

**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**-of-**

**THE POST REPUBLIC UK LIMITED**

**Company number: 10930056**

**(adopted on 16 December 2022)**



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## **NEW ARTICLES OF ASSOCIATION**

**of**

## **THE POST REPUBLIC UK LIMITED**

**(the 'Company')**

(Adopted on 16 December 2022)

### **INTERPRETATION**

1. In these Articles, unless the contrary intention appears, the following definitions apply:

|                         |  |
|-------------------------|--|
| "Act"                   | the Companies Act 2006   |
| "Auditors"              | the auditors or accountants of the of the Company<br>(as the case may be) from time to time  |
| "Board"                 | the board of Directors of the Company from time to time  |
| "Bona Fide Third Party" | a bona fide third party who is not an associate of or<br>otherwise directly or indirectly Controlled by a<br>Shareholder   |
| "Bad Leaver"            | a Leaver who is not a Good Leaver  |
| "Business Day"          | a day (other than a Saturday, Sunday or public<br>holiday) when clearing banks in the City of London<br>are open for the transaction of normal banking<br>business           |
| "Connected Person"      | as defined by the Income and Corporation Taxes<br>Act 1988 section 839   |
| "Control"               | in relation to a body corporate, the power of a<br>person to secure that the affairs of the body<br>corporate are conducted in accordance with the<br>wishes of that person: |

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|------------------------|--|
|                        | <p>(a) by means of the holding of Shares, or the possession of voting power, in or in relation to that or any other body corporate; or</p> <p>(b) by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating that or any other body corporate,</p> <p>and the terms 'Controls', 'Controlled by', and 'Controlling' shall be construed accordingly</p> |
| "Controlling Interest" | Shares conferring in the aggregate over 50 per cent. of the total voting rights conferred by all the Shares in the capital of the Company for the time being in issue and conferring the right to vote at all general meetings of the Company and shall include Shares held by all persons who in relation to each other are Connected Persons   |
| "Date of Termination"  | the date on which the contract of employment (if any) between the Company and that Shareholder is terminated   |
| "Directors"            | the directors from time to time of the Company   |
| "Expert"               | as defined in Article 10.4.1   |
| "Fair Value"           | has the meaning given to in in Article 9.3   |
| "Family Trusts"        | in relation to an individual shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder and/or his Privileged Relations   |
| "Good Leaver"          | a Leaver who leaves employment for reasons of (i) death, (ii) permanent incapacity, (iii) retirement at normal retirement age, (iv) in circumstances entitling the Leaver to successfully claim statutory or other compensation or damages for constructive and/or unfair or wrongful dismissal (other than for purely technical or procedural reasons)  |
| "Growth Shareholder"   | means any holder of Growth Shares from time to time;   |

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| "Growth Shares"            | means Growth Shares of £0.01 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;   |
| "Hurdle Value"             | means such amount as is confirmed in writing by the Company to the Growth Shareholders at the time of issue;   |
| "Leaver"                   | a (former) employee of the Company or any subsidiary of the Company and/or a (former) director or any other (former) provider of services to the Company who in any case is a Shareholder, on ceasing to be an employee and/or director of, or ceasing to provide services to the Company or any subsidiary of the Company |
| "Member of the Same Group" | as regards any Company means a company under common Control, and as regards an individual means any company Controlled by him/her  |
| "Model Articles"           | the Companies Act 2006 Model Articles for Private Companies Limited by Shares  |
| "Non-Growth Shares"        | the Shares other than Growth Shares, that is to say A Ordinary Shares and/or Ordinary Shares   |
| "Permitted Transferee"     | in relation to a Shareholder:<br>(a) who is an individual, means any of his Privileged Relations, Family Trusts or any Member of the Same Group; and/or<br>(b) which is a Company, any Member of the Same Group  |
| "Prescribed Price"         | as defined in Article 7.3  |
| "Privileged Relation"      | means spouse,civil partner, children,grandchildren including adopted in both cases   |
| "Sale or Flotation"        | any sale of the share capital of the Company or any part of it,and/or any flotation or listing on a recognised stock exchange of the Company   |
| "Share"                    | a share of £0.01 in the capital of the Company   |
| "Shareholder"              | a holder for the time being of Shares  |
| "Specified Price"          | Specified Price as provided in Article 10.2  |
| "Transfer Notice"          | has the meaning given to it in Article 7.1   |

- 1.2 Headings are used in these Articles for convenience only and shall not affect their construction or interpretation.
- 1.3 In these Articles, unless the context does not so admit:
- 1.3.1 reference to an individual or individuals shall include his or their personal representative(s);
  - 1.3.2 reference to the singular includes a reference to the plural and vice versa and reference to the masculine includes a reference to the feminine and neuter and vice versa;
  - 1.3.3 words and expressions defined in the Act shall have the same meanings herein;
  - 1.3.4 the expressions "paid-up" or "paid up value" as used in relation to any part of the Share capital of the Company shall mean the total amount paid up, or credited as paid up, on the relevant Shares including any premium paid up thereon.

## **MODEL ARTICLES**

- 3 The Companies Act 2006 Model Articles for Private Companies Limited by Shares shall apply to the Company save insofar as they are excluded or modified hereby. To Regulation 9(2)(c) shall be added 'and no objection shall be raised by any director to the holding of some or all of the Company's board meetings by telephone only.' Regulation 13 shall not apply since the chairman does not have a casting vote. To Regulation 18 shall be added (g) on termination or notice of intended termination of employment, and (h) that person receives notice signed by all the other directors stating that that person should cease to be a director, and in addition to the remaining regulations of the Model Articles as may be modified by the following, the following shall be the Articles. Particular attention is drawn to Article 26(5) of the Model Articles which provides: The Directors may refuse to register the transfer of a Share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

## **PRIVATE COMPANY**

- 4 The Company is a private company and accordingly any invitation to the public to subscribe for any Shares or debentures of the Company is prohibited.

## **SHARE CAPITAL**

### **4 Shares**

- 4.1 The Company may (although it has not done so at the date of adoption of these Articles) issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such Shares.
- 4.2 Sections 561 and 562 of the Act (ie pre-emption rights on issue of Shares) shall apply to the Company.
- 4.3 The Company at the date of adoption of these Articles does not have an authorised Share capital acting as a limit on the issue of Shares. At the date of adoption of these Articles the issued ordinary Share capital of the Company consists of Ordinary Shares and A Ordinary Shares of £0.01 each which are non-preferential. They are not subject to redemption either at the request of the Company or at the request of the holder or convertible into redeemable Shares. The Shares shall rank *pari passu* in all respects save as follows.
- 4.4 The Shares of the Company shall be sub-divided into separate classes as follows:
- Growth Shares, A Ordinary Shares and Ordinary Shares, all with par value of £0.01

### **Share rights**

- 4.5.1 The Shares shall rank *pari passu* in all respects save as set out in these Articles.

### **Income**

- 4.6.1 Provided the directors shall unanimously agree the Directors may declare and pay non-uniform dividends on the different classes, that is to say dividends which do not carry any right for other classes to share *pro rata*.
- 4.6.4 Article 31(1) of the Model Articles shall be amended by:
- the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing"; and
- the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".

### **Capital**

- 4.7.1 On a return of assets on liquidation or otherwise (except on a redemption of shares of any class or the purchase by the Company of its own shares) the assets of the Company remaining after the payment of its liabilities ("the Surplus") shall be distributed amongst the holders of the Shares as follows:

- 4.7.2 firstly, a sum equal to the amounts paid up or credited as paid up (including any premium) (the "Subscription Price") on such Shares held by them (and pro-rata according to such amounts) together with a sum equal to any arrears or accruals of the dividends on such Shares calculated down to the date of the return of capital to the holders of the Shares;
- 4.7.3 secondly, an amount equal to all Surplus (if any) up to the Hurdle Value shall be distributed between the holders of the Non-Growth Shares only (to the complete exclusion of all holders of the Growth Shares none of whom will be entitled to any distribution) pro rata to the number of Non-Growth Shares held by each of them relative to the total number of Non-Growth Shares in issue at that time; and
- 4.7.4 thirdly, the remaining amount of the Surplus (if any) in excess of the Hurdle Value shall be paid to the holders of Shares (as if such Shares constituted a single class) in proportion to the number of Shares held by them relative to the total number of Shares in issue at that time.
- 4.7.5 On a Sale or Flotation, the holders who sell Shares in such Sale or Flotation will be entitled to share in the proceeds thereon as follows:
  - 4.7.5.1 firstly, an amount equal to the Hurdle Value shall be distributed between the holders of the Non-Growth Shares only (to the complete exclusion of all holders of the Growth Shares none of whom will be entitled to any distribution) pro rata to the number of Non-Growth Shares held by each of them relative to the total number of Non-Growth Shares in issue at that time; and
  - 4.7.5.2 secondly, the remaining amount of the Surplus to the extent that it exceeds the Hurdle Value shall be distributed amongst the shareholders in proportion to the numbers of Shares sold by them on the Sale or Flotation as if all Shares constituted a single class relative to the total number of Shares in issue and sold at that time.
  - 4.7.5.3 The Directors shall not register any transfer of Shares unless this Article is complied with.
- 4.7.6 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.
- 4.7.7 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".
- 4.7.8 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".

#### **Voting**

- 4.8.1 Subject to Articles 4.8.2, , all Shares shall carry votes and all Shareholders shall be entitled to receive notice of and shall be entitled to attend either in person or by proxy at any general meeting of the Company and on a show of hands or on a poll shall have one vote for every Share in respect of which he/she is the holder; and

- 4.8.2 A holder of Shares (and any body corporate under the control (directly or indirectly) of that member (if any)) shall not be entitled to receive notice of, attend or vote at any general meeting of the Company following the Date of Termination in respect of that holder.

## **5 Issue of Shares**

- 5.1 Directors may (pursuant to Section 551 of the Act) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit but subject to the provisions of Article 5.2.
- 5.2 Subject to these Articles the pre-emption provisions of sub-section (1) of Section 561 and sub-sections (1) to (6) of section 562 of the Act shall apply to any allotment of the Company's equity securities PROVIDED THAT (a) the period specified in Section 562(5) of the Act shall be 14 days and (b) the holders of that class of equity securities ("**Equity Shareholders**") who accept Shares shall be entitled to indicate that they would accept Shares that have not been accepted by other Equity Shareholders ("**Excess Shares**") on the same terms as originally offered to all Equity Shareholders and any Shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares and such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares applied for.

## **6 Transfer of Shares**

- 6.1 No Share may be transferred unless the transfer is made in accordance with these Articles. A shareholder may transfer any share or shares to a Permitted Transferee provided the Permitted Transferee signs a Deed of Adherence agreeing to assume obligations under any shareholders' agreement as if an original party to it, and provided that the transferee shall be required and/or deemed to transfer the transferred shares back to the original transferor if the Original Transferee becomes a Leaver or if the transferee ceases to be a Permitted Transferee of the original transferor.
- 6.2 The Directors may refuse to register a transfer if:
- 6.2.1 it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
  - 6.2.2 the transfer is to an employee of the Company, Director or prospective employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
  - 6.2.3 it is a transfer of a Share which is not fully paid:



- 6.2.4 on which Share the Company has a lien;
- 6.2.5 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- 6.2.6 these Articles otherwise provide that such transfer shall not be registered.

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

- 6.3 The Directors may, as a condition to the registration of any transfer of Shares in the Company require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 6.3 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

## **7 Right of first refusal**

- 7.1 Except where otherwise provided in these Articles or as set out in any shareholders' agreement relating to the Company, if any Shareholder proposes to sell, transfer or otherwise dispose of all but not some only of his/her Shares (the '**Sale Shares**') to a Bona Fide Third Party for cash, the Shareholder shall first serve a transfer notice (the '**Transfer Notice**') on the other Shareholders and the Company.
- 7.2 Except as otherwise or with the consent of the Board, a Transfer Notice once given or deemed to be given shall be irrevocable.
- 7.3 A Transfer Notice shall set out the identity and background of the proposed Bona Fide Third Party offeree (the '**Offeree**'), the price at which the Offeree is willing to purchase each Sale Share (the '**Prescribed Price**'), and the other material terms and conditions of the proposed sale, including the place and date of completion of the proposed sale to the Offeree which shall be a date not less than 30 days and not more than 60 days from the date of the Transfer Notice.
- 7.4 Upon receipt of a Transfer Notice in accordance with Article 7.3, the addressees shall have the right, exercisable by delivery of written notice of acceptance to the communicating Shareholder within 30 days of its receipt of the Transfer Notice (the '**Offer Period**'), but not the obligation, to acquire the Sale Shares at the Prescribed Price, and on such other terms and conditions of the proposed sale, as those set out in the Transfer Notice. The exercise of such right by the recipient

shall create a binding legal obligation for the sale and purchase of the Sale Shares at the Prescribed Price pro rata to respective existing shareholdings. The completion of such sale and purchase shall take place within 30 days following the delivery by the buying Shareholder(s) of his/her notice(s) of the exercise of their right(s) to purchase the Sale Shares pursuant to this Article 7.4.

7.5 If, during the Offer Period, a notified Shareholder notifies the notifying Shareholder that he/she is interested in further shares and some of the allocation remains unclaimed by existing shareholders then the procedure set out in Articles 7.1 through 7.4 shall be repeated until the shares have all been claimed or until there are shares which existing shareholders have confirmed they have no interest in purchasing or have declined to purchase.

7.6 In that case, the notifying Shareholder may sell any Sale Shares which have not been so taken up by the notified Shareholders to the Offeree at a price equal to or more than the Prescribed Price, and on such other terms and conditions, as are no less favourable than those set out in the Transfer Notice, provided, however, that if such Shares are not disposed of to the Offeree at the Prescribed Price within a period of 60 days from the earlier of:

7.6.1 the expiration of the Offer Period; or

7.6.2 the notified Shareholder notifying the notifying Shareholder that it declines to exercise its right to purchase the Sale Shares,

then all of such Shares shall again be subject to all of the restrictions set forth in this Agreement.

7.7 As security for the obligations in this Article 7, each Shareholder irrevocably appoints the Company as their attorney to execute and do all such deeds, documents and things in the name of and on their behalf as may reasonably be required to give full effect to the provisions of this Article.

## **8 Compulsory transfer for nominal consideration - breaches or bankruptcy**

8.1 If:

8.1.1 any Shareholder is guilty of a deliberate or material breach, or persistent breaches, of any provision of these Articles or any shareholders' agreement relating to the Company which breach, if remediable, is not remedied within 30 days of them being notified of the breach and the action that is proposed to be taken and in either case the breach relates to theft/dishonesty, negligence and/or any other matter going to trust and/or confidence, competence and/or reputation (**Material Breach**); and/or

8.1.2 any Shareholder becomes the subject of insolvency and/or bankruptcy proceedings as a result of their wrongdoing or as a result of illegality,

(each such event being a '**Triggering Event**'), the other Shareholders shall have an option for a period of 30 days from the discovery of the occurrence of such Triggering Event to deliver written notice to the Shareholder suffering the Triggering Event ('**Triggered Shareholder**')

requiring the Triggered Shareholder to sell its Shares and including a statement setting forth in reasonable detail the grounds on which such notice is being delivered. Within 60 days after the date of such notice, the Triggered Shareholder shall sell its Shares at cost to the other Shareholders in proportion to their shareholdings or as they may otherwise unanimously direct. In determining whether an act or omission of any Triggered Shareholder constitutes a Material Breach for the purposes of Article 8.1.1 , the other Shareholders shall act reasonably and in good faith at all times.

- 8.2 For the avoidance of doubt a commercial decision which leads to adverse or unprofitable trading will not trigger the preceding Article.

## **9 Leaver provisions**

- 9.1 Within the period commencing on the date upon which a member becomes a Leaver and expiring six months later, the Director(s) may serve a notice on the Leaver notifying him/her that he/she is, with immediate effect, deemed to have served a Transfer Notice in respect of all or some of his/her Shares.

- 9.2 A Transfer Notice deemed to have been given pursuant to Article 9.1 shall not specify a Prescribed Price nor a proposed purchaser and shall not contain a Minimum Transfer Condition . In such circumstances, the sale price for his Shares shall be the Fair Value.

- 9.3 For the purposes of Article 9.2, 'Fair Value' shall be:

- 9.3.1 such price as the Good Leaver (or the personal representative or beneficiary thereof, as appropriate) and the Company shall agree within 10 Business Days of the date of the deemed Transfer Notice to be a Fair Value of the Shares on the date on which the Shareholder became a Leaver; or
- 9.3.2 in the case of a Bad Leaver, the lower of original cost to the Bad Leaver of the relevant Shares and their Fair Value as agreed between the Bad Leaver and the Company of the Shares on the date on which the Shareholder became a Leaver; and
- 9.3.3 failing such agreement where agreement is required, such Fair Value as the Expert shall determine.

- 9.4 Where Article 9.3.3 applies:

- 9.4.1 The Expert shall be an independent firm of accountants agreed between the Parties (being the Seller and the Company for this purpose) or in the absence of agreement nominated at the invitation of either of the Parties by the president for the time being of the Institute of Chartered Accountants in England & Wales, acting as expert not as arbitrator

9.4.2 the Expert shall be instructed to certify to the Company the Fair Value as soon as practicable after receipt of such instructions on the basis that the value of the relevant Shares the subject of the Transfer Notice shall be that proportion of the value of the Company so calculated as those Shares represent of the entire issued Share capital including Shares to be issued on exercise of options after applying no discount to reflect the fact that the Shares are a minority holding but to the extent the valuers consider reasonable to reflect the fact- to the extent that it is a fact only- that the relevant Shares are subject to certain restrictions under these Articles and any shareholders' agreement relating to the Company. The effect on the value of the Company of the services of the Leaver no longer being available to the Company shall also be fully reflected in the valuation;

9.4.3 the certification by the Expert of the Fair Value, in the absence of manifest error, shall be final and binding; and

9.4.4 the costs and expenses of the Expert in determining the Fair Value shall be paid as to one part by the Leaver (or the executors or beneficiary thereof, as appropriate) and as to the other part by the other Shareholders or the Company (as appropriate) in proportion to the number of Shares acquired by them (as the case may be) or as the Expert shall determine to be more appropriate in all the circumstances

9.5 Upon receipt of the deemed Transfer Notice, the provisions of Article 7 shall apply mutatis mutandis, save that the Company shall offer the Shares of the Leaver at Fair Value pro rata to their existing holdings and shall not, obviously, offer them to the Leaver.

## **10 Tag Along Rights**

10.1 Notwithstanding anything in these Articles no sale or transfer of any Shares to any person which would result if made and registered in a person whether or not then a member of the Company obtaining or increasing a Controlling Interest in the Company (hereinafter referred to as "**Specified Shares**") shall be made or registered, and no transfer for value of any Shares shall be made to any person who is not already a registered Shareholder unless:

10.1.1 in the case of a transfer obtaining or increasing a Controlling Interest, before the transfer is lodged for registration the proposed transferee or his nominee has thereafter made an offer to purchase all the other Shares at the Specified Price (as hereinafter defined) together with any arrears and accruals of dividend which offer every offeree shall be bound within twenty-eight days of its making to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer);

10.1.2 in the case of any other transfer for value to any person who is not already a registered Shareholder before the transfer is lodged for registration the proposed transferee or

his nominee has thereafter made an offer to purchase from all the existing ordinary Shareholders on a basis pro rata to their existing shareholdings the Shares which he wishes to acquire at the Specified Price (as hereinafter defined) together with any arrears and accruals of dividend which offer every offeree shall be bound within twenty-eight days of its making to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer) and any offeree accepting the offer shall indicate the maximum or minimum number of Shares he or she wishes to sell at the Specified Price so that those accepting can sell more Shares pro rata to make up for any shortfall in availability of Shares arising from Shareholders not wishing to accept the offer;

- 10.1.3 before the transfer is registered each such accepted offer is completed and the consideration thereunder paid (subject only to registration of the transfer in respect of the Specified Shares) except insofar as failure to complete is due to the fault of the offeree.

Provided that the provisions of this Article shall not apply to the transfer of Shares to an existing Shareholder who thereby achieves a majority holding in the issued Share capital of the Company.

10.2 For the purpose of this Article:

- 10.2.1 the expression "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment; and
- 10.2.2 the "Specified Price" shall mean, where relevant, and subject as set out below, a price per Share at least *pari passu* with that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration and/or benefits (in cash or otherwise) (excluding normal salary bonus and other forms of remuneration) received or receivable by the holders of the Specified Shares In the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales at the request of any of the parties concerned) whose decision shall be final and binding.

## 11 Drag Along Rights

- 11.1 A party or parties acting together which hold(s) a majority of Shares in the Company may transfer Shares in the Company in accordance with the following provisions:

- 11.1.1 such a party or parties (**Seller**) may accept a bona fide offer (**Offer**) from a third party (**Proposed Buyer**) for the purchase of the entire legal and beneficial interest in all Shares owned by it in the Company for a consideration payable on arm's length terms so long as the acceptance is conditional upon the terms of this Article being complied with in all respects and that condition is not waived.

11.2 On accepting the Offer the Seller shall:

- 11.2.1 notify the other Shareholders (**Remaining Shareholders**) of the main terms of the Offer (including where relevant the warranties and indemnities to be given) and that it has contracted (subject to relevant conditions) to accept the Offer as permitted by this Article, such notice to constitute a warranty and representation by the Seller to the Remaining Shareholders that the Offer complies with this clause; and
- 11.2.2 procure that within 30 days of such notice that the Proposed Buyer makes a binding written offer to the Remaining Shareholders at the same price per Share and on terms (including where relevant the warranties and indemnities to be given) that are not worse than those in the Offer.

- 11.3 The Remaining Shareholders shall accept such offer promptly and if they fail to do so the Company shall have the power to execute such documents as are necessary to give effect to the acceptance and transfer on the same terms as the Offer.

12 **Directors**

- 12.1 Unless otherwise determined by ordinary resolution the number of Directors (other than alternate Directors) shall be one or more. Decisions of the Board as Directors to be effective shall be by majority.
- 12.2 A Director shall not retire by rotation and a Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the annual general meeting next following his appointment.
- 12.3 The Director so appointed shall be entitled to appoint any person willing to act, whether or not he is a Director, to be his alternative director and such person need not be approved by resolution of the Directors.
- 12.4 Although the business of the Directors shall ordinarily be conducted on the basis of one Director one vote, then provided all Shareholders are present or represented by their sole appointee (in person or by any other means of communication including telephone or Skype) any Director may

require that any matter put for resolution to Directors shall instead be put to members to be decided on a poll.

### **13 Board Meetings**

- 13.1 Meeting of the board of Directors shall take place no less frequently than twice every calendar year. Not less than 14 days' notice of each meeting of the Directors specifying the date, time and place of the meeting and the business to be transacted shall be given to all Directors save in exceptional circumstances or where such requirement is waived by all the Directors. Directors resident outside the United Kingdom shall be notified of such meeting by facsimile or telegram (or its international equivalent) at the address notified by them to the Company for such purpose. Each Director shall be entitled to have full access to all Company information including all financial information at all times.
- 13.2 No business shall be transacted at any meeting of the board of Directors unless there shall be present in person or on the telephone not less than two Directors save that if a quorum is not present at any meeting of the board of Directors then that meeting shall be reconvened for a day seven days later when those Directors present being at least two shall form a quorum.
- 13.3 Any Director or his alternate may participate in a meeting of the Directors or a committee of the Directors by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other. Participating in any such meeting in this manner shall be deemed to constitute presence at the meeting.
- 13.4 Without prejudice to any obligation of any Director to disclose his interest, a Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty and if he does so vote his vote shall be counted and he shall be counted in the quorum present at a meeting in relation to any such resolution
- 13.5 The chairman shall have a casting vote.

### **15 Conflicts**

#### **Power to authorise conflicts of interest**

#### **15.1 Non-transactional conflicts**

- 15.1.1 Subject to Article 15.1.7, a Director must avoid any situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, including situations which involve the exploitation of property, information or opportunities regardless of whether or not the Company could have exploited such circumstances or whether the Director has, in fact, exploited such circumstances (a '**Conflict**').

- 15.1.2 The Directors are hereby empowered for the purposes of s175 of the Act to authorise any Conflict that may arise and to amend or vary any such authorisation. Such authorisation shall be given by board resolution made in accordance with these Articles.
- 15.1.3 A Directors' meeting called for the purpose of passing a resolution under Article 15.1.2 shall only be valid and the consequent resolutions effective if:
- 15.1.3.1 any requirement as to the quorum at the Directors' meeting at which the matter is considered is met without counting the Director in question; and
- 15.1.3.2 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- 15.1.4 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):
- 15.1.4.1 extend to any actual or potential Conflict which may reasonably be expected to arise out of the matter so authorised;
- 15.1.4.2 be subject to such terms and for such duration, or impose such limits or conditions, as the Directors may determine; and
- 15.1.4.3 be terminated or varied by the Directors at any time but so that any such termination or variation shall not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.
- 15.1.5 Where the Directors authorise a Conflict:
- 15.1.5.1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
- 15.1.5.2 the Director will not infringe any duty he owes to the Company by virtue of ss171-177 of the Act provided he acts in accordance with such terms, limits and conditions as the Directors impose in respect of its authorisation.
- 15.1.6 Where the Directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently), that the Director:
- 15.1.6.1 is excluded from discussions (whether at Directors' meetings or otherwise) related to the Conflict;
- 15.1.6.2 is not given any documents or other information relating to the Conflict; and
- 15.1.6.3 may or may not vote (or may or may not be counted in the quorum) at any future Directors' meeting in relation to any resolution relating to the Conflict.
- 15.1.7 The duty in Article 15.1.1 will not be breached if:



15.1.7.1 the circumstances giving rise to the Conflict or possible Conflict cannot reasonably be regarded as likely to result in a conflict of interest between the Director and the Company;

15.1.7.2 the specific Conflict is authorised by the Directors in accordance with this Article or by ordinary resolution;

15.1.7.3 the Conflict exclusively relates to the Director acting in a professional capacity for the Company, whether or not he is remunerated for it.

15.1.8 Without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information in circumstances where disclosure may otherwise be required under these Articles, 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 through his position as a Director and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:

15.1.8.1 disclose such information to any Director or other officer or employee of the Company;  
or

15.1.8.2 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.

15.1.9 Subject to Articles 15.1.3 to 15.1.6, a Director with a Conflict shall continue to be entitled to receive notice of, attend, count towards the quorum of and vote at all Directors' meetings. He may take such additional steps as may be necessary or desirable for the purpose of managing such Conflict, including but not limited to:

15.1.9.1 absenting himself from any Directors' meetings at which the relevant situation is considered; and

15.1.9.2 not reviewing documentation or information made available to Directors generally in relation to the Conflict and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documentation or information.

15.1.10 A Director shall not be required to account to the Company for any profit, remuneration or other benefit he derives from or in connection with a relationship involving a Conflict which has been duly authorised by the Directors or the Company in general meeting and no contract is liable to be voided on such grounds.

15.1.11 A Director is required to disclose to the Directors all Conflicts of which he is aware upon his appointment as a Director as well as any changes to such Conflicts as soon as he becomes aware of them. A notification to the Directors made in accordance with s184 (declaration by

way of written notice) or s185 (general notice) of the Act is deemed adequate disclosure for the purposes of these Articles.

- 15.1.12 The Directors shall maintain a register of all Directors' Conflicts. The Directors shall also institute procedures for the ongoing identification and disposal of Conflicts in such a manner as they deem appropriate.

## **15.2 Transactional conflicts**

- 15.2.1 If a Director is in any way, directly or indirectly, interested in an actual or proposed transaction or arrangement with the Company, he must, subject to Article 15.2.2 declare the nature and extent of that interest to the other Directors. Provided that such obligation shall not be breached if the situation cannot reasonably be regarded as likely to result in a conflict of interest between the Director and the Company;

- 15.2.2 Subject to Article 15.1.1, if a Directors' meeting, or part of a Directors' meeting, is concerned with such an actual or proposed transaction or arrangement and a Director has declared his interest he is not to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes.

- 15.2.3 A Director who makes such a declaration is to be counted as participating in a decision at a Directors' meeting, or part of a Directors' meeting, relating to it for quorum and voting purposes if:

15.2.3.1 his co-Directors present at such meeting approve his continued participation (and for these purposes the provisions of Article 15.1.3 *mutatis mutandis* shall apply);

15.2.3.2 the Company by ordinary resolution disapplies the provisions of these Articles which would otherwise prevent a Director from being counted as participating in, or voting at, a Directors' meeting; or

15.2.3.3 the Director's interest arises from:

15.2.3.4 a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company; or

15.2.3.5 arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company or any of its subsidiaries which do not provide special benefits for Directors or former Directors.

## **16 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.

## **17 Indemnity**

- 17.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor or other officer of the Company shall be indemnified out of the assets of the Company against all losses, liabilities and costs which he may incur in the execution of his duties or the exercise of his powers, authorities and discretions including a liability incurred in defending any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer of the Company in which judgment is given in his favour or in which he is acquitted or which otherwise end without a finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 17.2 The Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirements benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any liability which may lawfully be insured against by the Company.