

Company Number: 12143197

The Companies Act 2006
Company Limited by Shares
Written Resolutions
of
Ellington Timepiece Limited
(Company)

On 27 JANUARY 2020, all of the members of the Company who were entitled to vote on the resolutions on their circulation date, passed the resolutions below:

Special Resolutions

1. That, in accordance with article 3.2 of the Company's articles of association (**Articles**), the directors of the Company be generally and unconditionally authorised to allot 999 ordinary shares of £1 each in the Company (up to an aggregate nominal amount of £999) provided that this authority shall, unless renewed, varied or revoked by the Company, expire 28 days from the date of these Resolutions save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.
2. That, subject to the passing of Resolution 1, the directors of the Company be generally empowered to allot the shares referred to in Resolution 1 above, as if the rights of pre-emption contained at article 4 of the Articles did not apply in respect of that allotment.
3. That, subject to the passing of Resolution 1 and 2, the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.


.....
Director



Company number: 12143197

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The Companies Act 2006
Private Company Limited by Shares
Articles of Association
of
Ellington Timepiece Limited
Adopted by special resolution on 27 JANUARY 2020

I/We certify this is a true copy of the original document.

Signed 

Print EDWARD FORSHAW

Muckle LLP

Time Central, 32 Gallowgate, Newcastle upon Tyne,

NE1 4BF

Date 06/03/2020

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The Companies Act 2006
Private Company Limited by Shares
Articles of Association
of
Ellington Timepiece Limited
(Company)

1 Definitions and Interpretation

1.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.

1.2 Articles 8, 11(2) and (3), 13, 14, 15, 17(2), 17(3), 18, 21(1), 22, 23, 26(5), 30, 34, 44(2), 52 and 53 of the Model Articles shall not apply to the Company.

1.3 Article 7 of the Model Articles shall be amended by:

1.3.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and

1.3.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

1.4 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the company secretary (if any)" before the words "properly incur".

1.5 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 8," after the word "But".

1.6 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".

1.7 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

1.8 Article 36(3) of the Model Articles shall be amended by inserting the words "paying up the amounts (if any) unpaid on shares in issue or in" after the words "applied in".

1.9 In these Articles, the following expressions shall have the following meanings unless the context otherwise requires.

Act the Companies Act 2006.

Appointor has the meaning given in Article 10.1.

Articles	the Company's articles of association for the time being in force
Bad Leaver	a Leaver who is not a Good Leaver.
Board	the board of directors of the Company.
Business Day	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business.
Conflict	has the meaning given in Article 6.1
eligible director	a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter)
Encumbrance	any mortgage, charge (fixed or floating), pledge, lien, hypothecation, guarantee, trust, right of set-off or other third party right or interest (legal or equitable) including any assignment by way of security, reservation of title or other security interest of any kind, howsoever created or arising, or any other agreement or arrangement (including a sale and repurchase agreement) having similar effect
Expert	an accountant or firm of accountants appointed in accordance with (1) Article 22 to resolve a dispute arising in connection with the Fair Value of any Shares or (2) Article 27.5 to resolve a dispute arising in connection with the specified price or cash equivalent
Fair Value	the fair market value of any Shares as determined by the Expert in accordance with Article 23.
Good Leaver	a Leaver who is a Leaver as a result of: <ul style="list-style-type: none"> (a) death; (b) permanent incapacity (c) redundancy; (d) retirement by a person who is 60 years old or more or (e) for any other reason and the board of the Company

determines that he is a Good Leaver.

Group the Company and any subsidiary or holding company (both as defined in the Act) of the Company from time to time together with any other subsidiary of such holding company.

Leaver a shareholder who is an employee of any member of the Group and who ceases to be so employed for any reason (other than a reason which falls within with Article 25.1.1) and who does not remain or thereupon immediately become an employee of the Group.

Model Articles the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

Ordinary Share an ordinary share of £1 in the capital of the Company
partly paid in relation to a share, means that part of that share's nominal value or any premium at which it was issued has not been paid to the Company.

Permitted Transfer any transfer of Shares permitted under Article 24.

Shareholder Consent a resolution of all shareholders of the Company.

Shares any shares in the capital of the Company.

Termination Date as set out in Article 25.4.

1.10 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1.11 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.12 A reference in these Articles to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

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- 1.13 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.13.1 any subordinate legislation from time to time made under it; and
 - 1.13.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1.14 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
2. **Directors' decisions**
- 2.1 Decisions of the directors may be taken:
- 2.1.1 at a directors' meeting; or
 - 2.1.2 in the form of a directors' resolution.
- 2.2 Any director may propose a directors' resolution in writing, or by email or other electronic communication.
- 2.3 The company secretary (if one has been appointed) must propose a directors' resolution if a director so requests.
- 2.4 A directors' resolution is proposed by giving notice of the proposed resolution to the directors.
- 2.5 Notice of a proposed directors' resolution must indicate:
- 2.5.1 the proposed resolution; and
 - 2.5.2 the time by which it is proposed that the directors should adopt it
- 2.6 Notice of a proposed directors' resolution must be given to each director
- 2.7 Any decision which a person giving notice of a proposed directors' resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith
- 2.8 A proposed directors' resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it or otherwise electronically indicated their agreement, provided that those directors would have formed a quorum at such a meeting.
- 2.9 It is immaterial whether any director signs or agrees to the resolution before or after the time by which the notice proposed that it should be adopted.

2 10 Once a directors' resolution has been adopted, it must be treated as if it had been taken at a directors' meeting in accordance with the Articles.

2 11 The company secretary must ensure that the Company keeps a record, in writing, of all directors' resolutions for at least ten years from the date of their adoption. If no company secretary has been appointed then the directors must ensure that the Company keeps such a record

2 12 In accordance with section 79 of the Act, the Company may change its name by decision of the directors.

3 Quorum for Directors' meetings

3 1 Subject to Article 3 2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.

3 2 For the purposes of any meeting (or part of a meeting) if there is only one eligible director in office, the quorum for such meeting (or part of a meeting) shall be one eligible director.

4 Casting vote

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

5 Transactions or other arrangements with the Company

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) 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:

5.1 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;

5 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;

5.3 shall be entitled to vote (and count in the quorum) at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;

- 5.4 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;
- 5.5 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
- 5.6 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.
- 6 Directors' conflicts of interest**
- 6.1 The directors may, in accordance with the requirements set out in this Article, 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 conflicts of interest (**Conflict**)
- 6.2 Any authorisation under this Article will be effective only if:
- 6.2.1 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;
- 6.2.2 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
- 6.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- 6.3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):

- 6.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- 6.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
- 6.3.3 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

- 6.4 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:

- 6.4.1 disclose such information to the directors or to any director or other officer or employee of the Company, or

- 6.4.2 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.

- 6.5 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:

- 6.5.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;

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

- 6.5.3 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.

- 6.6 Where the directors authorise a Conflict:

- 6.6.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and

- 6.6.2 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.

6.7 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 by shareholder resolution (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.

7. Number of directors

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

8. Appointment of directors

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

9 Termination of a director's appointment

A person ceases to be a director as soon as:

- 9.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- 9.2 a bankruptcy order is made against that person;
- 9.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 9.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 9.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 9.6 notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms; or

9.7 the Company receives notice signed by a member who requested the appointment of such director pursuant to a right conferred by a shareholders' agreement stating that that person should cease to be a director.

10. Appointment and removal of alternate directors

10.1 Any director (**Appointor**) may appoint as an alternate any other director, or any other person *approved by resolution of the directors, to:*

10.1.1 exercise that director's powers; and

10.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the Appointor.

10.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors.

10.3 The notice must

10.3.1 identify the proposed alternate; and

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

11. Rights and responsibilities of alternate directors

11.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the Appointor.

11.2 Except as the Articles specify otherwise, alternate directors:

11.2.1 are deemed for all purposes to be directors;

11.2.2 are liable for their own acts and omissions;

11.2.3 are subject to the same restrictions as their appointors; and

11.2.4 are not deemed to be agents of or for their appointors,

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

11.3 A person who is an alternate director but not a director:

11.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if his Appointor is not participating);

11.3.2 may participate in a unanimous decision of the directors (but only if his Appointor is an eligible director in relation to that decision, but does not participate), and

11.3.3 shall not be counted as more than one director for the purposes of Articles 11.3.1 and 11.3.2

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

11.5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

12 Termination of alternate directorship

An alternate director's appointment as an alternate terminates:

12.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

12.2 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;

12.3 on the death of the alternate's Appointor; or

12.4 when the alternate's Appointor's appointment as a director terminates

13 Company secretary

The directors may appoint any person who is willing to act as a company secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors. If no such person is appointed, the Company shall not need a company secretary.

14. Shares, Share capital and issue of Shares

14.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares:

14.1.1 fully paid or partly paid; and

- 14.1.2 with such rights or restrictions as may be determined by Shareholder Consent.
- 14.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder with such terms, conditions and manner of redemption of any such shares as are determined by special resolution or set out in the Articles.
- 14.3 Save to the extent authorised from time to time by Shareholder Consent, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company.
- 14.4 Unless otherwise agreed by Shareholder Consent if the Company proposes to allot any equity securities (other than any equity securities to be held under an employees' share scheme), those equity securities shall not be allotted to any person unless the Company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:
- 14.4.1 shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities, and
- 14.4.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe.
- 14.5 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 14.4 shall be used for satisfying any requests for Excess Securities made pursuant to Article 14.4. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants *pro rata* to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with Article 14.4 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as

the directors may determine, at the same price and on the same terms as the offer to the shareholders.

- 14.6 Subject to these Articles, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 14.7 No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 14.8 A member of the Company may nominate another person as entitled to enjoy or exercise the rights set out in section 145(3) of the Act. Except in accordance with such nominations or as required by law, no person is to be recognised by the Company as holding any share upon any trust, and the Company is not in any way to be bound by or recognised any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

15. Share rights

The Ordinary Shares shall rank *pari passu* in all respects and shall have attached to them the following rights and restrictions

- 15.1 one vote for each share held at any general meeting or on a written resolution
- 15.2 the right to any dividends or distributions that are made or declared by the Company and/or Directors in proportion to the amounts for the time being paid up thereon,
- 15.3 the right to a return of capital (including on a winding up of the Company) in proportion to the amounts for the time being paid up thereon; and
- 15.4 the Ordinary Shares shall not be redeemable.

16 Class Rights

Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders 75% of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, but not otherwise. The provisions of these Articles relating to the general meetings shall apply to such a class meeting, modified so far as necessary

17. **Lien**

17.1 The Company has a lien (**Company's lien**) over every share which is partly paid for any part of

17.1.1 that share's nominal value; and

17.1.2 any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

17.2 The Company's lien over a share.

17.2.1 takes priority over any third party's interest in that share; and

17.2.2 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.

17.3 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

17.4 The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

17.5 To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

17.6 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale

18. Calls

18.1 Subject to the Articles and the terms on which shares are allotted, the directors may send a notice (**call notice**) to a member requiring the member to pay the Company a specified sum of money (**call**) which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.

18.2 A call notice:

18.2.1 may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium);

18.2.2 must state when and how any call to which it relates it is to be paid, and

18.2.3 may permit or require the call to be paid by instalments

18.3 A member must comply with the requirements of a call notice, but no member is required to pay any call before 14 days have passed since the notice was sent

18.4 Before the Company has received any call due under a call notice the directors may.

18.4.1 revoke it wholly or in part; or

18.4.2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose shares the call is made.

18.5 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.

18.6 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.

18.7 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices be sent to the holders of those shares which may require them:

18.7.1 to pay calls which are not the same; or

18.7.2 to pay calls at different times.

18.8 A call notice need not be issued in respect of sums which are satisfied in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium):

18.8.1 on allotment;

18.8.2 on the occurrence of a particular event; or

18.8.3 on a date fixed by or in accordance with the terms of issue.

- 18.9 If the due date for payment of such sum 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.
- 18.10 If a person is liable to pay a call and fails to do so by the call payment date:
- 18.10.1 the directors may issue a notice of intended forfeiture to that person, and
- 18.10.2 *until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.*
- 18.11 For the purposes of this Article
- 18.11.1 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;
- 18.11.2 the relevant rate is:
- 18.11.2.1 the rate fixed by the terms on which the share in respect of which the call is due was allotted;
- 18.11.2.2 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
- 18.11.2.3 if no rate is fixed in either of these ways, at the appropriate rate defined by the Act.
- 18.12 The directors may waive any obligation to pay interest on a call wholly or in part.
19. **Forfeiture**
- 19.1 A notice of intended forfeiture:
- 19.1.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
- 19.1.2 must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- 19.1.3 must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of this notice;
- 19.1.4 must state how the payment is to be made;

- 19.1.5 must state that if the notice is not complied with, the shares in respect of which the call is payment will be liable to be forfeited.
- 19.2 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 director 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
- 19.3 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
- 19.4 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment 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.
- 19.5 A statutory declaration by a director or the company secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share

20. **Share certificates**

20.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

20.2 Each certificate must specify:

20.2.1 in respect of how many shares, of what class, it is issued;

20.2.2 the nominal value of those shares;

20.2.3 that the shares are fully paid or otherwise; and

20.2.4 any distinguishing numbers assigned to them

20.3 No certificate may be issued in respect of shares of more than one class.

20.4 If more than one person holds a share, only one certificate may be issued in respect of it.

20.5 Certificates must:

20.5.1 have affixed to them the Company's common seal; or

20.5.2 be otherwise executed in accordance with the Act.

20.6 If a certificate issued in respect of a shareholder's shares is:

20.6.1 damaged or defaced; or

20.6.2 said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

20.7 A shareholder exercising the right to be issued with such replacement certificate:

20.7.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

20.7.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced, and

20.7.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

21 **Share transfers – general**

21.1 No shareholder shall sell, transfer, assign, pledge, mortgage, charge or otherwise encumber or dispose of or agree to sell, transfer, assign, pledge, mortgage, charge or otherwise encumber or dispose of any of his Shares in the Company or any interest in any of the Shares except for.

- 21.1.1 a transfer of Shares which is approved by Shareholder Consent, or
- 21.1.2 a transfer of Shares in accordance with Article 22 (**Voluntary Transfers**); or
- 21.1.3 a transfer of Shares in accordance with Article 24 (**Permitted Transfers**); or
- 21.1.4 a transfer of Shares in accordance with Article 25 (**Compulsory Transfers**), or
- 21.1.5 a transfer of Shares in accordance with Article 26 (**Drag Along**) or Article 27 (**Tag Along**);

and the Directors shall refuse to register the transfer of any Share or any interest in any Share unless the transfer is made in accordance with this Article 21.1. If the Directors do refuse to register the transfer of any Shares, the instrument of transfer will be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

- 21.2 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 21.3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 21.4 The Company may retain any instrument of transfer which is registered
- 21.5 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 21.6 Notwithstanding any other provision of these Articles, no transfer of any Share in the capital of the Company shall be registered if it is to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind.
- 21.7 For the purpose of ensuring that:
 - 21.7.1 a transfer of Shares is duly authorised under these Articles; or
 - 21.7.2 that no circumstances have arisen whereby the compulsory transfer provisions set out in Article 25 may have been triggered; or
 - 21.7.3 no circumstances have arisen whereby the tag along provisions are required to be or ought to have been triggered pursuant to Article 27;

the Board may from time to time require any shareholder or the legal personal representatives of any deceased shareholder or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they deem relevant to such purpose including (but not limited

to) the names and addresses and interests of all persons respectively having interests in the Shares from time to time registered in the shareholder's name. Failing such information or evidence being furnished to the satisfaction of the Board within 20 Business Days after request the Board shall refuse to register the transfer in question.

21.8 Articles 27, 28 and 29 of the Model Articles shall be modified to reflect the provisions of this Article 21 and Articles 22 to 27.

22 Voluntary Transfers

22.1 Not more than once in any 12 month period, any shareholder wishing to sell or otherwise transfer his Shares or any of them other than in accordance with Articles 21.1.1, 24, 25 or 26 or as a result of a Tag Offer Notice pursuant to Article 27 (**Seller**) shall give notice (**Transfer Notice**) to the Company containing an offer to sell the same and stating the number of Shares which he wishes to sell (**Sale Shares**) the identity of the proposed third party purchaser (if any) and the price at which he wishes to sell the Sale Shares which, if there is no proposed purchaser, unless agreed upon by the Seller and the Board within 28 days of the Transfer Notice, shall be calculated in accordance with Article 22.2.

22.2 If the Seller and the Board are unable to agree the price within the period of 28 days, then the matter may be referred by either the Seller or the Board to an Expert to determine the Fair Value of the Sale Shares in accordance with Article 23.

22.3 Each Transfer Notice shall:

22.3.1 constitute the Company as the agent of the Seller for the sale of the Sale Shares on the terms of this Article 22;

22.3.2 be irrevocable; and

22.3.3 state whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the provisions of this Article 22 (a **Total Transfer Condition**).

22.4 The Company may (subject to compliance with the Act) offer to purchase the Sale Shares at the price set out, agreed or determined in accordance with this Article. If the Company does not propose to do so within 1 month of the later of the date of the Transfer Notice and the price being agreed or determined if necessary, the Board shall send to each of the other shareholders a notice specifying the number of the Sale Shares, the price (agreed or

determined as aforesaid) at which they are offered for sale and naming a day (being not less than seven and no more than 14 days from the date of such notice) on or before which offers to purchase the Sale Shares must be received.

- 22.5 If, on or before the day set out in the circular referred to in Article 22 above, offers to purchase all or any of the Sale Shares at the price named shall be received from shareholders (**Acceptors**) by the company secretary or Board, the company secretary or Board shall, as agent for the Seller and the Acceptors, declare a contract of sale to be concluded and shall give notice of such sale to the Seller and the Acceptors provided that the provisions of Article 22 10 do not apply.
- 22.6 Any Sale Shares not so accepted shall be offered for sale to the Acceptors on the terms set out in this Article 22 and such re-offering shall be repeated until either all the Sale Shares have been accepted or none of the Acceptors wish to purchase any more of them
- 22.7 If the Transfer Notice contained a Total Transfer Condition, no allocation of the Sale Shares shall be made unless all the Sale Shares are allocated following the offer-round procedure set out in this Article 22.
- 22.8 If the offers to purchase shall together constitute offers to purchase a greater number of Shares than those offered for sale by the Seller the Shares offered for sale shall be divided among the Acceptors in the proportions as nearly as possible in which they already hold Shares provided that none of the Acceptors shall be liable to take more of the Sale Shares than those he shall have offered to purchase and any Sale Shares which cannot be so divided as aforesaid without creating fractions shall be apportioned among the Acceptors by the Board.
- 22.9 The Seller and the Acceptors shall give effect to any such contract or contracts in accordance with this Article by the execution of proper transfers and the payment of the purchase price.
- 22.10 If all of the Sale Shares are not accepted pursuant to the foregoing provisions, the Company shall notify the Seller within seven days of the closure of the last such offer and the Seller shall not be entitled to sell or dispose of the Sale Shares not so accepted to any other person.
- 22.11 A Transfer Notice may be renewed from time to time but the offer contained in that notice shall not be withdrawn.

22.12 If a Seller fails for any reason to transfer any Sale Shares when required pursuant to this Article 22, the Board may authorise any person (who shall be deemed to be irrevocably appointed as the agent and attorney of the Seller for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Seller's behalf. The Company may receive the purchase money for such Sale Shares from the Acceptor and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Acceptor as the holder of such Sale Shares. The Company shall hold such purchase money in a separate bank account on trust for the Seller but shall not be bound to earn or pay interest on any money so held. The Company shall only be bound to pay over those purchase monies upon receipt from the Seller of the relevant share certificate(s) in respect of the Sale Shares or, if the certificate(s) are lost or destroyed, an indemnity acceptable to the Company in that respect. The Company's receipt for such purchase money shall be a good discharge to the Acceptor who shall not be bound to see the application of it and, after the name of the Acceptor has been entered in the register of shareholders the validity of the proceedings shall not be questioned by any person.

23. Fair Value

23.1 If there is any dispute as to the Fair Value of the Sale Shares, the parties shall agree on the appointment of an independent Expert to establish the Fair Value of the Sale Shares and the terms of appointment with the Expert.

23.2 If the parties are unable to agree on an Expert or his terms of appointment within five Business Days of either party serving details of a suggested Expert on the other and have not both signed the terms of engagement of the agreed Expert within ten Business Days of the Expert having been agreed, either party may request the President of the Institute of Chartered Accountants of England and Wales to appoint an Expert accountant of repute and agree the Expert's terms of appointment.

23.3 In determining the Fair Value, the Expert shall rely on the following bases and assumptions:

23.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent;

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- 23.3.2 the sale is to be on arms' length terms between a willing seller and a willing buyer.
- 23.3.3 the Sale Shares are sold free of all Encumbrances;
- 23.3.4 if the Company is carrying on business as a going concern, that it will continue to do so; and
- 23.3.5 the sale is taking place on the date that the Expert was requested to determine the Fair Value, unless the sale is taking place from a Leaver, in which case the sale is taking place on the Termination Date.
- 23.4 The Expert shall prepare a written decision and give notice (including a copy) of the decision to the parties within a maximum of three months of the matter being referred to him.
- 23.5 The parties are entitled to make written submissions to the Expert and they and the Company shall provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision
- 23.6 To the extent not provided for by this Article 23 the Expert may, in his reasonable discretion, determine such other procedures to assist with the conduct of the determination as he considers just or appropriate
- 23.7 Each party shall, with reasonable promptness, supply each other with all information and give each other access to all documentation and personnel as each other reasonably requires to make a submission under this Article 23.
- 23.8 The Expert shall act as an expert and not as an arbitrator. The Expert shall determine any dispute, which may include any issue involving the interpretation of any provision of these Articles, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Expert's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.
- 23.9 Each party shall bear its own costs in relation to the Expert. The Expert's fees and any costs properly incurred by him in arriving at his determination shall be borne by the parties equally or in such other proportions as the Expert directs
- 24 Permitted Transfers**
- 24.1 Any shareholder who is a body corporate may at any time transfer shares to another member of its Group

24.2 A transfer of any Share pursuant to this Article 24 shall only be treated as a Permitted Transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such Share, free from any lien, charge or other encumbrance.

25 **Compulsory Transfers**

25.1 In this Article 25, a Transfer Event occurs:

25.1.1 in relation to any shareholder being an individual and in respect of whom Article 25.1.4 does not apply:

25.1.1.1 if that shareholder shall have a bankruptcy order made against him or shall be declared bankrupt by any court of competent jurisdiction; or

25.1.1.2 shall enter into an individual voluntary arrangement as approved by the individual's creditors or apply for an interim order under section 252 of the Insolvency Act 1986;

25.1.1.3 if that shareholder shall die;

and within the following 12 months the Board resolves that such event is a Transfer Event in relation to that shareholder for the purpose of this Article,

25.1.2 if a shareholder shall make or offer to purport to make any arrangement or composition with his creditors generally and within the following 12 months the Board shall resolve that such event is a Transfer Event in relation to that shareholder for the purposes of this Article;

25.1.3 in relation to any shareholder being a body corporate:

25.1.3.1 if that shareholder shall have a receiver, manager or administrative receiver or Law of Property Act Receiver appointed over all or any part of its undertaking or assets;

25.1.3.2 if that shareholder shall have an administrator appointed in relation to it; or

25.1.3.3 if that shareholder shall enter into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction where a declaration of solvency has been sworn by the majority of directors); or

- 25.1.3.4 if that shareholder shall enter into a company voluntary arrangement as approved by its creditors;
- 25.1.3.5 if that shareholder shall have any similar action taken in respect of it or any equivalent action in respect of it taken in any jurisdiction,
- and within the following 12 months the Board shall resolve that such event is a Transfer Event in relation to that shareholder for the purposes of this Article;
- 25.1.4 if a shareholder is a Leaver and within the following 12 months the Board shall resolve that such event is a Transfer Event in relation to that shareholder for the purposes of this Article;
- 25.1.5 if a shareholder attempts to deal with or dispose of any Share or any interest in any Shares otherwise than in accordance with these Articles and within the following 12 months the Board shall resolve that such event is a Transfer Event in relation that that shareholder for the purposes of this Article; or
- 25.1.6 if a shareholder commits a material or persistent breach of any shareholders' agreement to which he is a party in relation to the shares in the Company, which if capable of remedy has not been so remedied within 21 Business Days of another party to such agreement requiring such remedy.
- 25.2 Upon the making of a notification or resolution under Article 25.1 that the same is a Transfer Event the shareholder in respect of whom it is a Transfer Event (including any joint holder of any relevant Shares) (**Relevant Shareholder**) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by such shareholder(s) (**Deemed Transfer Notice**). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have been validly transferred pursuant to that Transfer Notice. For the purpose of this Article 25.2, any Shares received by way of rights or on a capitalisation by any person to whom Shares may have been transferred shall also be treated as included within the Deemed Transfer Notice
- 25.3 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 22 as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Seller the person who is deemed to have given the Deemed Transfer Notice save that:

- 25.3.1 if the Deemed Transfer Notice arises following the circumstances set out in Articles 25.1.1.1, 25.1.1.2, 25.1.2, 25.1.3, 25.1.5 or 25.1.6, the price at which the Shares shall be offered shall, unless agreed otherwise by the Board and the Relevant Shareholder, be the par value of the Shares;
- 25.3.2 if the Deemed Transfer Notice arises following the circumstances set out in Article 25.1.1.3, the price at which the Shares shall be offered shall, unless agreed otherwise by the Board and the Relevant Shareholder, be the Fair Value;
- 25.3.3 if the Deemed Transfer Notice arises following the circumstances set out in Article 25.1.4, the price at which the Shares shall be offered shall, unless agreed otherwise by the Board and the Relevant Shareholder, be:
 - 25.3.3.1 if the shareholder is a Good Leaver, the Fair Value; or
 - 25.3.3.2 if the shareholder is a Bad Leaver, the par value of the Shares;
- 25.3.4 the Seller may retain any Sale Shares for which Acceptors are not found;
- 25.3.5 the Sale Shares shall be sold together with all rights, attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date; and
- 25.3.6 a Deemed Transfer Notice shall not contain or be deemed to contain a Total Transfer Condition.
- 25.4 For the purpose of Article 25.1.4 the date upon which a shareholder ceases to be an employee as described therein shall be
 - 25.4.1 where the employer terminates a contract of employment by giving notice to the employee of the termination of the employment, whether or not the same constitutes a wrongful or unfair dismissal, the date of that notice or, if later, the date (if any) for the termination expressly stated in such notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
 - 25.4.2 where the employee terminates a contract of employment by giving notice to the employer of the termination of the employment (whether or not he is lawfully able to do so), the date of that notice or, if later, the date (if any) for the termination expressly stated in such notice;

- 25.4.3 subject to Article 25.4.1 and 25.4.2, where an employer or employee wrongfully repudiates the contract of employment and the other respectively accepts that the contract of employment has been terminated, the date of such acceptance by the employee or employer respectively;
- 25.4.4 in any other case, the date on which the contract is terminated.
- 25.5 Once a Deemed Transfer Notice shall under these Articles be deemed to have been served in respect of any Share then, no Permitted Transfer under Article 24 may be made in respect of such Share.
- 25.6 If the Company or Acceptors have not purchased all of the Shares held by a deceased shareholder within 12 months of the date of death, the shareholder's personal representatives may transfer the Shares to another member of its Group, provided that the Company's option to purchase those Shares in accordance with this Article shall continue.
- 25.7 If a shareholder fails for any reason to transfer Shares when required pursuant to this Article 25, the Board may authorise any person (who shall be deemed to be irrevocably appointed as the agent and attorney of the shareholder for the purpose) to execute the necessary transfer of the Shares and deliver it on the shareholder's behalf. The Company may receive the purchase money for the Shares from the Transferee (if any) and shall upon receipt (subject if necessary, to the transfer being duly stamped) register the Transferee as the holder of the Shares. The Company shall hold the Transfer Price on trust for the shareholder but shall not be bound to earn or pay interest on any money so held. The Company shall only be bound to pay over those purchase monies upon receipt from the shareholder of the relevant share certificate(s) in respect of the Shares or, if the certificate(s) is lost or destroyed, an indemnity acceptable to the Company in that respect. The Company's receipt for such purchase money shall be a good discharge to any Transferee who shall not be bound to see the application of it and, after the transaction has been entered in the register of shareholders the validity of the proceedings shall not be questioned by any person.
- 26 **Drag Along Option**
- 26.1 If shareholders holding more than 75% of the issued Shares (together the **Selling Shareholders**), wish to transfer all their shares (**Selling Shares**) to an arm's length third party purchaser, the Selling Shareholders shall have the option (**Drag Along Option**) to

require any or all of the other shareholders to transfer all their shares with full title guarantee to the third party purchaser or as the third party purchaser shall direct in accordance with this Article.

26.2 The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect (**Drag Along Notice**) to all other shareholders (**Called Shareholders**) at any time before the registration of the transfer of the shares held by the Selling Shareholders. A Drag Along Notice shall specify:

26.2.1 that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to Article 26.1 to the third party purchaser;

26.2.2 the price at which the Called Shares are to be transferred, which shall for each Called Share be an amount equal to the price per share offered by the third party purchaser for the Selling Shares (being the **Drag Sale Price**);

26.2.3 the proposed date of transfer (if known); and

26.2.4 the identity and ownership of the third party purchaser.

A Drag Along Notice shall be deemed served upon the envelope containing it being placed in the post.

26.3 A Drag Along Notice may be revoked at any time prior to completion of the sale of the Called Shares and any such revocation notice shall be served in the manner prescribed for a Drag Along Notice in Article 26.2.

26.4 A Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Selling Shares to the Proposed Buyer within 120 days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

26.5 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this Article 26, and a covenant for full title guarantee in respect of the Called Shares.

26.6 Completion of the sale of the Called Shares shall take place on the same date as the date of actual completion of the sale of the Selling Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.

26 7 Within 5 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for a lost share certificate) to the Company.

26 8 Each Called Shareholder shall on service of the Drag Along Notice be deemed to have irrevocably appointed each of the Selling Shareholders severally to be his agent and attorney to execute any stock transfer form and covenant for full title guarantee in respect of the Called Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Called Shares pursuant to this Article 26. The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale and transfer of shares by the Selling Shareholders, the Called Shareholders or any other shareholder to the third party purchaser named in a Drag Along Notice.

27 **Tag Along**

27 1 Subject to Article 26, but otherwise notwithstanding any other provision in these Articles, no sale or other disposition of more than 50% of the Shares (**Specified Shares**) shall have any effect (and the Company shall not register) unless before the transfer is lodged for registration the buyer (**Buyer**) has made a bona fide offer in accordance with these Articles to purchase at the specified price (defined in Article 27.4) all the shares held by the other shareholders who are not acting in concert or otherwise connected with the third party purchaser (**Uncommitted Shares**).

27 2 An offer made under Article 27 shall be in writing (**Tag Offer Notice**) and shall be open for acceptance for at least 15 Business Days, and shall be deemed to be rejected by any shareholder who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within 15 Business Days of the date of the offer.

27 3 To the extent not described in any accompanying documents, the Tag Offer Notice shall set out:

27 3.1 the identity of the Buyer,

27.3.2 the purchase price and other terms and conditions of payment,

- 27.3.3 the proposed sale date; and
- 27.3.4 the number of shares proposed to be purchased by the Buyer (**Offer Shares**).
- 27.4 For the purposes of this Article 27 the expression **specified price** means:
 - 27.4.1 the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the third party purchaser or its nominees for the shares being sold by the holders of the Specified Shares; plus
 - 27.4.2 the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified 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 payable for the Specified Shares.
- 27.5 If the specified price or its cash equivalent cannot be agreed within 15 Business Days of the proposed sale or transfer referred to in Article 27.1 between the third party purchaser and the holders of any Uncommitted Shares such matter shall be referred to the Expert by any shareholder for determination and, pending such determination, the sale or transfer referred to in Article 27.1 shall have no effect.
- 27.6 The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale or transfer to an arm's length third party purchaser provided that the provisions of this Article 27 have been complied with.
- 28. **Declaration of dividends**
 - 28.1 The Company may by Shareholder Consent declare dividends, and the directors may decide to pay interim dividends.
 - 28.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors
 - 28.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
 - 28.4 Unless the terms on which shares are issued specify otherwise, a dividend must be paid by reference to each shareholder's holding of shares. A shareholder's holding of shares shall be determined as on the date of the resolution or decision to declare or pay it unless the Articles, resolution or decision specifies otherwise.

28.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

28.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment

28.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

29. Calculation of dividends

29.1 Except as otherwise provided by the Articles or the rights attached to shares, all dividends must be:

29.1.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

29.1.2 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.

29.2 If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly.

29.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

30. Non cash distributions

30.1 Subject to the terms of issue of the share in question, the Company may decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

30.2 For the purposes of paying a non-cash distribution the directors may make whatever arrangements they think fit, including where any difficulty arises regarding the distribution:

30.2.1 fixing the value of any assets,

30.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

30.2.3 vesting any assets in trustees.

31. **Poll Votes**

- 31.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 31.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

32. **Proxies**

- 32.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 32.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

33. **Means of communication to be used**

- 33.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 33.1.1 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 (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 33.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

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

33.1.4 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, no account shall be taken of any part of a day that is not a working day.

33.2 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

34 Indemnity

34.1 Subject to Article 34.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

34.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

34.1.1.2 in relation to the Company's (or any associated Company's) activities 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 Company's (or any associated Company's) affairs; and

34.1.2 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 34.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

34.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

34.3 In this Article:

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

34.3.2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or 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)

35. Insurance

35.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

35.2 In this Article:

35.2.1 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or 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);

35.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

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