

COMPANY NUMBER 09684804

ARTICLES OF ASSOCIATION

SHCL (LSDDT) NEWCO 5 LIMITED

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COMPANIES HOUSE



STUART HODGE
CORPORATE LAWYERS LLP

INTRODUCTION

1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires

Act means the Companies Act 2006,

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)

Appointor has the meaning given in article 11(1),

Articles means the company's articles of association for the time being in force,

Bad Leaver means any holder of Shares who ceases to be an employee of the Company and who is not a Good Leaver,

Board means the board of directors of the Company from time to time,

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,

Clear days means, in respect of the period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect,

Controlling Interest means an interest (within the meaning of section 820 of the Act) in shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company,

Conflict has the meaning given in article 7.1,

Directors means the directors for the time being of the Company or (as the context shall require) any of them acting as the Board,

Eligible director means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter),

Executed means any mode of execution,

Financial Year means an accounting reference period (as defined by the Act) of the Company,

Good Leaver means any holder of Shares who ceases to be a director or an employee of the Company, and

- a such cessation occurs as a result of
 - i death, or
 - ii retirement at 65 years of age, or
 - iii unlawful dismissal as determined by an employment tribunal, or
 - iv Serious Ill Health, or

v a situation that does not fall into categories (i) to (iv) above, but is determined by the Board, in its absolute discretion, to be a Good Leaver, and

b does not seek compensation for loss of office in excess of his contractual entitlement

Holder means in respect of any Share the member whose name is entered in the register of members of the Company as the holder of such share,

Issue Price means, in respect of a share in the capital of the company, the aggregate amount paid-up (or credited as paid-up) in respect of the nominal value and any share premium,

Model Articles means the model articles for private companies limited by shares contained in the Model Articles Regulations

Model Articles Regulations means Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles,

Ordinary Share: means an ordinary share of £1 00 in the capital of the Company,

Secretary means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary, and

Serious Ill Health means an illness or disability certified by a general practitioner (nominated or approved by the Board) as rendering the departing employee incapable of carrying out his role as an employee for the foreseeable future,

Share means a share in the capital of the Company and includes any interest in a share

United Kingdom means Great Britain and Northern Ireland

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 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 Words in the singular include the plural and in the plural include the singular

1 6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of

(a) any subordinate legislation from time to time made under it, and

- (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

1 7 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

2 APPLICATION OF THE MODEL ARTICLES

2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles

2 2 Articles 7, 8, 9(1) and (3), 11, 13(1), 14(1), (2), (3) and (4), 17, 18(e), 20, 21, 44(2), 52 and 53 of the Model Articles shall not apply to the Company

PART 2: DIRECTORS' DECISION MAKING

3 COLLECTIVE DECISIONS

3 1 The general rule about decision-making by directors is that any decision of the directors must be by a majority decision taken in one of the following ways

- (a) at a meeting of the directors,
- (b) by written resolution, copies of which have been signed by a majority of the eligible directors or to which a majority of the eligible directors have otherwise indicated their agreement in writing, or
- (c) by a majority of the eligible directors indicating to each other, by any means, that they share a common view on a matter

3 2 If the Company has only one director, the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making

4 CALLING A DIRECTORS' MEETING

4 1 Any director may call a directors' meeting by giving not less than seven (7) business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice

5 QUORUM FOR DIRECTORS' MEETINGS

5 1 If there are insufficient directors present to make a quorum at a directors' meeting, the only proposal that may be voted on is a proposal to call another meeting

5 2 Subject to Articles 5 3 and 5 4, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by ordinary resolution and, unless otherwise fixed, shall be any two (2) eligible directors

5 3 If the Company has only one director, the quorum for directors' meetings shall be one

5 4 For the purposes of any meeting (or part of a meeting) held pursuant to Article 9 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director

5 5 If the total number of directors in office 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

6 CASTING VOTE

6 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote

6 2 Article 6 1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting)

7 RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

8 SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

DIRECTORS' INTERESTS

9 CONFLICTS

9 1 For the purposes of section 175 of the Act the directors may authorise any matter which would or might, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any relevant situation. Any such matter shall be proposed in writing for consideration at a meeting of the directors in accordance with any procedures for the time being established for the purpose by the directors or in such other manner as the directors may approve

9 2 Any authorisation pursuant to Article 9 1

(a) shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised,

(b) will be subject to any restrictions or conditions expressly imposed by the directors at the time of authorisation or subsequently, or as varied from time to time, including (without limitation) as to whether the director in question or any other interested director may vote or be counted in the quorum at a meeting or otherwise participate in the decision-making process in relation to any resolution relating to the relevant situation, and

- (c) may be terminated by the directors at any time

9 3 For the purposes of these Articles, a reference to

- (a) a **relevant situation** means any matter which relates to a situation in which a director has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest),
- (b) a **conflict of interest** includes a conflict of interest and duty and a conflict of duties, and
- (c) **general duties** means the general duties a director owes to the Company pursuant to sections 171 to 177 of the Act

9 4 No authority under this Article is required in respect of a conflict of interest arising in relation to a transaction or arrangement with the Company, but this is without prejudice to a director's obligation to declare any interest pursuant to Article 10

10 TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY

10 1 Subject to the provisions of the Act and compliance with the provisions of this Article 10, a director notwithstanding his office

- (a) may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested,
- (b) may hold any other office or employment with the Company (except that of auditor of the Company or of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the directors may arrange, either in addition to or instead of any remuneration provided for by any other Article, and
- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested

10 2 Where a director is in any way (directly or indirectly) interested in a proposed transaction or arrangement with the Company, he

- (a) shall declare the nature and extent of his interest to the directors before the Company enters into the transaction or arrangement, and
- (b) may in accordance with section 177 of the Act make the declaration at a meeting of the directors or give it to the directors by notice in writing, by general notice or by any other means

10 3 Except to the extent that an interest has been declared in accordance with Article 10 2, where a director is in any way (directly or indirectly) interested in a transaction or arrangement that has been entered into by the Company, he

- (a) shall as soon as is reasonably practicable declare the nature and extent of his interest to the directors, and

- (b) must make the declaration at a meeting of the directors or give it to the directors by notice in writing or by general notice in accordance with section 182 of the Act

10 4 In the case of Articles 10 2 and 10 3

- (a) a director need not declare an interest,
- (b) if it cannot be reasonably regarded as likely to give rise to a conflict of interest,
- (c) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware), or
- (d) if, or to the extent that, it concerns the terms of his service contract that have been or are to be considered by a meeting of the director or by a committee of the directors appointed for the purpose under these Articles, and
- (e) if a declaration made pursuant to either Article proves to be, or becomes, inaccurate or incomplete, a further declaration must be made

11 **LIABILITY TO ACCOUNT**

- 11 1 A director shall not by reason of his office be liable to account to the Company for any remuneration, profit or other benefit derived as a result of

- (a) any relevant situation authorised pursuant to Article 9 1(subject to any restrictions or conditions to which such authorisation was subject), or
- (b) any interest permitted under Article 10 1,

and no transaction or arrangement shall be liable to be void on the grounds of a director having an interest or benefit authorised or permitted pursuant to these Articles

12 **PROCEEDINGS OF DIRECTORS**

- 12 1 A director may vote, and shall be counted in the quorum present, at a meeting of the directors or of a committee of directors on or otherwise participate in the decision-making process in relation to any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which conflicts, or possibly may conflict, with the interests of the Company

- 12 2 The Company may, by ordinary resolution, suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a director from voting at a meeting of the directors or a committee of directors or otherwise participating in the decision-making processes of the directors

- 12 3 Where a director finds himself in a situation in which he has an interest which conflicts, or possibly may conflict, with the interests of the Company, the general duties will not be infringed by anything done (or omitted to be done) in accordance with the following provisions. The director may, for as long as he reasonably believes the situation subsists

- (a) absent himself from meetings of the directors or from the discussion of any matter at a meeting,

- (b) make such arrangements as he sees fit for relevant board papers not to be sent to him, and/or
- (c) behave in any other way authorised by any guidance which may from time to time be issued by the directors

13 CONFIDENTIAL INFORMATION

Where a director obtains (otherwise than as director or employee of the Company) information in respect of which he owes a duty of confidentiality to another person he shall not be obliged to disclose such information or use it for the benefit of the Company (in circumstances in which he would otherwise be so obliged) if it relates to

- (a) a relevant situation authorised pursuant to Article 9 (unless any restrictions or conditions to which such authorisation is subject provide otherwise), or
- (b) an interest permitted under Article 10 1,

and any failure on the part of that director to disclose or use any such information in performing his duties as a director of the Company will not constitute a breach by him of the general duties. This Article is without prejudice to any equitable principle or rule of law which may excuse or regulatory requirement which may prevent, a director from disclosing information

14 THIRD PARTY BENEFITS

The acceptance of a benefit by a director from a third party (within the meaning of section 176 of the Act) will not constitute a breach of that section if

- (a) the acceptance of the benefit is in accordance with guidelines from time to time approved by the Company for these purposes, or
- (b) the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest

APPOINTMENT AND REMOVAL OF DIRECTORS

15 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two

16 METHODS OF APPOINTING DIRECTORS

16 1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed as a director

- (a) by a decision of the directors subject to the decision of the directors being ratified at the next general meeting by any shareholder or shareholders holding in aggregate a majority in nominal value of the shares of the Company which carry voting rights,
- (b) by ordinary resolution, or

- (c) by written notice to the Company from any shareholder or shareholders holding in aggregate a majority in nominal value of the shares of the Company which carry voting rights, which notice may be sent in accordance with Article 34 or delivered to a directors' meeting or general meeting

16 2 If, 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

16 3 For the purposes of Article 16 2, where two 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

17 REMOVAL OF DIRECTORS

The office of a director shall be vacated if

- (a) a member or members holding a majority of the voting rights in the Company (within the meaning of Schedule 6 of the Act) vote to remove from office any director Any such removal shall be made by notice in writing to the Company signed by the member or members making the same or, in the case of a member being a corporate body, signed by one of its directors or duly authorised officers or by its duly authorised attorney and shall take effect upon lodgement of such notice at the office, or
- (b) he shall for more than six consecutive months have been absent without permission of the directors from meetings of the directors held during that period and the directors resolve that his office be vacated,

and Article 18 of the Model Articles shall be modified accordingly

18 DIRECTORS' EXPENSES

The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary (if any) 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

ALTERNATE DIRECTORS

19 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

19 1 Any director (**appointor**) may appoint as an alternate, any other director, or any other person approved by resolution of the directors, to

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the appointor

19 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

19 3 The notice must

- (a) identify the proposed alternate, and
- (b) 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 appointor

20 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

20 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as his appointor

20 2 Except as the Articles specify otherwise, alternate directors

- (a) are deemed for all purposes to be directors,
- (b) are liable for their own acts and omissions,
- (c) are subject to the same restrictions as their appointors, and
- (d) are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member

20 3 A person who is an alternate director but not a director

- (a) 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),
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and
- (c) shall not be counted as more than one director for the purposes of Articles 20 3(a) and 20 3(b)

20 4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

20 5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the appointor's remuneration as the appointor may direct by notice in writing made to the Company

21 TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates

- (a) when the appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the appointor, would result in the termination of the appointor's appointment as a director,
- (c) on the death of the appointor, or
- (d) when the alternate's appointment as a director terminates

PART 3: SHARES

22 PARTLY PAID SHARES AND COMPANY'S LIEN

Articles 52 - 62 of the model articles for public limited companies contained in Schedule 3 of the Model Articles Regulations shall apply to the Company, save that

- (a) the following words shall be substituted in place of article 53(5), "A written statement signed by a director that a share has been sold to satisfy the Company's lien on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share", and
- (b) the following words shall be substituted in place of article 61(2), "A written statement signed by a director that a share has been forfeited on a specified date is conclusive evidence of the facts stated in it against all persons claiming to be entitled to the share "

23 VARIATION OF RIGHTS

Whenever the share capital of the Company is divided into different classes of share, the special rights attaching to any such class can only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the prior approval of three quarters in nominal value of the issued shares held by the holders of that class of share

24 POWERS TO ISSUE DIFFERENT CLASSES OF SHARES

Subject to these 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 or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the directors may decide

25 SHARES

25 1 The share capital of the Company at the date of adoption of these Articles is divided into Ordinary Shares

25 2 If and for so long as the Shares comprise only one class of share then each Share shall rank par passu in respect of voting, entitlement to dividends and rights on a winding up or return of capital

- 25 3 In the event the Shares include classes of shares other than Ordinary Shares then these classes of shares shall constitute different classes of shares for the purposes of the Act and shall have the rights attached to them as expressly set out in these Articles (the Ordinary Shares being treated as one class of share)
- 25 4 Any profits available for distribution which the Company may determine to distribute in respect of any Financial Year will be distributed at the discretion of the Company. The directors have the discretion to declare (or recommend as the case may be) a dividend on one class of Shares but not the other, and to declare (or recommend as the case may be) a different level of dividend on each class of Shares
- 25 5 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion, redemption or purchase of shares), the assets of the Company remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be applied as follows any balance shall be paid to the holders of the Ordinary Shares *pari passu* in accordance with the number of Ordinary Shares held by them
- 25 6 Subject to the provisions of these Articles, the Ordinary Shares shall rank *pari passu* in all respects

26 PURCHASE OF OWN SHARES

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of

- (a) £15,000, and
- (b) the value of 5% of the Company's share capital

TRANSFER OF SHARES

27 PRELIMINARY MATTERS ON TRANSFER

- 27 1 The instrument of transfer of any share shall be executed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it. In the case of a partly paid share the instrument of transfer must also be executed by or on behalf of the transferee
- 27 2 The Directors shall only be entitled to register the transfer of shares made pursuant to Articles 28, 28, 30, 31 and 32 (inclusive) save that
- (a) the Directors shall decline to register any such transfer where they have substantial reasons for believing that a transfer purportedly made in accordance with Article 28 is not in fact in accordance with either such Article,
 - (b) the Directors may in their absolute discretion and without assigning any reason thereof decline to register any transfer of shares if the shares comprised in the transfer are not fully paid or the Company has a lien over them

- 27 3 If a Shareholder at any time attempts to deal with or dispose of a share or any interest therein or right attaching thereto otherwise than as permitted by these Articles he shall be deemed immediately prior to such attempt to have given a Transfer Notice (as defined in Article 29 2) in respect of such share
- 27 4 For the purpose of ensuring that a particular transfer of shares is permitted hereunder, the Directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may think necessary or relevant Failing such information or evidence being furnished to the satisfaction of the Directors with a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question
- 27 5 Where a Transfer Notice (as defined in Article 29 2) in respect of any share is deemed to have been given under any provision of these Articles and the circumstances are such that the Directors (as a whole) are unaware of the facts giving rise to the same, such Transfer Notice (as defined in Article 29 2) shall be deemed to have been received by the Directors on the date on which the Directors (as a whole) actually become aware of such facts
- 27 6 In this Article 27, the expression **Representatives** means, in relation a Shareholder, any person or persons who have become entitled to his shares in consequence of his death, bankruptcy or mental incapacity
- 27 7 If a Shareholder or any of his Representatives becomes aware of any event which is deemed to give rise to an obligation to serve a Transfer Notice (as defined in Article 29 2) he shall forthwith give written notice thereof to the Directors

28 **FAMILY TRANSFER**

- 28 1 For the purposes of this Article 28
- (a) the expression the **Family Member** means that holder's spouse and their children and remoter issue excluding any illegitimate and/or adopted children and/or stepchildren, and
 - (b) the expression **Family Trust** means a trust (whether arising under a settlement, declaration of trust or other instrument or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than one or more members of the Family Members For these purposes a person shall be deemed to be beneficially interested in a share if that share or the income from it is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons
- 28 2 Any shares may at any time be transferred with the consent in writing of all the Shareholders to any person (which consent may be unconditional or subject to any terms or conditions and in the latter case any share so transferred shall be held subject to such terms and conditions)

28 3 Any shares may at any time be transferred by a Shareholder to any Family Member or to the trustees of a Family Trust

28 4 Where shares are held by the trustees of a Family Trust

- (a) those shares may on any change of trustees be transferred to the new trustees of that Family Trust, and
- (b) such shares may at any time be transferred by the trustees to a Family Member whether or not such holder of shares is a beneficiary of such Trust,
- (c) if and whenever any such shares cease to be held upon a Family Trust (otherwise than in consequence of a transfer referred to Article 28 4(b) above or there cease to be any beneficiaries of that Family Trust the trustees shall be deemed immediately to have given a Transfer Notice (as defined in Article 29 2) in respect of all their relevant shares and for the purposes of this Article 28 4(c) **Relevant shares** means and includes (so far as the same remain from time to time held by the trustees) the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees

28 5 The Representatives (as such expression is defined in Article 27 5) may at any time transfer all or any shares to which they are entitled to any person to whom the registered holder would be permitted to transfer the same under this Article 28

28 6 A transfer authorised under this Article 28 is referred to in these Articles as a **Permitted Transfer** and a transferee in respect of a Permitted Transfer is referred to as **Permitted Transferee**

28 7 Neither the beneficial nor the legal interest in any shares of the Company shall be transferred save in accordance with this Article 28 and Article 32

29 **OTHER TRANSFERS**

29 1 Except in the case of a Permitted Transfer the right to transfer shares or to assign or transfer the beneficial interest in shares in the Company (referred to in this Article 28 as a **Transfer of shares**) shall be subject to the restrictions and provisions set out in Article 28

29 2 Any person who wants to make a transfer of shares (the **Proposing Transferor**) must, before doing so, give a notice in writing (a **Transfer Notice**) to the Company that he wishes to transfer the shares (the **Sale Shares**) The Transfer Notice must specify the number of the Sale Shares and state the identity of the person or persons (if known) to whom the Proposing Transferor wishes to transfer the Sale Shares and if the Proposing Transferor has reached an agreement or an arrangement for the sale of the shares, the price per share at which the shares are to be sold The Transfer Notice must also indicate whether the proposing Transferor is willing to transfer part only of the Sale Shares The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached to them) at the Prescribed Price (determined in accordance with Article 29 3 to any holder of Shares on the basis set out in the following provisions of this Article 28 and shall not be revocable except with the unanimous consent of the Directors or except in accordance with Article 29 4

- 29 3 The Prescribed Price shall be either a price per share agreed by the Proposing Transferor and shareholders representing at least 51 % of the votes attributable to all the voting shares (excluding the Sale Shares) not more than 14 days after the date the Company is served with the Transfer Notice (**the Notice Date**) or, failing agreement, a price per share determined by the Company's auditors (**the Auditors**) The Prescribed Price shall be that considered by the Auditors to be the fair open market value of the Sale Shares (valuing the Company on a going concern basis between a willing seller and a willing buyer and having regard to the fact that the shares being valued may represent a majority or minority interest in the capital of the Company) as at the Notice Date The Auditors shall act as experts and not as arbitrators and, in the absence of fraud or manifest error, their determination (which shall include a determination as to who shall bear the costs of the Auditors) shall be final and binding on all persons concerned
- 29 4 The Proposing Transferor may withdraw the Transfer Notice by notice in writing to the Company within 7 days of being notified by the Auditors of their determination of the Prescribed Price and pending the end of that period of 7 days the Directors shall defer making the offer pursuant to Article 29 5 The provisions of this Article 29 4 shall not apply to any compulsory transfers referred to in Article 32
- 29 5 The Sale Shares included in any Transfer Notice shall within 14 days after the Notice Date or, if later, within 14 days after the Prescribed Price has been determined, by notice in writing be offered by the Company to all the holders of Shares (other than the Proposing Transferor) The notice shall specify the number and Prescribed Price of the Sale Shares and invite each holder of Shares to state in writing within 21 days after the date of the notice whether he is willing to purchase any of the Sale Shares and, if so, what maximum number (**the Offer**)
- 29 6 If, within the period of 21 days mentioned in the Offer, the holders of Shares, have expressed their willingness together to purchase all of the Sale Shares, the Company shall give the Proposing Transferor written notice of that fact and within 14 days after the end of that 21 day period shall proceed to allocate the relevant Sale Shares among those holders of Shares (each such holder of Shares being a **Purchaser**) pro rata, as nearly as practicable, to the nominal amount of their existing holdings of shares If this would otherwise result in allotting to one or more Purchasers a number of shares exceeding their requests, then the surplus shares shall be redistributed among such other holders of Shares who shall have expressed their willingness to purchase the shares pro rata, as nearly as practicable, to the nominal amount of their holdings of shares but only up to the amount of their respective requests, and this procedure shall be repeated until all the Sale Shares have been distributed to all the Purchasers (other than the holder of Shares to whose shares the Transfer Notice relates) for purchase at the Prescribed Price A notice by the Company shall state the name and address of the Purchaser concerned and the number of the Sale Shares agreed to be purchased by him The purchase shall be completed at a place and time to be appointed by the Company not being less than three days nor more than ten days after the date of that notice, when the relevant Purchaser(s) shall pay the Prescribed Price to the Proposing Transferor against delivery of duly executed stock transfer form(s) in respect of the Sale Shares and the share certificates in respect of them
- 29 7 If, at the end of the period of 21 days mentioned in the Offer the holders of Shares shall have expressed their willingness to purchase part only of the Sale Shares, or no holder of Shares shall have expressed his willingness to purchase any of the Sale Shares or if through no fault of the Proposing Transferor the

purchase or the purchases are not completed within 14 days of the end of that 21 day period, then the Company shall give notice in writing of that fact to the Proposing Transferor. If the Transfer Notice states that the Proposing Transferor is not willing to transfer part only of the Sale Shares, the Proposing Transferor shall not be so bound under Articles 29 5 to 29 6 unless the Company has found Purchasers for all of the Sale Shares but a holder of Shares who is required to give a Transfer Notice because of Article 32 shall not be able to state that he is not willing to transfer part only of the Sale Shares

29 8 If a Proposing Transferor fails or refuses to transfer any Sale Shares to a Purchaser the directors may authorise any director to execute and deliver on the Proposing Transferor's behalf the necessary stock transfer form and the Company may receive the purchase money in trust for the Proposing Transferor and register the Purchaser as the holder of the shares. The receipt by the Company for the purchase money shall constitute a good discharge to the Purchaser (who shall not be bound to see to the application of it). After the Purchaser has been registered in purported exercise of these powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) and any necessary transfer to the Company.

29 9 If the Company does not find Purchasers for all of the Sale Shares and gives notice in writing of that fact to the Proposing Transferor in accordance with Article 29 7

(a) the Company shall inform the Proposing Transferor in writing, as soon as possible after the receipt by the Transferor of the notice referred to in Article 29 7, whether the Company is able and willing, subject to and in accordance with the provisions of Chapter VII of Part V of the Act, to purchase such shares as are comprised in the Transfer Notice at the Prescribed Price and, if the Company shall indicate that it is so able and willing, such notice shall be binding upon the Company and the Proposing Transferor, who shall respectively take all steps within their power in order to carry such purchase into effect,

(b) if the Company shall fail to purchase the shares comprised in the Transfer Notice pursuant to paragraph 29 9(a), the Transferor shall not be entitled to transfer any of them

29 10 Subject to obtaining the written consent of all the holders of Shares other than the Proposing Transferor of the Company the requirements of this Article 28 may be waived by the directors in whole or in part in respect of any particular transfer of shares

30 TAG ALONG

30 1 Subject to Article 30 2, if the effect of any transfer of shares by a Proposing Transferor would, if completed, result in the transferee together with persons Acting in Concert or connected with that transferee obtaining a Controlling Interest, the proposing transferor shall procure the making, by the proposed transferee of the proposed transferor's shares, of a Come Along Offer (as defined in Article 30 3) to all of the other holders of shares of the Company. Every holder or recipient of such offer, on receipt of a Come Along Offer, shall be bound within ten (10) clear days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Come Along Offer has been made

and completed the directors shall not sanction the making and registration of the relevant transfer or transfers

30 2 The provisions of Article 30 1 shall not apply to any transfer of shares pursuant to Article 27

30 3 **Come Along Offer** means an unconditional offer, open for acceptance for not less than ten (10) clear days, to purchase shares held by the recipients of a Come Along Offer at a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in Article 30 1 (or any person with whom such transferee is connected with or with whom such transferee is Acting in Concert) for shares (inclusive of the shares giving rise to the obligation to make the Come Along Offer) within the period of one year prior to and on the proposed date of completion of such transfer of shares

31 **DRAG ALONG**

31 1 If the holders of 75% of the total voting rights exercisable at a general meeting of the Company (in Articles 31 1 and 31 2, the **Sellers**) wish to transfer their shares in the Company pursuant to an offer (the **Offer**) to any person (the **Buyer**), then the Sellers shall also have the option to require all of the other holders of shares, and any persons who become holders of shares upon exercise of any options, warrants or other rights to subscribe for shares which exist at the date of the Offer, to transfer all their shares in the Company to the Buyer, or as the Buyer directs, by giving notice (the **Drag Along Notice**) to that effect to all such other holders (the **Called Shareholders**) specifying that the Called Shareholders are, or will, in accordance with Articles 31 1 and 31 2, be required to transfer their shares pursuant to Articles 31 1 and 31 2 on the same proposed date of transfer free from all liens, charges and encumbrances and the price at which such shares are proposed to be transferred (such price, subject to Article 27, being the price per share offered by the Buyer to the Sellers)

31 2 If the Called Shareholders (or any of them) shall make default in transferring their shares pursuant to Articles 31 1 and 31 2, the provisions of Article 29 8 shall apply to the transfer of such shares mutatis mutandis but the transfer price shall be the price offered for such shares as set out in Article 31 1

31 3 Completion of the sale of the shares the subject of a Drag Along Notice shall take place on the same date as the date proposed for completion of the sale of the Sellers' shares

32 **COMPULSORY TRANSFER**

32 1 Upon a member

- (a) ceasing for any reason (excluding death or bankruptcy) to be engaged or employed by the Company (a **Compulsory Seller**), or
- (b) becoming bankrupt or insolvent (**Bankrupt Seller**), or
- (c) dying (**Deceased Seller**),

32 2 such member shall, immediately before ceasing to be so engaged or employed, becoming bankrupt or insolvent, or dying, be deemed to have served a transfer notice pursuant to Article 28 (a deemed transfer notice) immediately before

ceasing to be so engaged or employed, becoming bankrupt or dying, relating to the shares held by him

32 3 The price for the shares the subject of a deemed transfer notice shall be

(a) in the case of a Compulsory Seller

(i) if the Compulsory Seller is a Bad Leaver, the lower of the Issue Price and the fair value as determined in accordance with Article 29 3, or

(ii) if the Compulsory Seller is a Good Leaver, the price will be the fair value as determined in accordance with the provisions of Article 29 3, or

(b) in the case of a Bankrupt Seller, the price will be the fair value as determined in accordance with the provisions of Article 29 3, subject to applying a discount in respect of any minority interest, and

(c) in the case of a Deceased Seller, the price will be the fair value as determined in accordance with the provisions of Article 29 3,

and, subject to the provisions of this Article 32 2, the provisions of Article 27, 28 and 28 (inclusive) shall mutatis mutandis apply

33 TRANSFERRED SHARES

Any share (a **Transferred Share**) transferred or transmitted (as the case may be) to a member in pursuance to Articles 28, 28, 30, 31 or 32 shall be automatically converted into a share of the same class as such member's existing class of share on the submission to the Company for registration of a duly executed and stamped share transfer of the Transferred Share to the member together with the certificate for the Transferred Share and the share resulting from such conversion shall thereafter rank pari passu in all respects with all other shares of the same class

PART 4: DECISION MAKING BY SHAREHOLDERS VOTING

34 POLL VOTES

34 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

34 2 A demand withdrawn in accordance with Article 44(3) of the Model Articles shall not invalidate the result of a show of hands declared before the demand was made

35 PROXIES

35 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

35 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless

the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Article

ADMINISTRATIVE ARRANGEMENTS

36 RESOLUTION OF DEADLOCK

36 1 The provisions of this Article 36 shall apply in any case where

- (a) a matter relating to the affairs of the Company has been considered by a meeting of the directors, and
- (b) no resolution has been carried at such meeting of the directors in relation to the matter by reason of an equality of votes for and against any proposal for dealing with it or by reason of a director voting against it, and
- (c) such matter is not resolved within fourteen (14) working days from the date of such meeting as a result of any intervention by the members

Any such case is hereinafter referred to as a **deadlock**

36 2 In any case of deadlock each of the members shall, within seven (7) working days of such deadlock having arisen or become apparent, in his capacity as a director/cause his appointee or appointees on the board of directors to prepare and circulate to the other member(s) entitled to vote at a general meeting of the Company and other director(s) a memorandum or other form of statement setting out his position on the matter in dispute and his reasons for adopting such position. Each such memorandum or statement shall be considered by the members who shall respectively use their reasonable endeavours to resolve such dispute. If a majority of the members agree upon a resolution or disposition of the dispute, they shall jointly execute a statement setting forth the terms of such resolution or disposition and the members shall exercise the voting rights and other powers of control available to them in relation to the Company to procure that such resolution or disposition is fully and promptly carried into effect.

36 3 In the event that the dispute and deadlock remains unresolved for ninety (90) days after the deadlock has arisen the members shall thereafter procure that their appointees on the board of directors shall, at the earliest practicable dates

- (a) make or concur in the making of a statutory declaration in the terms mentioned in section 89 of the Insolvency Act 1986 (if the state of the Company's affairs admits the making of such a declaration),
- (b) convene a general meeting of the Company to consider
 - (i) the matter from which the deadlock arose, and
 - (ii) the passing of a special resolution to place the Company in members' voluntary liquidation (if such a declaration as is mentioned in Article 33 3(a) has been made) or (in any other case) in creditors' voluntary liquidation,such meeting or meetings to be held within five (5) weeks of being convened, and
- (c) where the state of the Company's affairs does not admit of the making of such a declaration as is mentioned in Article 36 3(a), convene a meeting of the Company's creditors in accordance with section 98 of the Insolvency Act 1986

36 4 If, at the general meeting referred to in Article 36 3(b), no resolution is carried in relation to the matter from which the deadlock arose, the members shall vote in favour of the special resolution for winding up the Company

36 5 In no circumstances shall any member create an artificial deadlock with a view to the Company being placed in liquidation For the purposes of this Article 36, an **artificial deadlock** shall be a deadlock caused by any member, or his appointee(s) on the board of directors, voting against an issue or proposal in any case where the passage or approval of the same is required to enable the Company to carry on its business properly and efficiently

37 MEANS OF COMMUNICATION TO BE USED

37 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, forty-eight (48) hours after it was posted or five (5) business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five (5) business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- (d) 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 37, no account shall be taken of any part of a day that is not a business day

37 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

38 INDEMNITY

38 1 Subject to Article 38 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) 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 in the actual or purported execution and/or discharge of his duties, or in relation to them including 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 company's (or any associated company's) affairs, and

- (b) 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 38 1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

38 2 This article 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

38 3 In this Article 38

- (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 officer** means any director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act)

39 **INSURANCE**

39 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 relevant loss

39 2 In this article

- (a) a **relevant officer** means any director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act),
- (b) a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer'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