

Company number 09339931

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

ORBITSOUND LIMITED

Circulation date. 13 OCTOBER 2016

In accordance with the provisions of Chapter 2 of Part 13 Companies Act 2006, the following resolutions are proposed as ordinary or special resolutions of the Company (as indicated)

SPECIAL RESOLUTION

- 1 THAT the articles of association of the Company attached to this written resolution be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company including the relevant provisions of the company's memorandum of association which, by virtue of section 28 Companies Act 2006, are treated as provisions of the company's articles of association

ORDINARY RESOLUTION

- 2 THAT, in substitution for all existing and unexercised authorities and powers, the directors of the Company be generally and unconditionally authorised for the purpose of section 551 Companies Act 2006 (the Act) to exercise all or any of the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company (such shares and rights being together referred to in this resolution as **Relevant Securities**) up to an aggregate nominal value of £333,333.00 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company), provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire on the day before the fifth anniversary of the date on which this resolution is passed save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired

SPECIAL RESOLUTION

- 3 THAT, in substitution for all existing and unexercised authorities and powers, the directors of the Company be empowered pursuant to section 570 Companies Act 2006 (the Act) to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 2 as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall expire on the day before the fifth anniversary of the date of the passing of this resolution, save that the Company may, before the expiry of such period, 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 such offer or agreement as if the power conferred by this resolution had not expired

The person named below, being the sole person eligible to vote on the above resolutions on the circulation date, irrevocably agree to each of those resolutions

  
John Roden Plimmer

21084204 1

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COMPANIES HOUSE

WEDNESDAY



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19/10/2016

#285

Date 13 OCTOBER 2016

**NOTE**

- 1 If you agree with the resolutions, please sign and date this document and return it to the Company using one of the following methods
  - **By hand** delivering the signed copy to Ffion Brumwell-Hughes at Gateley Plc, Ship Canal House, 98 King Street, Manchester, M2 4WU
  - **Post** returning the signed copy by post to Ffion Brumwell-Hughes at Gateley Plc, Ship Canal House, 98 King Street, Manchester, M2 4WU
  - **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to [ffion.brumwell-hughes@gateleyplc.com](mailto:ffion.brumwell-hughes@gateleyplc.com) Please enter "Written resolution dated" in the e-mail subject box
- If you do not agree with the resolutions, 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 resolutions, you may not revoke your agreement
- 3 The resolutions set out above will lapse if the required majority of eligible members have not signified their agreement to them by the end of the period of 28 days beginning with the circulation date set out above. If you agree to the resolutions, please ensure that your agreement reaches us before that 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



# • Gateley Plc

DATED

13 OCTOBER

2016

WEDNESDAY

**ORBITSOUND LIMITED**  
(company number 09339931)

COMPANIES HOUSE

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## ARTICLES OF ASSOCIATION

adopted on 13 OCTOBER 2016

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Company number 09339931

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION OF**

**ORBITSOUND LIMITED**

(adopted by special resolution passed on 13 OCTOBER 2016)

**1 DEFINITIONS AND INTERPRETATION**

1 1 In these Articles the following definitions will apply

**Act**

the Companies Act 2006,

**Adoption Date**

the date of the adoption of these Articles by the Company,

**Auditors**

the auditors of the Company for the time being or if, in relation to any reference made to such auditors in accordance with these Articles, the auditors of the Company are unable or unwilling to act in connection with that reference, a chartered accountant nominated by, and engaged on terms approved by, the Directors in their absolute discretion and acting as agent for the Company and each relevant Member shall, in their absolute discretion, see fit,

**Bad Leaver**

a Member (not being John Plimmer (in respect of all of his Shares) or John Lee (in respect only of the Shares acquired by him on the Adoption Date but not otherwise)) who ceases to be an employee or director of, or a consultant to, the Company in the circumstances set out in article 5 1 1(i) as a result of

(a) the voluntary resignation of that Member (other than for a reason set out in the definition of Good Leaver), or

(b) any other circumstances in which he is not a Good Leaver,

**Business Day**

any day (other than a Saturday, Sunday or public holiday) during which banks in London are open for normal business,

**Change of Control**

the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, that Third Party Purchaser (together with any person connected with or acting in concert with that Third Party Purchaser) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company,

**Compulsory Transfer Notice**

has the meaning given in article 5 2,

**Compulsory Transfer Shares**

in relation to a Relevant Member, any Shares

(c) held by the Relevant Member at the time of the relevant Transfer Event,

- (d) acquired by the Relevant Member after the occurrence of the relevant Transfer Event pursuant to any share option agreement or any other scheme or arrangement entered into prior to the Transfer Event,

together with, in any case, any further Shares received by the Relevant Member at any time after the relevant Transfer Event which are derived from any such Shares, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise,

**Director**

a duly appointed director of the Company for the time being,

**Eligible Director**

a Director who would be entitled to vote on a matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter) and references to eligible directors in article 8 of the Model Articles shall be construed accordingly,

**Encumbrance**

any mortgage, charge (fixed or floating), pledge, lien, option, hypothecation, restriction, right to acquire, right of pre-emption or interest (legal or equitable) including any assignment by way of security, reservation of title, guarantee, trust, right of set off or other third party right or any other encumbrance or security interest having a similar effect howsoever arising,

**Fair Value**

the price which the Auditors state in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that

- (a) the fair value is the sum which a willing buyer would agree with a willing seller on an arm's length sale to be the purchase price for the Shares concerned on a sale of the entire share capital of the Company,
- (b) no account shall be taken of the size of the holding which the relevant Shares comprise or whether those Shares represent a majority or minority interest,
- (c) no account shall be taken of the fact that the transferability of the relevant Shares is restricted under these Articles,
- (d) if the Company is then carrying on business as a going concern, it will continue to do so, and
- (e) any difficulty in applying any of the bases set out above shall be resolved by the Auditors as they, in their absolute discretion, think fit,

**Good Leaver**

a Member (not being John Plimmer (in respect of all of his Shares) or John Lee (in respect only of the Shares acquired by him on the Adoption Date but not otherwise)) who ceases to be an employee or director of, or a consultant to, the Company in the circumstances set out in article 5 1 1(i) as a result of

- (a) the death of that Member,
- (b) disability or incapacity through ill health (other than where such ill health arises from the abuse of alcohol or drugs) where a Member Majority resolves that such ill health is preventing, or is likely to prevent, the Member from performing his normal duties,
- (c) the Member being made redundant by the Company,
- (d) the Member voluntarily choosing to retire from the Company with the consent of a Member Majority,

- (e) the termination of that Member's employment by the Company in circumstances that are determined by a decision of an Employment Tribunal or Court, which decision is final and no longer appealable, to be or amount to wrongful dismissal where the Member has commenced proceedings in respect of such claim within 3 months of the date of cessation of the Member's employment (determined in accordance with article 5 5),
- (f) the service contract of that Member being terminated by the Member in circumstances which amount to constructive dismissal or, in relation to a non-executive director or consultant only, the agreement pursuant to which that Member provides services to the Company being terminated by that Member in circumstances which amount to a repudiatory breach by that company,
- (g) that Member having been dismissed by the in circumstances which amount to unfair dismissal (other than on procedural grounds), or
- (h) any other reason which a Member Majority determine, in their absolute discretion within 20 Business Days of the Member ceasing to be employed or engaged by the Company, shall result in the Member being a Good Leaver for the purposes of these Articles,

**Group Company**

the Company, any holding company of the Company and any subsidiary of such holding company, in each case for the time being,

**Loan Note**

a loan note requiring redemption within 3 years of issue and in the meantime attracting interest at a rate equal to the National Westminster Bank Plc base rate from time to time,

**Member**

a registered holder of an issued Share from time to time, as recorded in the register of members of the Company,

**Members' Agreement**

the agreement dated on the Adoption Date and made between the Company and the Members on that date,

**Member Majority**

the holder(s) of more than 50% of the Ordinary Shares in issue from time to time,

**Model Articles**

the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date,

**Purchase Price**

the price paid by the Relevant Member for their Compulsory Transfer Shares,

**Relevant Member**

a Member in respect of whom the Directors have notified the Company that an event shall be treated as a Transfer Event in accordance with article 5 1,

**Relevant Security**

any Share, or any right to subscribe for or convert any securities into any Share,

**Safe Shares**

has the meaning given in article 4 1 2(a),

**Share**

an ordinary share of £1 00 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

**Third Party Purchaser**

any person who is not a party to the Members' Agreement for the time being or a person connected with such a party,

**Transfer Event**

each of the events set out in article 5 1, and

**Transfer Notice**

a notice in accordance with article 4 that a Member wishes to transfer his Shares

- 1 2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company
- 1 3 In these Articles a reference to
- 1 3 1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date,
- 1 3 2 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act),
- 1 3 3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists),
- 1 3 4 writing includes any mode of reproducing words in a legible and non-transitory form other than email and fax,
- 1 3 5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act, and
- 1 3 6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties
- 1 4 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles
- 1 5 Words importing the singular include the plural and vice versa and words importing a gender include every gender
- 1 6 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible
- 1 7 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 Corporation Tax Act 2010 (except that in construing section 1122 "control" has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act
- 1 8 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each Member

## 2 ISSUE OF SHARES

- 2 1 Subject to articles 2 2 to 2 7, or (subject as aforesaid) as authorised from time to time by ordinary resolution of the Members, the Directors shall not exercise any power to allot Relevant Securities
- 2 2 Subject to articles 2 3 to 2 7 the Directors are generally and unconditionally authorised for the purposes of section 551 of the Act and generally to exercise any power of the Company to allot Relevant Securities. The authority granted under this article 2 2 shall
- 2 2 1 be limited to a maximum amount in nominal value of £500,000,
- 2 2 2 only apply in so far as it is not renewed, waived or revoked by ordinary resolution of the Members, and
- 2 2 3 expire on the day immediately preceding the fifth anniversary of the Adoption Date, provided that the Directors may allot Relevant Securities after the expiry of such period in pursuance of an offer or agreement to do so made by the Company within such period
- 2 3 Unless otherwise determined by special resolution of the Company, any Relevant Securities which the Directors propose to allot, grant or otherwise dispose of shall, before they are so allotted, granted or otherwise disposed of, be offered to the Members. Such offer shall be made by means of a notice (a **Subscription Notice**) served by the Directors on all Members which shall
- 2 3 1 state the number and class of Relevant Securities offered,
- 2 3 2 state the subscription price per Relevant Security, which shall be determined by the Directors,
- 2 3 3 invite the relevant offerees to respond in writing to the Company stating the number of Relevant Securities for which they wish to subscribe, and
- 2 3 4 expire, and the offer made therein to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date specified in that notice, being not less than 10 nor more than 20 Business Days after the date of the Subscription Notice
- 2 4 After the expiry of the period referred to in the Subscription Notice or, if sooner, upon all Members having responded to the Subscription Notice (in either case, the **Subscription Allocation Date**), the Directors shall allocate the Relevant Securities in accordance with the applications received provided that
- 2 4 1 no Relevant Securities shall be allocated to any Member who, at the Subscription Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name (including, for the avoidance of doubt, a Compulsory Transfer Notice),
- 2 4 2 if there are applications for more than the number of Relevant Securities available, the Relevant Securities shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Relevant Securities than he applied for) to the number of Shares held by each of them respectively, and
- 2 4 3 the allocation of any fractional entitlements to Relevant Securities amongst the Members shall be dealt with by the Directors in such manner as they see fit
- 2 5 Within 5 Business Days of the Subscription Allocation Date the Directors shall give notice in writing (a **Subscription Allocation Notice**) to each Member to whom Relevant Securities have been allocated pursuant to article 2 4 (each a **Subscriber**). A Subscription Allocation Notice shall state
- 2 5 1 the number and class of Relevant Securities allocated to that Subscriber,
- 2 5 2 the aggregate subscription price payable by the Subscriber in respect of the Relevant Securities allocated to him, and

- 2 5 3 the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Subscription Allocation Notice) at which completion of the subscription for the Relevant Securities shall take place
- 2 6 Completion of a subscription for Relevant Securities pursuant to a Subscription Allocation Notice shall take place at the place, date and time specified in the Subscription Allocation Notice when the Subscriber will pay the relevant subscription monies to the Company in cleared funds and the Company will allot or grant the Relevant Securities to that Subscriber and deliver to that Subscriber a duly executed share certificate or certificate of grant (as the case may be) in respect of those Relevant Securities. If a Subscriber shall fail for any reason to pay the relevant subscription monies in respect of any Relevant Securities to the Company in cleared funds by the date specified in the Subscription Allocation Notice he shall be deemed to have declined the offer made to him in respect of those Relevant Securities which shall immediately be deemed to be released from the provisions of articles 2 3 to 2 5
- 2 7 Any Relevant Securities which are not accepted pursuant to articles 2 3 to 2 5, and any Relevant Securities released from the provisions of those articles either by virtue of a Subscriber's default in accordance with article 2 6 or by virtue of a special resolution of the Company, may be offered by the Directors to any person and such Relevant Securities shall, subject to the provisions of the Act, be at the disposal of the Directors who may allot, grant or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that
- 2 7 1 no Share shall be issued at a discount,
- 2 7 2 no Relevant Securities shall be allotted, granted or otherwise disposed of on terms which are more favourable than those on which they were offered to the Members pursuant to article 2 3, and
- 2 7 3 no Relevant Securities shall be allotted, granted or otherwise disposed of more than 3 months after the date of the relevant Subscription Notice relating to those Relevant Securities (or, in the case of Relevant Securities released from the provisions of articles 2 3 to 2 5 by virtue of a special resolution, the date of that special resolution) unless the procedure in articles 2 3 to 2 5 is repeated in relation to that Relevant Security
- 2 8 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company
- 2 9 Notwithstanding any other provision of these Articles, no Share shall be allotted to a person who is not already a party to the Members' Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Members' Agreement
- 3 TRANSFER OF SHARES - GENERAL**
- 3 1 Notwithstanding any other provision of these Articles, the Directors shall not register a transfer of any interest in a Share
- 3 1 1 if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the opinion of the Directors) lacks capacity, or
- 3 1 2 unless the transfer is
- (a) made in accordance with article 4, or
- (b) required under article 5
- and in either case the transferee, if not already a party to the Members' Agreement, has entered into a deed of adherence to, and in the form required by, the Members' Agreement
- 3 2 Other than a transfer pursuant to article 3 3 below, Article 26(5) of the Model Articles shall apply to the Company and so the Directors may refuse to register a transfer of Shares for any reason. In particular the Directors may refuse to register a transfer of Shares which is either made in accordance with article 4 or required under article 5 if

- 3 2 1 the transfer has not been lodged at the Company's registered office (or such other place as the Directors may nominate for this purpose),
  - 3 2 2 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for a lost, stolen or damaged certificate in such form as is reasonably required by the Directors) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer,
  - 3 2 3 the transfer is in favour of more than four transferees, or
  - 3 2 4 the transfer has not been properly stamped or certified as being not liable to stamp duty
- 3 3 John Plimmer shall be entitled to transfer any of his shares to members of the management of the Company and shall be entitled to transfer any of his shares representing up to 7% of the entire issued share capital of the Company to such persons as he shall decide on such terms as he shall decide and in which case the provisions of article 4 shall not apply and the Directors may not refuse to register such a transfer of Shares pursuant to article 3 2
- 3 4 For the purposes of ensuring that
- 3 4 1 a transfer of any Share is in accordance with these Articles, or
  - 3 4 2 no circumstances have arisen whereby a Member is required to give or may be deemed to have given a Transfer Notice in respect of any Share
- the Directors may from time to time require any Member to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors reasonably believes to have information relevant to such purpose provides, such information and evidence as the Directors may reasonably require for such purpose Pending such information or evidence being provided, the Directors are entitled to refuse to register any relevant transfer of Shares
- 3 5 If any information or evidence provided pursuant to article 3 4 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Member may be required to give or be deemed to have given a Transfer Notice, the Directors may, by notice in writing to the relevant Member, require that a Transfer Notice be given in respect of the Shares concerned
- 3 6 In any case where a Member is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 5 Business Days of written notice from the Directors to the relevant Member requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 5 Business Days Notwithstanding any other provision of these Articles, if the Directors resolve, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 3 6 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice which are derived from any Share which is the subject of that Transfer Notice, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise) shall with effect from the date of the relevant deemed Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder of such Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Shares
- 3 7 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any Encumbrance

#### 4 PRE-EMPTION ON TRANSFER OF SHARES

##### 4 1 Transfer Notice

4 1 1 Other than a transfer pursuant to article 3 3, any Member (a **Seller**) who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a **Transfer Notice**) to the Company of his wish

4 1 2 Subject to article 4 1 3, a Transfer Notice shall

- (a) state the number and class of Shares (the **Sale Shares**) which the Seller wishes to transfer,
- (b) state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares,
- (c) state the price per Share (the **Proposed Price**) at which the Seller wishes to transfer the Sale Shares,
- (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 4 (a **Total Transfer Condition**),
- (e) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 4, and
- (f) not be capable of variation or cancellation without the consent of the Directors or as provided for in article 4 2 4

4 1 3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with article 5 2)

- (a) it shall relate to all the Shares registered in the name of the Seller,
- (b) it shall not contain a Total Transfer Condition,
- (c) the Transfer Price shall be such price as may be agreed between the Seller and the Directors within 10 Business Days of the date of service (or deemed service) of the Transfer Notice or if either no price is agreed within such period or the Directors direct at any time during that period, the Fair Value determined in accordance with article 4 2 2,
- (d) it shall be irrevocable, and
- (e) subject to articles 3 6 and 5 4, the Seller may retain any Sale Shares for which Buyers (as defined in article 4 4 2) are not found

##### 4 2 Transfer Price

4 2 1 The Sale Shares will be offered for sale in accordance with this article 4 at the following price (the **Transfer Price**)

- (a) subject to the consent of the Directors, the Proposed Price, or
- (b) such other price as may be agreed between the Seller and the Directors within 10 Business Days of the date of service (or deemed service) of the Transfer Notice, or
- (c) if no price is agreed pursuant to article (b) within the period specified in that article, or if the Directors direct at any time during that period, whichever is the lower of (i) the Proposed Price and (ii) the Fair Value

4 2 2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 4 2 1(b) or if the Directors direct in accordance with article 4 2 1(c) (or article 4 1 3(c) in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles), the Directors shall instruct the Auditors to determine and certify the Fair Value of the Sale Shares. The decision of the Auditors (who shall be deemed to act as

an expert and not as an arbitrator) shall be final and binding on the Members, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Fair Value shall, subject to article 4 2 3, be borne as directed by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company

4 2 3 Where either

- (a) the Seller revokes the Transfer Notice in accordance with article 4 2 4, or
- (b) in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles, the Fair Value is less than the price proposed by the Directors to the Seller not less than 5 Business Days prior to receipt of the Auditors' report on the Fair Value by the Company

then the Auditors' fees shall be borne wholly by the Seller

4 2 4 Where the Fair Value is less than the Proposed Price the Seller may revoke the Transfer Notice by notice in writing served on the Company within 5 Business Days of the date on which the notification of the Fair Value was first served on the Seller by the Company or the Auditors

4 2 5 A Transfer Notice may not be revoked under article 4 2 4 if that Transfer Notice is stated to be irrevocable or is deemed to be irrevocable by virtue of any provision of these Articles

#### 4 3 Offer Notice

4 3 1 Subject to article 4 3 2, the Directors shall serve a notice (an **Offer Notice**) on all Members within 10 Business Days of the Transfer Price being agreed or determined in accordance with these Articles

4 3 2 An Offer Notice shall not be sent, and no Sale Shares shall be treated as offered to, the Seller or to any Member who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given a Transfer Notice in respect of any Shares registered in his name

4 3 3 An Offer Notice shall

- (a) state the Transfer Price,
- (b) contain the other relevant information set out in the Transfer Notice,
- (c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase, and
- (d) expire, and the offer made in that Offer Notice shall be deemed to be withdrawn, on a date which is not less than 10 nor more than 20 Business Days after the date of the Offer Notice

#### 4 4 Allocation of Sale Shares

4 4 1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Members to whom an Offer Notice was sent having responded to that Offer Notice (in either case the **Allocation Date**), the Directors shall allocate the Sale Shares in accordance with the applications received provided that

- (a) if there are applications for more than the number of Sale Shares available, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Shares than he applied for) to the number of Shares held by each of them respectively,
- (b) the allocation of any fractional entitlements to Sale Shares amongst the Members shall be dealt with by the Directors in such manner as they see fit, and

- (c) no Sale Shares shall be allocated to any Member who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice (including a Compulsory Transfer Notice) in respect of any Shares registered in his name
- 4 4 2 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an **Allocation Notice**) to the Seller and each Member to whom Sale Shares have been allocated pursuant to article 4 4 1 (each a **Buyer**) An Allocation Notice shall state
  - (a) the number and class of Sale Shares allocated to that Buyer,
  - (b) the name and address of the Buyer,
  - (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him,
  - (d) the information (if any) required pursuant to article 4 4 4, and
  - (e) subject to article 4 4 4, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place
- 4 4 3 Subject to article 4 4 4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer
- 4 4 4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 4 4 1 is less than the total number of Sale Shares then
  - (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the **Further Offer**) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price,
  - (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 20 Business Days) specified in the Allocation Notice,
  - (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 4 4 1(a) to 4 4 1(c), and
  - (d) following the allocation of any Sale Shares amongst the Buyers in accordance with article 4 4 1, and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 4 4 2 but omitting article (d)
- 4 4 5 Subject to article 4 4 6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 4 4 4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that Allocation Notice on the terms offered to that Buyer
- 4 4 6 If after following the procedure set out in this article 4 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then
  - (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 4 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 4, and

- (b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares

#### 4 5 **Default by the Seller**

- 4 5 1 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 4, the Directors may authorise any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer
- 4 5 2 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 4 5 the validity of the proceedings shall not be questioned by any person
- 4 5 3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors)

#### 4 6 **Transfers following exhaustion of pre-emption rights**

If any Sale Shares are not allocated to a Buyer under any of the previous provisions of this article 4 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in article 4 4 6(b), sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that

- 4 6 1 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of the Directors, and
- 4 6 2 the Directors may require to be satisfied that the relevant Sale Shares are being transferred under a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the transfer (without prejudice to any power of the Directors to refuse to register a transfer in accordance with article 3)

### 5 **COMPULSORY TRANSFERS**

5 1 In this article 5 each of the following shall be a **Transfer Event** in relation to a Member

- 5 1 1 in the case of an individual Member
  - (a) the death of that Member,
  - (b) an order being made by the court or the adjudicator for the bankruptcy of that Member, or a petition being presented or an application being made for an adjudication for such bankruptcy which petition or application is not withdrawn or dismissed within 10 Business Days of being presented or made,
  - (c) the Member convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally,
  - (d) the Member being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1968),
  - (e) any step being taken for the appointment of a receiver, manager or administrative receiver over all or any material part of the Member's

assets, or any other steps being taken to enforce any Encumbrance over all or any material part of the Member's assets or any Shares held by that Member,

- (f) any proceedings or orders equivalent or analogous to any of those described in articles 5 1 1(b) to 5 1 1(e) above occurring in respect of the Member under the law of any jurisdiction outside England and Wales,
- (g) that Member suffering from mental disorder and being admitted to hospital or, by reason of his mental health, being subject to any court order which wholly or partly prevents that Member from personally exercising any powers or rights which that Member would otherwise have,
- (h) that Member breaching any provision of these Articles or the Members' Agreement which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of the Directors within 10 Business Days of a notice from the Directors to the Member requesting such remedy,
- (i) that Member (not being John Plimmer (in respect of all of his Shares) or John Lee (in respect only of the Shares acquired by him on the Adoption Date but not otherwise)), being an employee or director of, or a consultant to the Company, ceasing to be such an employee, director or consultant, and

5 1 2 in the case of a corporate Member

- (a) an order being made or a resolution being passed for the winding up of that Member or for the appointment of a provisional liquidator to that Member (other than a voluntary liquidation for the purposes of a bona fide scheme of solvent amalgamation or reconstruction),
- (b) a petition being presented for the winding up of that Member, which petition is not withdrawn or dismissed within 10 Business Days of being presented,
- (c) an administration order being made in respect of that Member, or a notice of intention to appoint an administrator, or a notice of appointment of an administrator or an application for an administration order being issued at court in respect of that Member,
- (d) any step being taken for the appointment of a receiver, manager or administrative receiver over all or any material part of the assets or undertaking of that Member, or any other steps being taken to enforce any Encumbrance over all or any material part of the assets or undertaking of that Member or any Shares held by that Member,
- (e) any proceedings or orders equivalent or analogous to any of those described above in articles (a) to (d) occurring in respect of that Member under the law of any jurisdiction outside England and Wales,
- (f) that Member ceasing to be within the control (as defined in section 1124 of the Corporation Tax Act 2010) of the person(s) who controlled it on the Adoption Date or, if later, the date on which it became a Member (whichever is the later), provided that this article (f) shall not apply if the Member continues to be controlled (as above) by the person(s) who had ultimate control of that Member at that date, or
- (g) that Member breaching any provision of these Articles or the Members' Agreement which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of the Directors within 10 Business Days of a notice from the Directors to the Member requesting such remedy,

and in any such case, whether under article 5 1 1 or 5 1 2, the Directors notifying the Company within six months of the occurrence of such event (or, if later, within six months of

- the date on which the Directors first become aware of the occurrence of such event) that such event is a Transfer Event in relation to that Member for the purposes of this article 5
- 5 2 Upon the Directors notifying the Company that an event is a Transfer Event in respect of a Member in accordance with article 5 1, the Relevant Member shall be deemed to have served a Transfer Notice (a **Compulsory Transfer Notice**) in respect of all the Compulsory Transfer Shares held by him from time to time. A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares
- 5 3 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 4 as if the Compulsory Transfer Shares were Sale Shares provided that
- 5 3 1 the Transfer Price may, at the option of the Company, be satisfied by way of the issue to the Relevant Member of a Loan Note in the nominal amount of the Transfer Price, and
- 5 3 2 where the relevant Transfer Event falls within the provisions of article 5 1 1(i), the Transfer Price in respect of the Compulsory Transfer Shares shall be
- (a) where the Relevant Member is a Bad Leaver, whichever is the lower of
- (i) their Fair Value, and
- (ii) their Purchase Price,
- provided that the Directors may at any time by notice to the Company specify that in respect of any particular Relevant Member the Transfer Price for all Compulsory Transfer Shares shall, on that occasion, be the Purchase Price (in which case there shall be no need in respect of that Relevant Member on that occasion to establish the Fair Value) and the Transfer Price shall be determined by the notice served pursuant to this article 5 3 on the date upon which such notice is received at the registered office of the Company, or
- (b) where the Relevant Member is a Good Leaver, their Fair Value
- 5 4 Notwithstanding any other provision of these Articles, if the Directors resolve, any Compulsory Transfer Shares shall, with effect from the date of the relevant Compulsory Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder of those Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Compulsory Transfer Shares (or other Shares)
- 5 5 Articles 27(2)(a) and 28 of the Model Articles shall not apply to the Company
- 6 **DRAG ALONG**
- 6 1 If Members constituting a Member Majority (together the **Selling Members**) wish to transfer all their Ordinary Shares to a proposed purchaser (the **Proposed Purchaser**), after 5 years from the Adoption Date and at an enterprise value of the Company of at least £30,000,000 (**thirty million pounds sterling**), they shall have the option (a **Drag Along Option**) to require all or any of the other Members (the **Remaining Members**) to transfer all their Shares with full title guarantee to the Proposed Purchaser (or as the Proposed Purchaser shall direct) in accordance with this article 6
- 6 2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a **Drag Along Notice**) to each of the Remaining Members at any time before the registration of the transfer of the Selling Members' Shares. A Drag Along Notice shall specify
- 6 2 1 that the Remaining Members are required to transfer all their Shares (the **Remaining Shares**) pursuant to this article 6,
- 6 2 2 the identity of the Proposed Purchaser,

- 6 2 3 the consideration for which, or the price at which, the Remaining Shares are to be transferred, determined in accordance with article 6 4 (the **Drag Along Consideration**), and
- 6 2 4 the proposed date of transfer (if known)
- 6 3 A Drag Along Notice
  - 6 3 1 may be revoked by the Selling Members at any time prior to the completion of the sale and purchase of the Remaining Shares, and
  - 6 3 2 shall lapse if for any reason the sale of the Selling Members' Shares to the Proposed Purchaser is not completed within 40 Business Days of the date of service of the Drag Along Notice (such lapse being without prejudice to the right of the Selling Members to serve any further Drag Along Notice following such lapse)
- 6 4 Subject to article 6 6, the Drag Along Consideration shall be the same consideration per Remaining Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Proposed Purchaser in respect of each Share held by all Members other than the Remaining Members together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by all Members other than the Remaining Members which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares held by those Members
- 6 5 If the Drag Along Consideration cannot be agreed between the Proposed Purchaser and the holders of not less than 75% of the Remaining Shares within 10 Business Days of the date of the Drag Along Notice, such matter shall be referred for determination to the Auditors and, pending their determination, the sale or transfer of the Selling Members' Shares shall have no effect and shall not be registered
- 6 6 Prior to completion of the sale and purchase of the Remaining Shares, a Member Majority may resolve that any Remaining Member who, at the date of the Drag Along Notice, is bound to give or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name (including, for the avoidance of doubt, a Compulsory Transfer Notice) is paid the cash equivalent of any non-cash consideration due to the Selling Members from the Proposed Purchaser in lieu of such non-cash consideration. Such cash consideration in lieu may be paid to a Remaining Member either on completion or at the same time as the relevant non-cash consideration is received by the Selling Members at the absolute discretion of a Member Majority. The decision of a Member Majority as to the amount of any cash consideration in lieu of any non-cash consideration shall be final and binding on the Company and all the Members
- 6 7 Upon the service of a Drag Along Notice each Remaining Member is required, as a legally binding commitment, not to divulge or communicate to any third party either the fact that the Selling Members wish to transfer their Shares to the Proposed Purchaser (or any other person) or any other information concerning the sale and purchase of any of the Selling Members' Shares or the Remaining Shares pursuant to this article 6
- 6 8 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as completion of the sale and purchase of the Selling Members' Shares (or such later date, being not more than 20 Business Days after the date of such completion, as a Member Majority may direct in writing)
- 6 9 Upon the service of a Drag Along Notice each Remaining Member shall be deemed to have irrevocably appointed each of the Selling Members (severally) as the agent of the Remaining Member to execute, in the name of and on behalf of that Remaining Member, any stock transfer form and covenant for full title guarantee in respect of the Remaining Shares registered in the name of that Remaining Member and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Remaining Shares pursuant to this article 6
- 6 10 The provisions of this article 6 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption and other restrictions on transfer

of Shares contained in these Articles shall not apply to the transfer of any Shares to a Proposed Purchaser named in a Drag Along Notice (or as that Proposed Purchaser may direct) Any Transfer Notice or Compulsory Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 4 shall automatically be revoked by the service of a Drag Along Notice

- 6 11 Where, at any time after the service of a Drag Along Notice but before completion of the sale and purchase of the Remaining Shares by the Proposed Purchaser, any person (a **New Member**) becomes a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Member Upon the deemed service of a Drag Along Notice pursuant to this article 6 11 the New Member shall become bound to sell and transfer to the Proposed Purchaser (or as the Proposed Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares The provisions of this article 6 shall apply mutatis mutandis to the sale of any such Shares by such New Member provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of

6 11 1 the date on which a Drag Along Notice is deemed to have been served on the New Member pursuant to this article 6 11, and

6 11 2 the date of completion of the sale and purchase of the Remaining Shares pursuant to the original Drag Along Notice

## 7 TAG ALONG

- 7 1 Subject to article 6, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the **Committed Shares**) which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration

7 1 1 a Member Majority has consented to such transfer, and

7 1 2 the relevant Third Party Purchaser has made a bona fide offer (a **Tag Along Offer**) by notice in writing (a **Tag Along Notice**) to acquire, in accordance with this article 7, from all the Members other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the **Uncommitted Shares**) for the consideration, or at the price, (the **Tag Along Consideration**) calculated in accordance with articles 7 3 and 7 4

- 7 2 A Tag Along Notice shall

7 2 1 state the Tag Along Consideration (subject to article 7 4),

7 2 2 state the identity of the relevant Third Party Purchaser,

7 2 3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer, and

7 2 4 subject to article 7 4 1, expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than 5 nor more than 20 Business Days after the date of the Tag Along Notice) specified in that notice

- 7 3 For the purposes of this article 7, the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares

- 7 4 If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 75% of the Uncommitted Shares within 10 Business Days of the

date of the Tag Along Notice, such matter shall be referred for determination to the Auditors and, pending their determination

7 4 1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Expert's determination of the Tag Along Consideration is served on the Third Party Purchaser and the Members holding Uncommitted Shares, and

7 4 2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered

## **8 GENERAL MEETINGS**

8 1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon Two Members present either in person, by proxy or by a duly appointed corporate representative shall be a quorum

8 2 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved"

8 3 Article 39 of the Model Articles shall not apply to the Company

8 4 A poll may be demanded at any general meeting by

8 4 1 the chairman, or

8 4 2 any Member present (in person, by proxy or by a duly appointed corporate representative) and entitled to vote on the relevant resolution

Article 44(2) of the Model Articles shall not apply to the Company

8 5 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made "

8 6 Article 45(1) of the Model Articles shall be amended as follows

8 6 1 by the deletion of the words in Article 45(1)(d) and the insertion in their place of the following "is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate ", and

8 6 2 by the insertion of the following as a new paragraph at the end of Article 45(1) "and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion, accept the proxy notice at any time before the meeting "

8 7 The Company shall not be required to give notice of a general meeting to a Member

8 7 1 whose registered address is outside the United Kingdom unless he has provided an address for service within the United Kingdom, or

8 7 2 for whom the Company no longer has a valid United Kingdom address

## **9 APPOINTMENT AND REMOVAL OF DIRECTORS**

9 1 Unless and until determined otherwise by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall not be less than one

9 2 The office of a Director (other than a Director appointed pursuant to article 9 3) shall automatically be vacated, and the Director in question shall be deemed to have resigned, upon

9 2 1 that Director failing to take part in any directors' decisions for a period of more than 6 consecutive months and the Directors resolving that his appointment as

a Director should terminate (and the director in question shall not be an "Eligible Director" for the purposes of such resolution of the Directors), or

- 9 2 2 a Member, or Members together, holding more than 50% of the Shares requesting his resignation by notice in writing. Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more Members) must be left at or sent by post to the registered office of the Company (or another address nominated by the Directors for this purpose) and the resignation shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.

Article 18 of the Model Articles shall be extended accordingly.

- 9 3 Any Member who from time to time holds not less than 10% of the issued Shares may, from time to time and on more than one occasion subject to the prior approval of the Directors, appoint one person to be a non-executive director of the Company and, from time to time and on more than one occasion, remove any such person appointed by him. Any appointment or removal pursuant to this article 9 3 shall be made by notice in writing to the Company. Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more Members) must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.
- 9 4 Subject to section 168 CA2006, on any resolution to remove a Director appointed pursuant to article 9 3 the Shares held by the relevant Member shall together carry one vote in excess of 50% of all the other votes exercisable in relation to such resolution and if any such Director is removed pursuant to section 168 CA2006 or otherwise the relevant Member may reappoint him or any other person as a Director.
- 9 5 In any case where, as a result of death or bankruptcy, the Company has no Members and no Directors, the transmittee(s) of the last Member to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a Director. Article 27(3) of the Model Articles shall be modified accordingly.

## 10 ALTERNATE DIRECTORS

- 10 1 Any Director (in this article 10, an **appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to
- 10 1 1 exercise that director's powers, and
- 10 1 2 carry out that director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.
- 10 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors.
- 10 3 The notice must
- 10 3 1 identify the proposed alternate, and
- 10 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.
- 10 4 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.
- 10 5 Save as provided otherwise in these Articles, alternate Directors
- 10 5 1 are deemed for all purposes to be Directors,
- 10 5 2 are liable for their own acts and omissions,
- 10 5 3 are subject to the same restrictions as their appointors, and

- 10 5 4 are not deemed to be agents of or for their appointors,  
and, in particular, each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member
- 10 6 A person who is an alternate Director but not a Director
- 10 6 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
- 10 6 2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not himself participate), and
- 10 6 3 shall not be counted as more than one Director for the purposes of articles 10 6 1 and 10 6 2
- 10 7 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present
- 10 8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director
- 10 9 The appointment of an alternate Director terminates
- 10 9 1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate,
- 10 9 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director,
- 10 9 3 on the death of the alternate's appointor,
- 10 9 4 when the appointment of the alternate's appointor as a Director terminates, or
- 10 9 5 when written notice from the alternate, resigning his office, is received by the Company
- 11 **PROCEEDINGS OF DIRECTORS**
- 11 1 Save where the Company has a sole Director, two Eligible Directors, present either in person or by a duly appointed alternate, shall be a quorum. For the purpose of any meeting held to authorise a director's conflict of interest under section 175 of the Act if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. Article 11(2) of the Model Articles shall not apply to the Company
- 11 2 If the number of votes for and against a proposal at a Directors' meeting are equal the chairman or other Director chairing the meeting shall not have a casting vote. Article 13 of the Model Articles shall not apply to the Company
- 12 **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**
- 12 1 Subject to sections 177 and 182 of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company
- 12 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

- 12 1 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such contract or proposed contract in which he is interested,
  - 12 1 3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such contract or proposed contract in which he is interested,
  - 12 1 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,
  - 12 1 5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
  - 12 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act
- 12 2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company
- 13 **DIRECTORS' CONFLICTS OF INTEREST**
- 13 1 The Directors may, in accordance with the requirements set out in this article 13, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid situations which conflict or possibly may conflict with the interests of the Company (a **Conflict**)
- 13 2 Any authorisation under this article will be effective only if
- 13 2 1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,
  - 13 2 2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and
  - 13 2 3 the matter was agreed to without the Director in question or would have been agreed to if his vote had not been counted
- 13 3 Any authorisation of a Conflict under this article 13 shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded) and may, whether at the time of giving the authorisation or subsequently
- 13 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised,
  - 13 3 2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine, and
  - 13 3 3 be terminated or varied by the Directors at any time
- This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation
- 13 4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to

- 13 4 1 disclose such information to the Directors or to any Director or other officer or employee of the Company, or
- 13 4 2 use or apply any such information in performing his duties as a Director, where to do so would amount to a breach of that confidence
- 13 5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide that the Director
  - 13 5 1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict,
  - 13 5 2 is not given any documents or other information relating to the Conflict, and
  - 13 5 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict
- 13 6 Where the Directors authorise a Conflict
  - 13 6 1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict, and
  - 13 6 2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation
- 13 7 A Director may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in
  - 13 7 1 any Group Company, or
  - 13 7 2 any Member who appointed him as a Director (or any company which is for the time being a subsidiary or holding company of that Member or another subsidiary of such holding company),
 and no authorisation under article 13 1, shall be necessary in respect of such interest
- 13 8 Any Director appointed pursuant to article 9 3 shall be entitled from time to time to disclose to the Member(s) who appointed him such information concerning the business and affairs of the Company as he may, in his absolute discretion, see fit
- 13 9 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 14 **SECRETARY**

The Directors may appoint any person who is willing to act as the Secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person
- 15 **SERVICE OF DOCUMENTS**
  - 15 1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient
    - 15 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted,
    - 15 1 2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending

- and the sending party receives a confirmation of delivery from the courier service provider,
- 15 1 3 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
  - 15 1 4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
  - 15 1 5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website
- For the purposes of this article 15 1, no account shall be taken of any part of a day that is not a working day
- 15 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act
- 16 INDEMNITY**
- 16 1 Subject to article 16 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled
    - 16 1 1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer
      - (a) in the actual or purported execution and/or discharge of his duties, or in relation to them, and
      - (b) in relation to the activities of the Company (or any associated company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (or any associated company), and
    - 16 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 16 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure
  - 16 2 This article 16 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law
  - 16 3 In this article 16 and in article 17
    - 16 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
    - 16 3 2 a **relevant officer** means any director or other officer or former director or other officer of the Company or any associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or any associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)
  - 16 4 Article 52 of the Model Articles shall not apply to the Company

**17 INSURANCE**

**17 1** The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his 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

**17 2** Article 53 of the Model Articles shall not apply to the Company

**18 PURCHASE OF OWN SHARES OUT OF CASH**

The Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act