer Shares shall procure that the Buyer makes an offer (**"Offer"**) to:

9.2.1. the other Shareholders to purchase all of the Shares held by them;

9.2.2. the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer; and

9.2.3. the holders of any securities of the Company that are convertible into Shares (**"Convertible Securities"**), to purchase any Shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer,

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"**).

9.3. 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:

9.3.1. the identity of the Buyer;

9.3.2. the amount, form and timing of consideration payable and any other terms and conditions applicable;

9.3.3. the Sale Date; and

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

9.4. If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 9.2 and 9.3, 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.

9.5. 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.

9.6. If any Accepting Shareholder does not, at the time appointed for completion of the Proposed Transfer, deliver a duly executed stock transfer form, sale agreement or other documents required to be entered into to effect the acquisition of the Offer Shares by the Buyer ("**Sale Documents**"), the Company and each Director shall be constituted the agent of such defaulting Accepting Shareholder to take such actions and enter into any Sale Documents required to effect the transfer of such Accepting Shareholder's Shares pursuant to this Article 9 and the Directors shall, if requested by the Buyer, authorise any Director to transfer the defaulting Accepting Shareholder's Shares on the defaulting Accepting Shareholder's behalf against receipt by the Company (on trust for such Accepting Shareholder) of the consideration due in respect of 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 9.

10. Drag Along Option

10.1. If the holders of a majority percentage of the Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer (whether through a single transaction or a series of related transactions) all their interest in Shares (the "**Sellers' Shares**") to a Proposed Buyer, the Selling Shareholders shall have the option (the "**Drag Along Option**") to compel each other holder of Shares (each a "**Called Shareholder**" and together the "**Called Shareholders**") to sell and transfer their legal and beneficial title to all of their Shares free from all liens, charges and encumbrances and together with all rights attaching to them to the Proposed Buyer or as the Proposed Buyer shall direct (the "**Drag Buyer**") in accordance with the provisions of this Article.

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

10.2.1. that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article 10;

10.2.2. the person to whom they are to be transferred;

10.2.3. the amount and form of consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);

10.2.4. the proposed date of the transfer, and

10.2.5. the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "**Sale Agreement**"),

(and, in the case of paragraphs 10.2.2 to 10.2.4 above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Buyer within 30 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

10.3. The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be equal to the price per Share payable to the Selling Shareholders in respect of their Shares less the Called Shareholder's proportion of any Transaction Expenses which shall be borne pro rata to the consideration due to the Shareholders in respect of their Shares (the "**Drag Consideration**").

10.4. In respect of a transaction that is the subject of a Drag Along Notice and with respect to any Drag Document, a Called Shareholder shall be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due.

10.5. Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified either in the Drag Along Notice or in any subsequent written notice from the Company to the Called Shareholders) (the "**Drag Completion Date**"), each Called Shareholder shall deliver:

10.5.1. duly executed stock transfer form(s) for its Shares in favour of the Drag Buyer;

10.5.2. the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and

10.5.3. a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

(together the "**Drag Documents**").

10.6. On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Buyer, the Drag Consideration that is due to the extent that the Drag Buyer has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Buyer. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.

10.7. To the extent that the Drag Buyer has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares. The Selling Shareholders shall be entitled to serve further Drag Along Notices and the provisions of this Article 10 will continue to apply.

10.8. If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent and duly appointed attorney of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 10 and the Directors shall, if requested by the Drag Buyer, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Buyer to the extent the Drag Buyer has, by the Drag Completion Date, paid the Drag Consideration due to the

Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.

10.9. Any transfer of Shares to a Drag Buyer pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 7.

10.10. On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **"New Shareholder"**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Drag Buyer and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

11. Rights attaching to Shares

11.1. Save as resolved by the Board, no declared 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 £10.

11.2. All the dividends declared but not paid to a Shareholder pursuant to Article 11.1 as a result of the cumulative value not exceeding £10 (**"Withheld Dividends"**) shall be held by the Company as dedicated retained dividends on trust for those holders of Shares so entitled to the Withheld Dividends. Withheld Dividends shall be payable to the holders of Shares so entitled on the earlier of a transfer of the Shares to which the Withheld Dividends relate, a winding up of the Company or the cumulative value of such Withheld Dividends exceeding £10.

11.3. Further to Article 11.2 the Company shall notify each Shareholder whose accumulated entitlement to Withheld Dividends is less than £10 with a running total of their accumulated dividends on request by each holder of Shares so entitled to Withheld Dividends and each time a dividend is declared.

12. Electronic communication

12.1. 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).

12.2. For the purposes of Article 12.1 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 12.2.

12.3. 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.

12.4. 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.

12.5. 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.

12.6. 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.

12.7. A Shareholder that is an Investment Fund shall be entitled by notice in writing to the Company at any time to revoke any deemed consent to the acceptance of notices or communications from the Company in electronic form pursuant to Article 12.6.

13. Board representation

13.1. 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.

13.2. Any Director appointed to the Board in accordance with Article 13.1 above shall immediately resign as a Director should his appointing Qualifying Shareholder cease to be a Qualifying Shareholder.

13.3. The Finance Durham Fund shall be entitled, in addition to the powers of appointment under Article 17(1) of the Model Articles, to nominate one person to act as an Investor Director by notice in writing addressed to the Company from time to time and the other Shareholders shall not vote their Shares to remove the Investor Director from office. The Finance Durham Fund shall be entitled to remove the Investor Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place.

13.4. An appointment under Article 13.3 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the Directors.

13.5. The Finance Durham Fund shall be entitled to appoint one person to act as an observer to the Board, to the board of directors of any Subsidiary Undertaking and any committee of the Board or board of directors of a Subsidiary Undertaking established from time to time. The observer shall be entitled to attend and speak at

all such meetings and receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at such board meeting.

13.6. The NEAF Fund shall be entitled to appoint one person to act as an observer to the Board, to the board of directors of any Subsidiary Undertaking and any committee of the Board or board of directors of a Subsidiary Undertaking established from time to time. The observer shall be entitled to attend and speak at all such meetings and receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at such board meeting.

13.7. HHH shall be entitled, in addition to the powers of appointment under Article 17(1) of the Model Articles, to himself act as a Director by notice in writing addressed to the Company from time to time and the other Shareholders shall not vote their Shares to remove HHH from office. HHH shall be entitled to remove himself as a Director so appointed at any time by notice in writing to the Company served at its registered office.

13.8. An appointment under Article 13.7 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the Directors.

14. Share certificates

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

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

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

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

Appendix 1

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 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

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

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