

DATED

10th February, 2018

LILLAN GORILLAN LTD
(company number 11161138)

ARTICLES OF ASSOCIATION
adopted 10th February, 2018

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Company number: 11161138

PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
LILLAN GORILLAN LTD
(adopted by special resolution passed on 10 February 2018)

1. DEFINITIONS AND INTERPRETATION

1.1 In these Articles the following definitions will apply:

Accounting Period

an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act;

Act

the Companies Act 2006;

acting in concert

has the meaning set out in the City Code on Takeovers and Mergers in force for the time being;

Adoption Date

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

Arrears

in relation to any Share, all accruals, deficiencies and arrears of any dividend payable in respect of such Share, whether or not earned or declared and irrespective of whether or not the Company has had, at any time, sufficient distributable profits to pay such dividend, together with all interest and other amounts payable on such amounts;

Auditors

the auditors of the Company for the time being;

Board Invitee

any of:

- (a) the Company (subject to compliance with the provisions of the Act); and/or
- (b) any trustees of an Employee Trust; and/or
- (c) any person(s) (being a current or future employee or officer of the Company) nominated by the Directors;

Business Day

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

Change of Control

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

Compulsory Transfer Shares

in relation to a Member, any Shares, which are:

- (a) held by the Member at the time of the relevant Transfer Event;
- (b) held at the time of the relevant Transfer Event by any Family Member or Family Trust of the Member; and
- (c) acquired by the Member, his Family Members, Family Trusts and/or personal representatives after the occurrence of the Transfer Event pursuant to any Share Option Scheme or any other scheme or arrangement entered into prior to the Transfer Event,

together with, in any case, any further Shares received by any person referred to in paragraphs (a), (b) and (c) above at any time after the relevant Transfer Event which are derived from any such Shares, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise;

Director

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

Eligible Director

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

Employee Trust

any trust which is established for the benefit of the employees of the Company and/or any of the persons referred to in section 1166 of the Act;

Encumbrance

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

Expert

the expert identified and engaged in accordance with article 21;

Fair Value

the price which the Expert states in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that:

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

Family Member

in relation to any Member, the spouse or civil partner of that Member and their children (including step and adopted children) for the time being;

Family Trust

a trust under which the only persons being (or capable of being) beneficiaries are:

- (a) the settlor (being a Member); and/or
- (b) the Family Members of that settlor; and
- (c) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income from that property when the trust is created but may become so interested if there are no other beneficiaries for the time being except other charities),

and under which no power of control over the voting powers conferred by any Share is exercisable at any time by, or subject to the consent of, any person other than the trustees, the settlor or the Family Members of that settlor. For the purposes of this definition:

- (i) **settlor** shall include a testator or an intestate in relation to a Family Trust arising under a testamentary disposition or an intestacy of a deceased Member (as the case may be); and
- (ii) **Family Member** shall include the widow or widower of the settlor or the surviving civil partner of such settlor at the date of his death;

Issue Price

in relation to any Share, the amount paid up or credited as paid up on such Share, including the full amount of any premium at which such Share was issued;

Member

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

Member Majority

the holder(s) of at least 80% of, in aggregate, the Ordinary Shares in issue from time to time;

Model Articles

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

Permitted Company

in relation to any Member any company, corporation or other legal corporate entity in which he has an interest conferring the power on a person to secure (a) by means of the holding of shares or the possession of voting power or in relation to that or any other corporate entity or (b) by virtue of any powers conferred by the articles of association or other document regulating that or any other corporate entity, that the affairs of the corporate entity in question are conducted in accordance with the wishes of that person;

Ordinary Share

an ordinary share of £0.001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

Relevant Security

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

Sale Shares

has the meaning given in article 7.1.2(a);

Shareholders Agreement

the shareholders agreement entered into between the Company and its Members on or about the Adoption Date, as amended, varied or replaced from time to time;

Share Option Scheme

any share option scheme of the Company;

Shares

any shares of any class in the capital of the Company;

Share Sale

the transfer of any interest in any Shares (whether by one transaction or a series of transactions), which results in a Change of Control;

Third Party Purchaser

any person who is not a Member for the time being or a person connected with such a Member; and

Transfer Event

has the meaning given to it in article 8.1;

Transfer Notice

a notice in accordance with article 6.1 that a Member wishes to transfer his Shares;

- 1.2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company.
- 1.3 In these Articles a reference to:
- 1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date;
 - 1.3.2 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);
 - 1.3.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
 - 1.3.4 writing includes any mode of reproducing words in a legible and non-transitory form;
 - 1.3.5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article [or appendix] is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and
 - 1.3.6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.
- 1.4 All consents or approvals to be given by a Member Majority in respect of any provision of these Articles must be given in writing.
- 1.5 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles.
- 1.6 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.7 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.

- 1.8 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 Corporation Tax Act 2010 (except that in construing section 1122 "control" has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act.
- 1.9 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each Member.
- 1.10 Articles 19 and 36 of the Model Articles shall be disapplied.
2. **DIVIDENDS**
 - 2.1 Any profits which the Company, on the recommendation of the Directors, determines to distribute in respect of any Accounting Period shall be applied on a non-cumulative basis between the holders for the time being of the Shares. Any such dividend shall be paid in cash and shall be distributed amongst the holders of the Shares pro rata according to the number of such Shares held by each of them respectively, as if they constituted one class of share. Articles 30 and 31 of the Model Articles shall be disapplied.
3. **VOTING**

The voting rights attached to each class of Shares shall be as set out in this article.

 - 3.1.1 on a show of hands every Member holding one or more Ordinary Share, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote;
 - 3.1.2 on a poll, every Member holding one or more Ordinary Share, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for each Ordinary Share of which he is the holder; and
4. **ISSUE OF SHARES**
 - 4.1 The Directors are generally and unconditionally authorised for the purposes of section 551 of the Act and generally to exercise any power of the Company to allot Relevant Securities. The authority granted under this article 4.1 shall:
 - 4.1.1 be limited to a maximum amount in nominal value of £1,000,000;
 - 4.1.2 only apply in so far as it is not renewed, waived or revoked by ordinary resolution of the holders of Shares; and
 - 4.1.3 expire on the day immediately preceding the fifth anniversary of the Adoption Date, provided that the Directors may allot Relevant Securities after the expiry of such period in pursuance of an offer or agreement to do so made by the Company within such period.
 - 4.3 Subject to article 4.8, unless a Member Majority agrees otherwise, any Relevant Securities which the Directors propose to allot, grant or otherwise dispose of shall, before they are so allotted, granted or otherwise disposed of, be offered to the Members. Such offer (which shall be approved by the Member Majority) shall be made by means of a notice (a **Subscription Notice**) served by the Directors on all Members which shall:
 - 4.3.1 state the number and class of Relevant Securities offered;
 - 4.3.2 state the subscription price per Relevant Security, which shall be determined by the Directors;
 - 4.3.3 invite the relevant offerees to respond in writing to the Company stating the number of Relevant Securities for which they wish to subscribe; and
 - 4.3.4 expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date specified therein, being not less than 10 nor more than 20 Business Days after the date of the Subscription Notice.

- 4.4 After the expiry of the period referred to in the Subscription Notice or, if sooner, upon all Members having responded to the Subscription Notice (in either case, the **Subscription Allocation Date**), the Directors shall allocate the Relevant Securities in accordance with the applications received provided that:
- 4.4.1 no Relevant Securities shall be allocated to any Member who, at the Subscription Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name (including, for the avoidance of doubt, a Compulsory Transfer Notice);
 - 4.4.2 if there are applications for more than the number of Relevant Securities available, the Relevant Securities shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Relevant Securities than he applied for) to the number of Shares held by each of them respectively; and
 - 4.4.3 the allocation of any fractional entitlements to Relevant Securities amongst the Members shall be dealt with by the Directors, in such manner as they see fit.
- 4.5 Within 5 Business Days of the Subscription Allocation Date the Directors shall give notice in writing (a **Subscription Allocation Notice**) to each Member to whom Relevant Securities have been allocated pursuant to article 4.4 (each a **Subscriber**). A Subscription Allocation Notice shall state:
- 4.5.1 the number and class of Relevant Securities allocated to that Subscriber;
 - 4.5.2 the aggregate subscription price payable by the Subscriber in respect of the Relevant Securities allocated to him; and
 - 4.5.3 the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Subscription Allocation Notice) at which completion of the subscription for the Relevant Securities shall take place.
- 4.6 *Completion of a subscription for Relevant Securities pursuant to a Subscription Allocation Notice shall take place at the place, date and time specified in the Subscription Allocation Notice when the Subscriber will pay the relevant subscription monies to the Company in cleared funds and the Company will allot or grant the Relevant Securities to that Subscriber and deliver to that Subscriber a duly executed share certificate or certificate of grant (as the case may be) in respect of those Relevant Securities. If a Subscriber shall fail for any reason to pay the relevant subscription monies in respect of any Relevant Securities to the Company in cleared funds by the date specified in the Subscription Allocation Notice he shall:*
- 4.6.1 be deemed to have declined the offer made to him in respect of those Relevant Securities which shall immediately be deemed to be released from the provisions of articles 4.3 to 4.5; and
 - 4.6.2 indemnify the Company against all costs, claims and expenses which the Company may suffer or incur as a result of such failure.
- 4.7 Any Relevant Securities which are not accepted pursuant to articles 4.3 to 4.5, and any Relevant Securities released from the provisions of those articles either by virtue of a Subscriber's default in accordance with article 4.6 or by virtue of the agreement of a Member Majority, may be offered by the Directors to a third party and such Relevant Securities shall, subject to the provisions of the Act, be at the disposal of the Directors who may allot, grant or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that:
- 4.7.1 no Share shall be issued at a discount;
 - 4.7.2 no Relevant Securities shall be allotted, granted or otherwise disposed of on terms which are more favourable than those on which they were offered to the Members pursuant to article 4.3; and
 - 4.7.3 no Relevant Securities shall be allotted, granted or otherwise disposed of more than 3 months after the date of the relevant Subscription Notice relating to those Relevant Securities (or, in the case of Relevant Securities released from

the provisions of articles 4.3 to 4.5 by virtue of the agreement of a Shareholder Majority, the date of such agreement being given) unless the procedure in articles 4.3 to 4.5 is repeated in relation to that Relevant Security.

- 4.8 The provisions of articles 4.3 to 4.5 shall not apply to the grant of any option pursuant to a Share Option Scheme and the subsequent issue of any Shares on the exercise of such option or issue of any Shares to a current or future director, employee or consultant of the Group (other than a Founder) up to an aggregate amount equal to 5.45% of the equity share of the Company.
- 4.9 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company.
- 4.10 Notwithstanding any other provision of these Articles, no Share shall be allotted to a person who is not already a party to the Shareholders Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Shareholders Agreement.
- 4.11 Where any Share is issued to an existing Member holding Shares, such new Share shall, if so required by the Directors, on and from the time of registration of the allotment of that share in the register of members of the Company, be immediately and automatically (without resolution of the Members or Directors) redesignated as a Share of the same class as the Shares already held by such Member.

5. **TRANSFER OF SHARES - GENERAL**

- 5.1 Notwithstanding any other provision of these Articles, the Directors shall not register a *transfer of any interest in a Share*:

- 5.1.1 if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the opinion of the Directors) lacks capacity; or

- 5.1.2 unless:

- (a) the transfer is permitted by article 6; or

- (b) the transfer is made in accordance with article 6.1, 7, 8, 9 or 10.

- 5.2 The Directors may only refuse to register a transfer of Shares which is either permitted under article 6 or made in accordance with articles 6.1, 9 or 10 if:

- 5.2.1 the transfer has not been lodged at the Company's registered office (or such other place as the Directors may nominate for this purpose);

- 5.2.2 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for a lost, stolen or damaged certificate in such form as is reasonably required by the Directors) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer;

- 5.2.3 the transfer is in respect of more than one class of Shares;

- 5.2.4 the transfer is in favour of more than four transferees; or

- 5.2.5 the transfer has not been properly stamped or certified as being not liable to stamp duty.

In all other cases, the Directors must register such a transfer of Shares. Article 26(5) of the Model Articles shall not apply to the Company.

- 5.3 For the purposes of ensuring that:

- 5.3.1 a transfer of any Share is in accordance with these Articles;

- 5.3.2 no circumstances have arisen whereby a Member is required to give or may be deemed to have given a Transfer Notice in respect of any Share; or

- 5.3.3 no circumstances have arisen whereby the provisions of article 10 are required to be or ought to have been triggered,

the Directors may from time to time require any Member to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person

whom the Directors reasonably believe to have information relevant to such purpose provides, such information and evidence as the Directors may reasonably require for such purpose. Pending such information or evidence being provided, the Directors are entitled to refuse to register any relevant transfer of Shares.

- 5.4 If any information or evidence provided pursuant to article 5.3 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Member may be required to give or be deemed to have given a Transfer Notice, the Directors may, by notice in writing to the relevant Member, require that a Transfer Notice be given in respect of the Shares concerned.
- 5.5 In any case where a Member is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 10 Business Days of written notice from the Directors to the relevant Member requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 10 Business Days. Notwithstanding any other provision of these Articles, if the Directors resolve, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 5.5 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice which are derived from any Share which is the subject of that Transfer Notice, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise) shall with effect from the date of the relevant deemed Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder of such Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Shares.
- 5.6 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any Encumbrance.
- 5.7 *Where any Shares are the subject of a Transfer Notice no transfer of any such Shares shall be permitted pursuant to article 6.*
- 5.8 Where any Share is transferred to an existing Member holding Shares, such Share shall, on and from the time of registration of the transfer of that share in the register of members of the Company, be immediately and automatically (without resolution of the Members or Directors) redesignated as a Share of the same class as the Shares already held by such Member.

6. PERMITTED TRANSFERS

6.1 Transfer to a Family Member

- 6.1.1 Any individual Member may at any time transfer any of the Shares held by him to one or more of his Family Members.
- 6.1.2 Where any Member (in this article 6.1.2 the **transferor**) transfers Shares to a Family Member (in this article 6.1.2 the **transferee**) the transferor shall procure, before the transfer is presented for registration, that he is appointed, on terms reasonably satisfactory to the Directors, as the attorney of the transferee to exercise, in the name of and on behalf of the transferee, all or any of the rights in relation to the Shares transferred to him with full (unconditional and irrevocable) authority to sell those Shares on behalf of the transferee on a Realisation. For that purpose the transferee authorises the Company to send any written resolutions, notices or other communications in respect of the Shares registered in the name of the transferee to the transferor.
- 6.1.3 Where, following a transfer of Shares pursuant to article 6.1.1, the transferee of those Shares ceases for any reason to be a Family Member of the original transferor of those Shares, such transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) shall within 20 Business Days of a written request so to do from the Directors,

transfer all the Shares held by them to the original transferor failing which the Directors may at any time authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) and register the original transferor of those Shares as the holder of such Shares.

- 6.1.4 A Family Member to whom Shares have been transferred pursuant to this article 6.1.4 may transfer those Shares back to the original transferor at any time but may not otherwise transfer such Shares pursuant to this article 6.1 or article 6.2.

6.2 Transfer to a Family Trust

- 6.2.1 Subject to article 6.2.2, any individual Member may at any time transfer any of the Shares held by him to one or more trustees to be held on a Family Trust.

- 6.2.2 No transfer of Shares shall be permitted pursuant to article 6.2.1 unless the Directors are satisfied:

- (a) with the terms of the instrument constituting the Family Trust;
- (b) with the identity of the proposed trustee(s) of the Family Trust; and
- (c) that no costs incurred in the setting up or administration of the Family Trust are to be paid by any Group Company.

- 6.2.3 Where any Shares are held by a trustee(s) on a Family Trust, those Shares may be transferred to:

- (a) any new trustee(s) of the Family Trust appointed on a change in trustee(s);
- (b) the settlor of such Family Trust;
- (c) the trustees of another Family Trust which has the same settlor; or
- (d) any Family Member of the settlor of such Family Trust on their becoming entitled to such Shares under the terms of the Family Trust.

- 6.2.4 Where any Shares are held by a trustee(s) on a Family Trust and either:

- (a) the relevant trust ceases to be a Family Trust in relation to the settlor; or
- (b) there ceases to be any beneficiaries of the Family Trust other than charities,

the trustee(s) shall forthwith, and in any event within 20 Business Days of the date on which the trust ceased to be such a Family Trust or there ceased to be any beneficiaries as above, transfer all the Shares held by them to the original transferor failing which the Directors may at any time authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares.

6.3 Transfer by Employee Trust

Where any Shares are held by a trustee(s) on an Employee Trust, those Shares may be transferred to:

- 6.3.1 any new trustee(s) of the Employee Trust appointed on a change in trustee(s); or
- 6.3.2 any beneficiary of the Employee Trust, provided the transfer is made pursuant to, and in accordance with the rules of, a Share Option Scheme.

6.4 Transfer to a Permitted Company

- 6.4.1 A Member may transfer Shares to a Permitted Company.

- 6.4.2 Where, following a transfer or series of transfers of Shares pursuant to article 6.4.1, the transferee of any Shares ceases at any time for any reason to be a *Permitted Company of the original transferor of those Shares*, such transferee shall forthwith transfer all the Shares held by it to the original transferor (or another member of the same group as that original transferor) for such consideration as they may agree between them and, if they do not agree such consideration or if the transfer is not effected for any other reason within 20 Business Days of the date on which the transferee ceased to be a member of the same group as the original transferor, the Directors may authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares.

7. PRE-EMPTION ON TRANSFER OF SHARES

7.1 Transfer Notice

- 7.1.1 Except as permitted under article 6 (Permitted Transfers) or as provided for in article 9 (Drag Along) and article 10 (Tag Along), any Member (a **Seller**) who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a **Transfer Notice**) to the Company of his wish.
- 7.1.2 Subject to article 7.1.3 a Transfer Notice shall:
- (a) state the number and class of Shares (the **Sale Shares**) which the Seller wishes to transfer;
 - (b) state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares;
 - (c) state the price per Share (the **Proposed Price**) at which the Seller wishes to transfer the Sale Shares;
 - (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 7 (a **Total Transfer Condition**);
 - (e) relate to only one class of Share;
 - (f) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 7; and
 - (g) not be capable of variation or cancellation without the consent of the Directors.
- 7.1.3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles:
- (a) it shall relate to all the Shares registered in the name of the Seller;
 - (b) it shall not contain a Total Transfer Condition;
 - (c) *the Transfer Price shall be such price as may be agreed between the Seller and the Directors, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice or if either no price is agreed within such period, the Fair Value determined in accordance with article 7.2.2;*
 - (d) it shall be irrevocable; and
 - (e) subject to article 5.5, the Seller may retain any Sale Shares for which Buyers (as defined in article 7.4.2) are not found provided that the Seller shall not at any time thereafter be permitted to transfer all or any of such retained Sale Shares pursuant to article 6.

7.2 Transfer Price

7.2.1 The Sale Shares will be offered for sale in accordance with this article 7 at the following price (the **Transfer Price**):

- (a) the Proposed Price; or
- (b) such other price as may be agreed between the Seller and the Directors (which in the case of a Compulsory Transfer Notice must be approved by a Member Majority), within 10 Business Days of the date of service (or deemed service) of the Transfer Notice; or
- (c) if no price is agreed pursuant to article (b) within the period specified in that article, whichever is the lower of (i) the Proposed Price and (ii) the Fair Value.

7.2.2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 7.2.1(b), the Directors shall instruct the Expert to determine and certify the Fair Value of the Sale Shares in accordance with article 21.

7.2.3 Where in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles, the Fair Value is less than the price proposed by the Directors to the Seller not less than 5 Business Days prior to receipt of the Expert's report on the Fair Value by the Company, then the Expert's fees shall be borne wholly by the Seller.

7.3 Offer Notice

7.3.1 Subject to article 7.3.2 and **Error! Reference source not found.**, the Directors shall serve a notice (an **Offer Notice**) on all Members holding Shares to whom the Sale Shares are to be offered in accordance with these Articles as soon as reasonably practicable after (and in any event within 10 Business Days of) the Transfer Price being agreed or determined in accordance with these Articles or if the provisions of article **Error! Reference source not found.** apply the later of the expiry of the period referred to in article **Error! Reference source not found.** or the Directors waiving in whole or in part the provisions of article **Error! Reference source not found.**.

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

7.3.3 An Offer Notice shall:

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

7.4 Allocation of Sale Shares

7.4.1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Members having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the **Allocation Date**), the Directors shall allocate the Sale Shares in accordance with the applications received provided that:

- (a) if there are applications from any class of offerees for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable

but without allocating to any applicant more Sale Shares than he applied for) to the number of Shares of the class entitling them to receive such offer held by each of them respectively;

- (b) the allocation of any fractional entitlements to Sale Shares amongst the members of a particular class of Shares shall be dealt with by the Directors in such manner as they see fit;
- (c) no Sale Shares shall be allocated to any Member who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice (including a Compulsory Transfer Notice) in respect of any Shares registered in his name.

7.4.2 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an **Allocation Notice**) to the Seller and each Member to whom Sale Shares have been allocated pursuant to article 7.4 (each a **Buyer**). An Allocation Notice shall state:

- (a) the number and class of Sale Shares allocated to that Buyer;
- (b) the name and address of the Buyer;
- (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;
- (d) the information (if any) required pursuant to article 7.4.4; and
- (e) subject to article 7.4.4, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.

7.4.3 Subject to article 7.4.4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer.

7.4.4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 7.4.1 is less than the total number of Sale Shares then:

- (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the **Further Offer**) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price;
- (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 20 Business Days) specified in the Allocation Notice;
- (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 7.4.1(a) to 7.4.1(c); and
- (d) following the allocation of any Sale Shares amongst the Buyers in accordance with article 7.4.1, and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 7.4.2 but omitting article 7.4.2(d).

7.4.5 Subject to article 7.4.6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 7.4.4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that Allocation Notice on the terms offered to that Buyer.

7.4.6 If after following the procedure set out in this article 7 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then:

- (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 7 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 7; and
- (b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.

7.5 Default by the Seller

- 7.5.1 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 7, the Directors may authorise any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer.
- 7.5.2 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 7.5 the validity of the proceedings shall not be questioned by any person.
- 7.5.3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors).

7.6 Transfers following exhaustion of pre-emption rights

If any Sale Shares are not allocated to a Buyer under any of the previous provisions of this article 7 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in article 7.4.6(b), sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that:

- 7.6.1 no Share shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Member without the prior written consent of a Member Majority (such consent not to be unreasonably withheld and it is agreed that it will only be reasonable to withhold consent where the transfer may adversely affect the interests of the Company);
- 7.6.2 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares; and
- 7.6.3 the Directors may require to be satisfied that the relevant Sale Shares are being transferred under a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the transfer (without prejudice to any power of the Directors to refuse to register a transfer in accordance with article 4.3); and
- 7.6.4 the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 10 until such time as that offer has been made and, if accepted, completed.

8. COMPULSORY TRANSFER

- 8.1 In this article 8 each of the following shall be a Transfer Event in relation to a Member holding Shares and the relevant Member (or his personal representatives (as the case may

be)) shall be obliged to notify the Directors forthwith upon the occurrence of such Transfer Event:

- 8.1.1 the death of that Member;
- 8.1.2 an order being made for the bankruptcy of that Member or a petition being presented for such bankruptcy which petition is not withdrawn or dismissed within 10 Business Days of being presented;
- 8.1.3 the Member convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally;
- 8.1.4 the Member being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1986);
- 8.1.5 any step being taken for the appointment of a receiver, manager or administrative receiver over all or any material part of the Member's assets, or any other steps being taken to enforce any Encumbrance over all or any material part of the Member's assets or any Shares held by that Member;
- 8.1.6 any proceedings or orders equivalent or analogous to any of those described in articles 8.1.2 to 8.1.5 above occurring in respect of the Member under the law of any jurisdiction outside England and Wales;
- 8.1.7 that Member suffering from mental disorder and being admitted to hospital or, by reason of his mental health, being subject to any court order which wholly or partly prevents that Member from personally exercising any powers or rights which that Member would otherwise have; or

and, in any such case, the Directors notifying the Company within six months of the occurrence of such event (or, if later, within six months of the date on which the Directors first became aware of the occurrence of such event) that such event is a Transfer Event in relation to that Member for the purposes of this article 8.

- 8.2 Upon the Directors notifying the Company that an event is a Transfer Event in respect of a Member in accordance with article 8.1, the Member and any other person holding Compulsory Transfer Shares in relation to that Member, shall be deemed to have served a Transfer Notice (a Compulsory Transfer Notice) in respect of all (subject to article 8.3 below) the Compulsory Transfer Shares held from time to time by each of them respectively. A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares.

- 8.3 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 6 as if the Compulsory Transfer Shares were Sale Shares

9. **DRAG ALONG**

- 9.1 If the holders of not less than 75% of the Shares (the **Selling Members**) wish to transfer all their Shares to a bona fide proposed purchaser (the **Proposed Purchaser**), they shall have the option (a **Drag Along Option**) to require all or any of the other Members (the **Remaining Members**) to transfer all their Shares with full title guarantee to the Proposed Purchaser (or as the Proposed Purchaser shall direct) in accordance with this article 9.

- 9.2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a **Drag Along Notice**) to each of the Remaining Members at any time before the registration of the transfer of the Selling Members' Shares. A Drag Along Notice shall specify:

- 9.2.1 that the Remaining Members are required to transfer all their Shares (the **Remaining Shares**) pursuant to this article 9;
- 9.2.2 the identity of the Proposed Purchaser;
- 9.2.3 the consideration for which, or the price at which, the Remaining Shares are to be transferred, determined in accordance with article 9.4 (the **Drag Along Consideration**); and
- 9.2.4 the proposed date of transfer (if known).

- 9.3 A Drag Along Notice:
- 9.3.1 may be revoked by the Selling Members at any time prior to the completion of the sale and purchase of the Remaining Shares; and
 - 9.3.2 shall lapse if for any reason the sale of the Selling Members' Shares to the Proposed Purchaser is not completed within 40 Business Days of the date of service of the Drag Along Notice (such lapse being without prejudice to the right of the Selling Members to serve any further Drag Along Notice following such lapse).
- 9.4 Subject to article 9.5, the Drag Along Consideration shall be the same consideration per Remaining Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Proposed Purchaser in respect of each Share held by the Selling Members.
- 9.5 Prior to completion of the sale and purchase of the Remaining Shares, if requested to do so by the Proposed Purchaser, the Directors may resolve that any Remaining Member is paid the cash equivalent of any non-cash consideration due to the Selling Members from the Proposed Purchaser in lieu of such non-cash consideration. Such cash consideration in lieu may be paid to a Remaining Member either on completion or at the same time as the relevant non-cash consideration is received by the Selling Members at the absolute discretion of the Directors. The Proposed Purchaser shall specify the amount of the cash equivalent which shall be final and binding, save in the case of fraud or manifest error.
- 9.6 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as completion of the sale and purchase of the Selling Members' Shares (or such later date, being not more than 20 Business Days after the date of such completion, as the Directors may direct in writing).
- 9.7 Upon the service of a Drag Along Notice each Remaining Member shall be deemed to have irrevocably appointed each of the Selling Members (severally) as the agent of the Remaining Member to execute, in the name of and on behalf of that Remaining Member, any stock transfer form and covenant for full title guarantee in respect of the Remaining Shares registered in the name of that Remaining Member and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Remaining Shares pursuant to this article 9.
- 9.8 The provisions of this article 9 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption and other restrictions on transfer of Shares contained in these Articles shall not apply to the transfer of any Shares to a Proposed Purchaser named in a Drag Along Notice (or as that Proposed Purchaser may direct). Any Transfer Notice or Compulsory Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 7.1 shall automatically be revoked by the service of a Drag Along Notice.
- 9.9 Where, at any time after the service of a Drag Along Notice but before completion of the sale and purchase of the Remaining Shares by the Proposed Purchaser, any person (a **New Member**) becomes a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Member. Upon the deemed service of a Drag Along Notice pursuant to this article 9.9 the New Member shall become bound to sell and transfer to the Proposed Purchaser (or as the Proposed Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 9 shall apply mutatis mutandis to the sale of any such Shares by such New Member provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:
- 9.9.1 the date on which a Drag Along Notice is deemed to have been served on the New Member pursuant to this article 9.9; and
 - 9.9.2 the date of completion of the sale and purchase of the Remaining Shares pursuant to the original Drag Along Notice.

10. **TAG ALONG**

10.1 Subject to article 9 and save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 6, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the **Committed Shares**) which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration:

10.1.1 a Member Majority has consented to such transfer; and

10.1.2 the relevant Third Party Purchaser has made a bona fide offer (a **Tag Along Offer**) by notice in writing (a **Tag Along Notice**) to acquire, in accordance with this article 10, from all the Members other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the **Uncommitted Shares**) for the consideration, or at the price, (the **Tag Along Consideration**) calculated in accordance with articles 10.3.

10.2 A Tag Along Notice shall:

10.2.1 state the Tag Along Consideration;

10.2.2 state the identity of the relevant Third Party Purchaser;

10.2.3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and

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

10.3 For the purposes of this article 10, the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.

11. **GENERAL MEETINGS**

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

11.2 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article: "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the Member(s) present (either in person, by proxy or by a duly appointed corporate representative) shall constitute a quorum".

11.3 A poll may be demanded at any general meeting by:

11.3.1 the chairman; or

11.3.1 not less than 2 Members present (in person, by proxy or by a duly appointed corporate representative) and entitled to vote on the relevant resolution; or

11.3.2 a Member or Members, present as set out in article 11.3.1, representing not less than 10% of the total voting rights of all the Members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares); or

11.3.3 a Member or Members, present as set out in article 11.3.1, holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum

paid up on all the shares conferring that right (excluding shares in the Company conferring a right to vote on the resolution which are held as treasury shares).

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

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

- 11.5 Article 45(1) of the Model Articles shall be amended by the deletion of the words in Article 45(1)(d) and the insertion in their place of the following:

"is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate."

- 11.6 The Company shall not be required to give notice of a general meeting to a Member:

11.6.1 whose registered address is outside the United Kingdom unless he has provided an address for service within the United Kingdom; or

11.6.2 for whom the Company no longer has a valid United Kingdom address.

12. **APPOINTMENT AND REMOVAL OF DIRECTORS**

- 12.1 Unless and until determined otherwise by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall not be less than one and is not subject to any maximum.

- 12.2 The office of a Director shall automatically be vacated, and the Director in question shall be deemed to have resigned, upon that Director failing to take part in any directors' decisions for a period of more than 6 consecutive months and the Directors, resolving that his appointment as a Director should terminate (and the director in question shall not be an "Eligible Director" for the purposes of such resolution of the Directors).

Article 18 of the Model Articles shall be extended accordingly.

- 12.3 In any case where, as a result of death or bankruptcy, the Company has no Members and no Directors, the transmittee(s) of the last Member to have died or to have a bankruptcy order made against him (as the case may be) has the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a Director. Article 27(3) of the Model Articles shall be modified accordingly.

- 12.4 Article 19 of the Model Articles shall be disapplied.

13. **ALTERNATE DIRECTORS**

- 13.1 Any Director (in this article 13, an **appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:

13.1.1 exercise that director's powers; and

13.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.

- 13.2 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.

- 13.3 The notice must:

13.3.1 identify the proposed alternate; and

13.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

- 13.4 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

- 13.5 Save as provided otherwise in these Articles, alternate Directors:
- 13.5.1 are deemed for all purposes to be Directors;
 - 13.5.2 are liable for their own acts and omissions;
 - 13.5.3 are subject to the same restrictions as their appointors; and
 - 13.5.4 are not deemed to be agents of or for their appointors
- and, in particular, each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.
- 13.6 A person who is an alternate Director but not a Director:
- 13.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
 - 13.6.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not himself participate); and
 - 13.6.3 shall not be counted as more than one Director for the purposes of articles 13.6.1 and 13.6.2.
- 13.7 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.
- 13.8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 13.9 The appointment of an alternate Director terminates:
- 13.9.1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate;
 - 13.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
 - 13.9.3 on the death of the alternate's appointor;
 - 13.9.4 when the appointment of the alternate's appointor as a Director terminates; or
 - 13.9.5 when written notice from the alternate, resigning his office, is received by the Company.
14. **PROCEEDINGS OF DIRECTORS**
- 14.1 Save where the Company has a sole Director, two Eligible Directors, present either in person or by a duly appointed alternate, shall be a quorum. For the purpose of any meeting held to authorise a director's conflict of interest under article 16 if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. Article 11(2) of the Model Articles shall not apply to the Company.
- 14.2 If the number of votes for and against a proposal at a Directors' meeting are equal the chairman shall not have a casting vote. Article 13 of the Model Articles shall not apply to the Company.
15. **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**
- 15.1 Subject to sections 177 and 182 of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company:

- 15.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 15.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such contract or proposed contract in which he is interested;
 - 15.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such contract or proposed contract in which he is interested;
 - 15.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
 - 15.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 15.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 15.2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.
16. **DIRECTORS' CONFLICTS OF INTEREST**
- 16.1 The Directors may, in accordance with the requirements set out in this article 16, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid situations which conflict or possibly may conflict with the interests of the Company (a **Conflict**).
- 16.2 Any authorisation under this article will be effective only if:
- 16.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 16.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
 - 16.2.3 the matter was agreed to without the Director in question or would have been agreed to if his vote had not been counted.
- 16.3 Any authorisation of a Conflict under this article 16 shall be in recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded) and may, whether at the time of giving the authorisation or subsequently:
- 16.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - 16.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
 - 16.3.3 be terminated or varied by the Directors at any time.
- This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.
- 16.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of

which he owes a duty of confidentiality to another person, the Director is under no obligation to:

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

16.4.2 use or apply any such information in performing his duties as a Director,

where to do so would amount to a breach of that confidence.

16.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide that the Director:

16.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;

16.5.2 is not given any documents or other information relating to the Conflict; and

16.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.

16.6 Where the Directors authorise a Conflict:

16.6.1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and

16.6.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.

16.7 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

17. SECRETARY

The Directors may appoint any person who is willing to act as the Secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person.

18. SERVICE OF DOCUMENTS

18.1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient:

18.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;

18.1.2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;

18.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

18.1.4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

18.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article 18.1, no account shall be taken of any part of a day that is not a working day.

- 18.2 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.

19. **INDEMNITY**

- 19.1 Subject to article 19.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

19.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the activities of the Company (or any associated company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (or any associated company); and

19.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or *application referred to in article 19.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.*

- 19.2 This article 19 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.

- 19.3 In this article 19 and in article 20:

19.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

19.3.2 a **relevant officer** means any director or other officer or former director or other officer of the Company or any associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) or Employee Trust, but excluding in each case any person engaged by the Company (or any associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

- 19.4 Article 52 of the Model Articles shall not apply to the Company.

20. **INSURANCE**

- 20.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.

- 20.2 Article 53 of the Model Articles shall not apply to the Company.

21. **EXPERT**

- 21.1 Where these Articles provide for any matter or dispute to be determined by the Expert, such matter or dispute shall be referred, at the request of a Director, to the Auditors provided that in the circumstances referred to in article 21.2 such matter or dispute shall be referred to an

independent chartered accountant nominated in writing for this purpose by the Directors (and approved by a Member Majority).

21.2 The circumstances referred to in article 21.1 are:

21.2.1 where the Auditors are unable or unwilling to act in connection with the relevant reference; or

21.2.2 where, within 10 Business Days of a Director requesting that a matter or dispute be referred for determination under this article 21, the Directors direct in writing that instead of being referred to the Auditors the relevant matter or dispute shall be referred to the independent chartered accountant nominated by the Directors in their direction for this purpose.

21.3 The Expert shall be engaged on terms agreed between the relevant Expert and the Directors, provided that if such terms are not so agreed within 10 Business Days of the Expert being instructed, the Expert shall be engaged on such terms as may be agreed between the Expert and the Directors (acting reasonably). For the purposes of agreeing the terms of the Expert's engagement pursuant to this article 21.3, the Directors shall act as agent for the Company and each relevant Member.

21.4 The Company and any relevant Members shall supply the Expert with any information which he may reasonably request in connection with his determination. The Company and any relevant Members shall be entitled to make written submissions to the Expert provided that a copy of any such written submissions is also simultaneously delivered to the other relevant parties. The Expert shall give due weight to any such written submission which is received by the Expert within such time limit as he may determine and have notified to the relevant parties.

21.5 The decision of the Expert (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Members.

21.6 The cost of any reference to the Expert shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Expert (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Expert, equally by the parties concerned.

22. **CHANGE OF NAME**

The name of the Company may be changed by a decision of the Directors.

23. **PURCHASE OF OWN SHARES OUT OF CASH**

In accordance with section 692(1) of the Act the Company may purchase its own shares with cash up to an amount not exceeding £15,000 or the value of 5% of its share capital (whichever is the lower) in each Accounting Period.

24. **PARTLY PAID SHARES**

24.1 Article 21 of the Model Articles shall not apply to the Company and the Directors may, subject to these Articles, issue Shares which are partly or nil paid.

24.2 Notwithstanding any other provision of these Articles, unless the Directors resolve otherwise no voting rights attached to a Share may be exercised at any general meeting, at any adjournment of it or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that Share have been paid and, for the purposes of any written resolution, the holder of any such Share shall not be entitled to vote on any written resolution.

24.3 The following words shall be inserted at the end of Article 26(1) of the Model Articles: "and, unless the Share is fully paid, by the transferee".

24.4 The words in article 24(2)(c) of the Model Articles shall be deleted and replaced by the following: "the amount paid up on the shares".

24.5 Article 30(4) of the Model Articles shall be deleted and replaced by the following:

"30(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, any dividend must be:

- (a) paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it;
- (b) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
- (c) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid."

24.6 Article 36(4) of the Model Articles shall be deleted and replaced by the following:

"36(4) A capitalised sum which was appropriated from profits available for distribution may be applied:

- (a) in or towards paying up any amounts unpaid on existing shares held by persons entitled; or
- (b) *in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct."*

24.7 Article 44(2) of the Model Articles shall be amended by the insertion of the following as a new paragraph (e) in that article:

"(e) a person or persons holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right."

25. **COMPANY'S LIEN OVER SHARES**

25.1 The Company has a lien (the **Company's lien**) over every Share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

25.2 *The Company's lien over a Share:*

25.2.1 takes priority over any third party's interest in that Share; and

25.2.2 extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

25.3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

25.4 Subject to the provisions of this article 25, if:

25.4.1 a notice enforcing the Company's lien (a **Lien Enforcement Notice**) has been given in respect of a Share; and

25.4.2 the person to whom the Lien Enforcement Notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide.

25.5 A Lien Enforcement Notice:

25.5.1 may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

25.5.2 must specify the Share concerned;

25.5.3 must require payment of the sum within 14 days of the notice;

25.5.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and

- 25.5.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 25.6 Where Shares are sold under this article following service of a Lien Enforcement Notice:
- 25.6.1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
- 25.6.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 25.7 The net proceeds of the sale of any Share following service of a Lien Enforcement Notice (after payment of the costs of sale and any other costs of enforcing the Company's lien) must be applied:
- 25.7.1 firstly, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
- 25.7.2 secondly, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.
- 25.8 A statutory declaration by a Director that the declarant is a Director and that a Share has been sold to satisfy the Company's lien on a specified date:
- 25.8.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- 25.8.2 *subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.*
- 25.9 If a Share is subject to the Company's lien and the Directors are entitled to issue a Lien Enforcement Notice in respect of it, then the Directors may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice. Any money deducted pursuant to this article 25.9 must be used to pay any of the sums payable in respect of that Share. The Company must notify the distribution recipient in writing of:
- 25.9.1 the fact and amount of any such deduction;
- 25.9.2 any non-payment of a dividend or other sum payable in respect of a Share resulting from such deductions; and
- 25.9.3 how the money deducted has been applied.
26. **CALLS ON SHARES**
- 26.1 Subject to the Articles, and the terms on which Shares are allotted, the Directors may send a notice (a **Call Notice**) to a Member requiring the Member to pay the Company a specified sum of money (a **Call**) which is payable to the Company at the date when the Directors decide to send the Call Notice.
- 26.2 A Call Notice:
- 26.2.1 may not require a Member to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;
- 26.2.2 must state when and how any Call to which it relates is to be paid; and
- 26.2.3 may permit or require the Call to be made in instalments.

- 26.3 A Member must comply with the requirements of a Call Notice, but no Member is obliged to pay any Call before 14 clear days have passed since the Call Notice was sent.
- 26.4 Before the Company has received any Call due under a Call Notice the Directors may subject to the consent of a Member Majority:
- 26.4.1 revoke the Call Notice wholly or in part; or
 - 26.4.2 specify a later time for payment than that specified in the Call Notice,
- by a further notice in writing to the Member in respect of whose Shares the Call is made.
- 26.5 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 26.6 The joint holders of a Share are jointly and severally liable to pay all Calls in respect of that Share.
- 26.7 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them:
- 26.7.1 to pay Calls which are not the same; or
 - 26.7.2 to pay Calls at different times.
- 26.8 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share:
- 26.8.1 on allotment;
 - 26.8.2 on the occurrence of a particular event; or
 - 26.8.3 on a date fixed by or in accordance with the terms of issue.
- 26.9 If the due date for payment of any sum specified in article 26.8 above has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.
- 26.10 If a person is liable to pay a Call and fails to do so by the call payment date (as defined in article 26.11):
- 26.10.1 the Directors may issue a notice of intended forfeiture to that person; and
 - 26.10.2 until the Call is paid, that person must pay the Company interest on the Call from the call payment date at the relevant rate (as defined in article 26.11).
- 26.11 For the purposes of this article 26:
- 26.11.1 the **call payment date** is the time when the Call Notice states that a Call is payable, unless the Directors give a notice specifying a later date, in which case the "call payment date" is that later date; and
 - 26.11.2 the **relevant rate** is
 - (a) the rate fixed by the terms on which the Share in respect of which the Call is due was allotted;
 - (b) such other rate as was fixed in the Call Notice which required payment of the Call, or has otherwise been determined by the Directors with the consent of a Member Majority; or
 - (c) if no rate is fixed in either of these ways, 5% per annum,

provided that the relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.
- 26.12 The Directors may waive any obligation to pay interest on a Call wholly or in part.
- 26.13 If a Call is not paid as required by a Call Notice, the Directors may serve a notice (a **Notice of Intended Forfeiture**). A Notice of Intended Forfeiture:

- 26.13.1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
- 26.13.2 must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
- 26.13.3 must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice;
- 26.13.4 must state how the payment is to be made; and
- 26.13.5 must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.
- 26.14 If a Notice of Intended Forfeiture is not complied with before the date by which payment of the Call is required in the Notice of Intended Forfeiture, the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 26.15 Subject to these Articles, the forfeiture of a Share extinguishes:
 - 26.15.1 all interests in that Share, and all claims and demands against the Company in respect of it; and
 - 26.15.2 all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.
- 26.16 Any Share which is forfeited in accordance with these Articles:
 - 26.16.1 is deemed to have been forfeited when the Directors decide that it is forfeited;
 - 26.16.2 is deemed to be the property of the Company; and
 - 26.16.3 may, subject to these Articles, be sold, re-allotted or otherwise disposed of as the Directors think fit.
- 26.17 If a person's Shares have been forfeited:
 - 26.17.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members;
 - 26.17.2 that person ceases to be a Member in respect of those Shares;
 - 26.17.3 that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
 - 26.17.4 that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
 - 26.17.5 the Directors may with the consent of a Member Majority waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 26.18 At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.
- 26.19 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer.
- 26.20 A statutory declaration by a Director that the declarant is a Director and that a Share has been forfeited on a specified date:
 - 26.20.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

- 26.20.2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.
- 26.21 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 26.22 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:
- 26.22.1 was, or would have become, payable; and
- 26.22.2 had not, when that Share was forfeited, been paid by that person in respect of that Share,
- but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.
- 26.23 A Member may surrender any Share:
- 26.23.1 in respect of which the Directors may issue a Notice of Intended Forfeiture;
- 26.23.2 which the Directors may forfeit; or
- 26.23.3 which has been forfeited,
- and the Directors may accept the surrender of any such Share. The effect of surrender on a Share is the same as the effect of forfeiture on that Share. A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeit