

PRIVATE COMPANY LIMITED BY SHARES

DARWOOD IP LIMITED

Company No: 12523164

Incorporated on: 18 March 2020



PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
DARWOOD IP LIMITED

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. Preamble and defined terms

1.1. None of the model articles of association contained in the schedules to the Companies (Model Articles) Regulations 2008, SI2008/3229 apply to the Company.

1.2. In these articles, unless the context requires otherwise:

"A Director" means any A director appointed by the holders of the A Shares pursuant to article 17.1;

"A Shares" means the A ordinary shares of 1 pence each;

"Acting in Concert" has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

"Articles" means the Company's articles of association;

"B Director" means any B director appointed by the holders of the B Shares pursuant to article 17.2;

"B Shares" means B ordinary shares of 1 pence each;

"Bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"Board" the board of Directors from time to time of the Company;

"Business Day" means a day other than a Saturday, Sunday or public holiday in England when banks in the City of London are generally open for business;

"Civil Partner" a civil partner as defined in the Civil Partnership Act 2004;

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

"Controlling Interest" means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

"Deed of Adherence" in such form as the Board may reasonably require under which a person who acquires any Shares (whether by transfer or allotment) agrees with the Shareholders and the Company to become a party to, and to be bound by the terms of, any shareholders agreement entered into in relation to the Company;

"Deemed Transfer Notice" a Transfer Notice that is deemed to have been served under article 29.1;

"Director" means a Director of the Company, and includes any person occupying the position of Director, by whatever name called;

“Document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“Electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“Encumbrance” any interest or equity of any person (including any right to acquire, option, right of pre-emption, any agreement in respect of voting rights or commitment to give or create voting rights or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement;

“Fully paid” in relation to a Share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company;

“Hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“Holder” in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares;

“Instrument” means a document in hard copy form;

“Ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“Paid” means paid or credited as paid;

“Shares” means the Shares of any class in the capital of the Company;

“Shareholder” means a person who is the holder of a Share;

“Special resolution” has the meaning given in section 283 of the Companies Act 2006;

“Subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“Transmittee” means a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law;

“Valuers” such independent firm of accountants as the Shareholders shall agree but in the absence of unanimous agreement within seven days of the first nomination by a Shareholder of a proposed firm then the Valuers shall be Beaumont Seymour or such other accountants used by the Company at that time.

“Writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company.

2. Liability of members

The liability of the members is limited to the amount, if any, unpaid on the Shares held by them.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority

- 3.1. Subject to these articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

4. Shareholders' reserve power

- 4.1. The Shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 4.2. No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

5. Directors may delegate

- 5.1. Subject to these articles, the Directors may delegate any of the powers which are conferred on them under these articles:
 - 5.1.1. to such person or committee;
 - 5.1.2. by such means (including by power of attorney);
 - 5.1.3. to such an extent;
 - 5.1.4. in relation to such matters or territories; and
 - 5.1.5. on such terms and conditions, as they think fit.
 - 5.2. If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
 - 5.3. The Directors may revoke any delegation in whole or part, or alter its terms and conditions.
- #### **6. Committees**
- 6.1. Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these articles which govern the taking of decisions by Directors.
 - 6.2. The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

7. Directors to take decisions collectively

- 7.1. The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- 7.2. If:
- 7.2.1. the Company only has one Director, and
- 7.2.2. *no provision of these articles requires it to have more than one Director, the general rule does not apply, and the Director may take decisions without regard to any of the provisions of these articles relating to Directors' decision-making.*

8. Unanimous decisions

- 8.1. A decision of the Directors is taken in accordance with this article when all eligible Directors indicate to each other by any means that they Share a common view on a matter.
- 8.2. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- 8.3. References in this article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
- 8.4. A decision may not be taken in accordance with this article if the eligible Directors would not have formed a quorum at such a meeting.

9. Calling a Directors' meeting

- 9.1. Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Company secretary (if any) to give such notice.
- 9.2. Notice of any Directors' meeting must indicate:
- 9.2.1. its proposed date and time;
- 9.2.2. where it is to take place; and
- 9.2.3. *if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.*
- 9.3. Notice of a Directors' meeting must be given to each Director, but need not be in writing.
- 9.4. Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

10. Participation in Directors' meetings

- 10.1. Subject to these articles, a meeting of the Directors may consist of a conference between Directors some or all of whom are in different places provided that each Director who participates is able:-
 - 10.1.1. to hear each of the other participating Directors addressing the meeting; and
 - 10.1.2. if he so wishes, to address all of the other participating Directors simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.
- 10.2. A meeting held in this way is deemed to take place at the place where the largest group of participating Directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
- 11. Quorum for Directors' meetings**
 - 11.1. At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
 - 11.2. The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number, shall be two (one of which must be an A Director and one of which must be a B Director) where more than one Director has been appointed or one where only one Director has been appointed. A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Directors required to form a quorum, subject to the provisions of article 14.
 - 11.3. If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
 - 11.3.1. to appoint further Directors, or
 - 11.3.2. to call a general meeting so as to enable the Shareholders to appoint further Directors.
- 12. Chairing of Directors' meetings**
 - 12.1. The Directors may appoint a Director to chair their meetings. The chairman of the board shall have a casting vote.
 - 12.2. The person so appointed for the time being is known as the chairman.
 - 12.3. If the chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.
- 13. Transactions or other arrangements with the Company**
 - 13.1. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act 2006, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 13.1.1. 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;
- 13.1.2. 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;
- 13.1.3. shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- 13.1.4. 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;
- 13.1.5. 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
- 13.1.6. 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 Companies Act 2006)) 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 Companies Act 2006.

14. Directors' powers to authorise conflicts of interests

- 14.1. The Directors may, in accordance with the requirements set out in this article, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Companies Act 2006 to avoid conflicts of interest ('Conflict').
- 14.2. Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
 - 14.2.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised;
 - 14.2.2. be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine;
 - 14.2.3. 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.

- 14.3. 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:

- 14.3.1. disclose such information to the Directors or to any Director or other officer or employee of the Company;
 - 14.3.2. 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.
- 14.4. Where the Directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the Director:
 - 14.4.1. is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
 - 14.4.2. is not given any documents or other information relating to the Conflict;
 - 14.4.3. 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.
- 14.5. Where the Directors authorise a Conflict:
 - 14.5.1. the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict;
 - 14.5.2. the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.
- 14.6. 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.

15. Records of decisions to be kept

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

16. Directors' discretion to make further rules

Subject to these articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

APPOINTMENT OF DIRECTORS

17. Methods of appointing Directors

- 17.1. The holders of the A Shares shall have the right to appoint and maintain in office two natural persons as Directors of the Company and to remove any Director so appointed and upon his removal, to appoint another person to act as a Director in his place.

- 17.2. The holders of the B Shares shall have the right to appoint and maintain in office two natural persons as Directors of the Company and to remove any Director so appointed and upon his removal, to appoint another person to act as a Director in his place. On any vote by the holders of the B Shares to remove Julian Schild as a Director, the holders of the B Shares shall vote in relation to such resolution as directed by Alastair Darwood (whilst he is a Shareholder).
- 17.3. An appointment or removal in accordance with article 17.1 or article 17.2 shall be made by giving notice in writing the Company and in the case of removal of a Director, to the Director being removed. The appointment or removal takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date.
- 17.4. In any case where, as a result of death, the Company has no Shareholders and no Directors, the personal representatives of the last Shareholder to have died have the right, by notice in writing, to appoint a person to be a Director.
- 17.5. For the purposes of paragraph (4), where 2 or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.

18. Termination of Director's appointment

- 18.1. A person ceases to be a Director as soon as:
- 18.1.1. that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law;
 - 18.1.2. a bankruptcy order is made against that person;
 - 18.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 18.1.4. 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;
 - 18.1.5. notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms.
 - 18.1.6. the Director has been absent for six consecutive months without permission of the Directors from Directors' meetings held during that period and the Directors resolve that his office shall be vacated.
 - 18.1.7. an ordinary resolution is passed by the Shareholders of the Company at a general meeting of which Special Notice has been given pursuant to s.168 of the Companies Act 2006.

19. Directors' remuneration

- 19.1. Directors may undertake any services for the Company that the Directors decide.
- 19.2. Directors are entitled to such remuneration as the Directors determine:
- 19.2.1. for their services to the Company as Directors, and

- 19.2.2. for any other service which they undertake for the Company.
- 19.3. Subject to these articles, a Director's remuneration may:
- 19.3.1. take any form, and
 - 19.3.2. include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- 19.4. Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- 19.5. Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.
- 20. Directors' expenses**
- 20.1. The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:
- 20.1.1. meetings of Directors or committees of Directors,
 - 20.1.2. general meetings, or
 - 20.1.3. separate meetings of the holders of any class of Shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

21. Classes of Shares

The A Shares and the B Shares shall rank *pari passu* in all respects.

22. Partly paid Shares

22.1. Company's lien

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.

22.2. The Company's lien over a Share:

- 22.2.1. takes priority over any third party's interest in that Share; and

- 22.2.2. 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.
- 22.3. 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.
- 22.4. Enforcement of lien
- 22.4.1. Subject to the provisions of this article, if:
- (a) a lien enforcement notice has been given in respect of a Share; and
 - (b) the person to whom the notice was given has failed to comply with it, the Company may sell that Share in such manner as the Directors decide.
- 22.4.2. A lien enforcement notice:
- (a) 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;
 - (b) must specify the Share concerned;
 - (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
 - (d) must be addressed either to the holder of the Share or to a transmittee of that holder; and
 - (e) must state the Company's intention to sell the Share if the notice is not complied with.
- 22.5. Where Shares are sold under this article:
- 22.5.1. 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
- 22.5.2. 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.
- 22.6. The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 22.6.1. first, 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
- 22.6.2. second, 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.

22.7. A statutory declaration by a Director or the Company secretary that the declarant is a Director or the Company secretary and that a Share has been sold to satisfy the Company's lien on a specified date:

22.7.1. is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

22.7.2. subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the Share.

22.8. Call notices

Subject to these articles and the terms on which Shares are allotted, the Directors may send a notice (a "**call notice**") to a Shareholder requiring the Shareholder 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.

22.9. A call notice:

22.9.1. may not require a Shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the Company;

22.9.2. must state when and how any call to which it relates is to be paid; and

22.9.3. may permit or require the call to be made in instalments.

22.10. A Shareholder must comply with the requirements of a call notice, but no Shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.

22.11. Before the Company has received any call due under a call notice the Directors may:

22.11.1. revoke it wholly or in part; or

22.11.2. specify a later time for payment than is specified in the notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.

22.12. Liability to pay calls

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

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

22.12.3. 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:

(a) to pay calls which are not the same; or

- (b) to pay calls at different times.

22.13. When call notice needs not be issued

- 22.13.1. 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:
 - (a) on allotment;
 - (b) on the occurrence of a particular event; or
 - (c) on a date fixed by or in accordance with the terms of issue.
- 22.13.2. But if the due date for payment of such a 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.

22.14. Failure to comply with call notices: automatic consequences

22.14.1. If a person is liable to pay a call and fails to do so by the call payment date:

- (a) the Directors may issue a notice of intended forfeiture to that person; and
- (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

22.14.2. For the purposes of this article:

- (a) 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
- (b) the "relevant rate" is

22.14.2.b.1. the rate fixed by the terms on which the Share in respect of which the call is due was allotted;

22.14.2.b.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

22.14.2.b.3. if no rate is fixed in either of these ways, 5 per cent per annum.

22.14.3. 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.

22.15. The Directors may waive any obligation to pay interest on a call wholly or in part.

22.16. Notice of intended forfeiture

22.16.1. A notice of intended forfeiture:

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
- (c) 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 (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must state how the payment is to be made; and
- (e) 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.

22.17. Director's powers to forfeit Shares

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.

22.18. Effect of forfeiture

22.18.1. Subject to these articles, the forfeiture of a Share extinguishes:

- (a) all interests in that Share, and all claims and demands against the Company in respect of it; and
- (b) *all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.*

22.18.2. Any Share which is forfeited in accordance with these articles:

- (a) is deemed to have been forfeited when the Directors decide that it is forfeited;
- (b) is deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit.

22.18.3. If a person's Shares have been forfeited:

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of Shareholders;
- (b) that person ceases to be a Shareholder in respect of those Shares;

- (c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- (d) 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
- (e) the Directors may 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.

22.19. 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 and expenses due in respect of it and on such other terms as they think fit.

22.20. Procedure following forfeiture

22.20.1. 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

22.20.2. A statutory declaration by a Director or the Company secretary that the declarant is a Director or the Company secretary and that a Share has been forfeited on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the Share.

22.20.3. 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.

22.20.4. 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:

- (a) was, or would have become, payable; and
- (b) 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.

22.21. Surrender of Shares

22.21.1. A Shareholder may surrender any Share:

- (a) in respect of which the Directors may issue a notice of intended forfeiture;

(b) which the Directors may forfeit; or

(c) which has been forfeited.

22.21.2. The Directors may accept the surrender of any such Share.

22.21.3. The effect of surrender on a Share is the same as the effect of forfeiture on that Share.

22.21.4. A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

23. Powers to issue different classes of Share

23.1. Subject to the articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution.

23.2. 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, and the Directors may determine the terms, conditions and manner of redemption of any such Shares.

24. Company not bound by less than absolute interests

Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or these articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the holder's absolute ownership of it and all the rights attaching to it.

25. Share certificates

25.1. The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

25.2. Every certificate must specify:

25.2.1. in respect of how many Shares, of what class, it is issued;

25.2.2. the nominal value of those Shares;

25.2.3. that the Shares are fully paid; and

25.2.4. any distinguishing numbers assigned to them.

25.3. No certificate may be issued in respect of Shares of more than one class.

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

25.5. Certificates must:

25.5.1. have affixed to them the Company's common seal, or

25.5.2. be otherwise executed in accordance with the Companies Acts.

26. Replacement Share certificates

- 26.1. If a certificate issued in respect of a Shareholder's Shares is:
 - 26.1.1. damaged or defaced, or
 - 26.1.2. said to be lost, stolen or destroyed, that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 26.2. A Shareholder exercising the right to be issued with such a replacement certificate:
 - 26.2.1. may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 26.2.2. must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - 26.2.3. must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

27. Permitted Transfers

- 27.1. Subject to article 27.2 and article 27.3, an Original Shareholder may transfer up to the Permitted Maximum number of Shares to any of his Permitted Transferees without restriction as to price or otherwise.
- 27.2. A Shareholder holding Shares as a result of:
 - 27.2.1. a transfer by an Original Shareholder under article 27.1; or
 - 27.2.2. a transfer by a Permitted Transferee of an Original Shareholder in accordance with article 27.4 to article 27.6 (inclusive),may, subject to article 27.3, transfer any or all such Shares back to that Original Shareholder (or to one or more other Permitted Transferees of that Original Shareholder) without restriction as to price or otherwise.
- 27.3. A Shareholder may only transfer Shares to the trustees of a Family Trust if the Board is satisfied:
 - 27.3.1. with the terms of the Family Trust and, in particular, with the powers of the trustees;
 - 27.3.2. with the identity of the trustees; and
 - 27.3.3. that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

27.4. If a Permitted Transfer has been made to a Privileged Relation of an Original Shareholder, that Privileged Relation shall within 15 Business Days of ceasing to be a Privileged Relation of that Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of death) execute and deliver to the Company a transfer of those Shares held by him pursuant to a Permitted Transfer in favour of that Original Shareholder (or, subject to article 27.3, in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be agreed between them, failing which he shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with article 28.9. The provisions of article 29.2 shall apply to such a deemed Transfer Notice.

27.5. In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from an Original Shareholder, on the occurrence of:

27.5.1. the Privileged Relation's death;

27.5.2. the Privileged Relation suffering a Bankruptcy Event; or

27.5.3. the Privileged Relation lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding,

that Privileged Relation, his personal representatives, his trustee(s) in bankruptcy, his attorney(s) or otherwise (as the case may be) shall, within 15 Business Days after the grant of probate, the making of the bankruptcy order or the determination of lack of capacity (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that Original Shareholder (or, if so directed by the Original Shareholder and subject to article 27.3, in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be agreed between them, failing which he, his personal representatives, his trustee(s) in bankruptcy, his attorney(s) or otherwise (as the case may be) shall be deemed to have given a Transfer Notice in respect of those Shares in accordance with article 28.9. The provisions of article 29.2 shall apply to such a deemed Transfer Notice.

27.6. If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 15 Business Days of that Family Trust ceasing to be for the benefit of the Settlor and/or the Settlor's Privileged Relations execute and deliver to the Company a transfer of those Shares held by them or the Family Trust pursuant to a Permitted Transfer in favour of the Original Shareholder (or, if so directed by the Original Shareholder and subject to article 27.3, in favour of one of more other Permitted Transferees of the Original Shareholder), for such consideration as may be agreed between them, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the Shares in accordance with article 28.9. The provisions of article 29.2 shall apply to such a deemed Transfer Notice.

28. Transfer of Shares

- 28.1. 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.
- 28.2. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- 28.3. The Company may retain any instrument of transfer which is registered.
- 28.4. The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it.
- 28.5. The Directors may refuse to register the transfer of a Share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 28.6. No Shareholder shall create any Encumbrance over, transfer or otherwise dispose of or give any person any rights in or over any Share or any interest in any Share except as permitted or required by the Articles, or with the prior written consent of the Board.
- 28.7. Save with the prior written consent of the Board no Shareholder shall transfer any Shares unless he transfers all (and not some only) of the Shares held by him.
- 28.8. Subject to article 28.23, the Board shall register any duly stamped transfer made in accordance with the Articles, unless it suspects that the proposed transfer may be fraudulent.
- 28.9. A Shareholder wishing to transfer any Shares ("Seller") must give a notice in writing ("Transfer Notice") to the Company giving details of the proposed transfer, including:
 - 28.9.1. the number of Shares he wishes to transfer ("Sale Shares");
 - 28.9.2. if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
 - 28.9.3. the price per Sale Share (in cash) at which he wishes to sell the Sale Shares ("Proposed Sale Price"); and
 - 28.9.4. whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders.
- 28.10. A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of the Articles.

- 28.11. Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.
- 28.12. The Transfer Price for each Sale Share which is the subject of a Transfer Notice shall, save where expressly provided otherwise in the Articles, be the price per Sale Share (in cash) agreed between the Seller and the Board or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 33.
- 28.13. As soon as practicable following the determination of the Transfer Price, the Board shall (unless the Transfer Notice is withdrawn in accordance with article 28.11) offer the Sale Shares for sale to the other Shareholders (excluding any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) ("Offerees") inviting them to apply to the Company in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) ("Offer Period") for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 28.14. If:
- 28.14.1. at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Offeree who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Offerees shall be determined by the Board). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- 28.14.2. not all Sale Shares are allocated following allocations in accordance with article 28.14.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 28.14.1. The procedure set out in this article 28.14.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

- 28.14.3. at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the Board shall allocate the Sale Shares to the Offerees in accordance with their applications. The balance of the Sale Shares may, with the prior written consent of the Board, be transferred to the buyer identified in the Transfer Notice (if any) in accordance with article 28.22.
- 28.15. The Board shall, when no further offers or allocations are required to be made under article 28.14, give notice in writing of the allocations of Sale Shares (an "Allocation Notice") to the Seller and to each Shareholder to whom Sale Shares have been allocated (each an "Applicant"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).
- 28.16. On the date specified for completion in the Allocation Notice the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof).
- 28.17. If, following a sale of Shares in accordance with and the Articles, a Shareholder will hold no further Shares (excluding any Shares held by his personal representatives, successors and permitted assigns) the Shareholder shall deliver, or procure that there are delivered, to the Company his resignation as a director of the Company and resignations from any directors appointed by him, such resignations to take effect at completion of the sale of the Sale Shares; and on completion of the Sale of the Shares the Shareholder shall, subject to: Article 28.23.
- 28.18. Any transfer of Shares by way of a sale under the Articles shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee.
- 28.19. If the Seller fails to comply with article 28.16:
- 28.19.1. the chairman of the Board (or, failing him, any other director of the Company or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
- 28.19.2. complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- 28.19.3. receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and

- 28.19.4. (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and
- 28.19.5. the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.
- 28.20. If any Applicant fails to pay the Transfer Price payable by him on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price shall accrue interest at a rate equal to 3% per annum above the base rate of the Bank of England from time to time.
- 28.21. Each Shareholder shall procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) the registration of each transfer of Sale Shares under this article 28.21 (subject to due stamping of a transfer by the relevant Applicant(s)) and each of them consents to such transfers and registrations.
- 28.22. Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may, subject to article 28.23, at any time during the 10 Business Days following the date of service of the Allocation Notice, transfer the balance of the Sale Shares to the buyer identified in the Transfer Notice (if any) at a price per Share at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Sale Shares to a third party buyer if that buyer was not identified in the Transfer Notice (save with the prior written consent of the Board).
- 28.23. No Shareholder shall, except with the prior written consent of the Board, sell, transfer or otherwise dispose of any Shares to any person who is not a party to any shareholders agreement entered into in relation to the Company without first obtaining from that person a Deed of Adherence in favour of the other parties.

29. Deemed Transfer Notice

- 29.1. A Shareholder is deemed to have served a Transfer Notice under article 28.9 immediately before any of the following events:
- 29.1.1. an order being made for the Shareholder's bankruptcy, or an arrangement or composition being made with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors;

- 29.1.2. the Shareholder lacking capacity (under section 2 of the Mental Health Act 2005) to make decisions in relation to the Company or his shareholding;
- 29.1.3. the Shareholder (being an employee of the Company) becoming a Departing Employee, unless the Board otherwise directs in writing within 20 Business Days of the relevant Termination Date that a Transfer Notice shall not be deemed to have been served; and
- 29.1.4. the Shareholder committing a material or persistent breach of any shareholders agreement entered into in relation to the Company.
- 29.2. A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of article 28 shall apply, except that:
- 29.2.1. the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice);
- 29.2.2. the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares; and
- 29.2.3. subject to article 29.2.4 and article 29.2.5, the Transfer Price shall be the Fair Value of those Shares;
- 29.2.4. if the Seller is deemed to have given a Transfer Notice as a result of article 29.1.3 the Transfer Price shall, where the Departing Employee is:
- (a) a Bad Leaver be restricted to the subscription price paid in respect of each Sale Share, including any share premium;
 - (b) a Good Leaver be Fair Value in respect of each Sale Share;
- 29.2.5. if the Seller is deemed to have given a Transfer Notice as a result of article 29.1.4, the Transfer Price shall be restricted to a maximum of the lower of the subscription price paid in respect of each Sale Share, including any share premium, and the Fair Value of each such Sale Share; and
- 29.2.6. the Seller does not have a right to withdraw the Deemed Transfer Notice following a valuation.

- 29.3. If the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice do(es) not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party without the prior written consent of the Board.

30. Transmission of Shares

- 30.1. If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share.
- 30.2. A transmittee who produces such evidence of entitlement to Shares as the Directors may properly require:
- 30.2.1. may, subject to these articles, choose either to become the holder of those Shares or to have them transferred to another person, and
- 30.2.2. subject to these articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.
- 30.3. But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares.

31. Exercise of transmittees' rights

- 31.1. Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 31.2. If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 31.3. Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

32. Transmittees bound by prior notices

If a notice is given to a Shareholder in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice if it was given to the Shareholder before the transmittee's name has been entered in the register of members.

33. Fair Value

- 33.1. The Valuers shall be requested to determine the Fair Value within 30 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 33.2. The Fair Value for any Sale Share shall be the price per Share determined in writing by the Valuers on the following bases and assumptions:
- 33.2.1. 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 or for the rights or restrictions applying to the Sale Shares;

33.2.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

33.2.3. the sale is to be on arms' length terms between a willing seller and a willing buyer;

33.2.4. the Sale Shares are sold free of all Encumbrances;

33.2.5. the sale is taking place on the date the Valuers were requested to determine the Fair Value; and

33.2.6. taking account of any other factors that the Valuers reasonably believe should be taken into account.

33.3. The Shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the Shareholders may reasonably require.

33.4. To the extent not provided for by this article 33, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.

33.5. The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties (in the absence of manifest error or fraud).

33.6. The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller in such other proportions as the Valuers direct.

34. Drag Along

34.1. If the holders of 95% or more of the voting rights attached to the Shares ("Selling Shareholders") wish to transfer all of their interest in the Shares held by them ("Sellers' Shares") to a bona fide arm's length purchaser ("Proposed Buyer"), the Selling Shareholders may require all other Shareholders ("Called Shareholders") to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article ("Drag Along Option").

34.2. The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect ("Drag Along Notice") at any time before the transfer of the Sellers' Shares to the Proposed Buyer, with no more than three notices being issued for the same offer in any one calendar year. The Drag Along Notice shall specify:

34.2.1. that the Called Shareholders are required to transfer all their Shares ("Called Shares") pursuant to this article 34;

34.2.2. the person to whom the Called Shares are to be transferred;

34.2.3. the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and

34.2.4. the proposed date of the transfer.

34.3. Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 20 Business 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.

34.4. No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 34.

34.5. Completion of the sale of the Called Shares shall take place on the Completion Date. "Completion Date" means the date proposed for completion of the sale of the Sellers' Shares unless:

34.5.1. all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or

34.5.2. that date is less than 15 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 15 Business Days after service of the Drag Along Notice.

34.6. The rights of pre-emption set out in the articles shall not apply to any transfer of Shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.

34.7. On the Completion Date, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Selling Shareholders shall procure that the Called Shareholders are paid the amounts they are due for their Shares pursuant to article 34.2.3.

34.8. If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this article 34.8.

34.9. Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or on the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 34 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

35. Tag Along

35.1. Except in the case of transfers pursuant to article 29, and after going through the pre-emption procedure set out in article 34, the provisions of article 35.2 to article 35.6 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares ("Proposed Transfer") which would, if carried out, result in any person ("Buyer"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.

35.2. Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer ("Offer") to the other Shareholders to purchase all of the Shares held by them for a consideration per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 6 months preceding the date of the Proposed Transfer ("Specific Price").

35.3. The Offer shall be made by written notice ("Offer Notice"), at least 21 Business Days before the proposed sale date ("Sale Date"). To the extent not described in any accompanying documents, the Offer Notice shall set out:

35.3.1. the identity of the Buyer;

35.3.2. the Specified Price and other terms and conditions of payment;

35.3.3. the Sale Date; and

35.3.4. the number of Shares proposed to be purchased by the Buyer "Offer Shares".

35.4. If the Buyer fails to make the Offer to all of the holders of Shares in the company in accordance with article 35.2 and article 35.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

35.5. If the Offer is accepted by any Shareholder ("Accepting Shareholder") in writing within 21 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

35.6. The Proposed Transfer is subject to the pre-emption provisions in article 28, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

DIVIDENDS AND OTHER DISTRIBUTIONS

36. Procedure for declaring dividends

36.1. The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.

36.2. 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.

36.3. No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.

36.4. Unless the Shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.

- 36.5. 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 arrear.
- 36.6. 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.
- 36.7. 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.

37. Payment of dividends and other distributions

- 37.1. Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:
- 37.1.1. transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;
 - 37.1.2. sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide;
 - 37.1.3. sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide; or
 - 37.1.4. any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide.
- 37.2. In these articles, "the distribution recipient" means, in respect of a Share in respect of which a dividend or other sum is payable:
- 37.2.1. the holder of the Share; or
 - 37.2.2. if the Share has two or more joint holders, whichever of them is named first in the register of members; or
 - 37.2.3. if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

38. No interest on distributions

The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:

- a) the terms on which the Share was issued, or
- b) the provisions of another agreement between the holder of that Share and the Company.

39. Unclaimed distributions

- 39.1. All dividends or other sums which are:

- 39.1.1. payable in respect of Shares, and
- 39.1.2. unclaimed after having been declared or become payable, may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.
- 39.2. The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- 39.3. If:
 - 39.3.1. twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - 39.3.2. the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

40. Non-cash distributions

- 40.1. Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the Directors, 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).
- 40.2. 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:
 - 40.2.1. fixing the value of any assets;
 - 40.2.2. paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
 - 40.2.3. vesting any assets in trustees.

41. Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if:

- a) the Share has more than one holder, or
- b) more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the Share.

CAPITALISATION OF PROFITS

42. Authority to capitalise and appropriation of capitalised sums

- 42.1. Subject to these articles, the Directors may, if they are so authorised by an ordinary resolution:

- 42.1.1. decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's Share premium account or capital redemption reserve; and
 - 42.1.2. appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.
- 42.2. Capitalised sums must be applied:
- 42.2.1. on behalf of the persons entitled, and
 - 42.2.2. in the same proportions as a dividend would have been distributed to them.
- 42.3. Any capitalised sum may be applied in paying up new Shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 42.4. A capitalised sum which was appropriated from profits available for distribution may be applied 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.
- 42.5. Subject to these articles the Directors may:
- 42.5.1. apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
 - 42.5.2. make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
 - 42.5.3. authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this article.

43. Exit and return of capital

On a winding up of the Company or other return of capital (other than a redemption of Shares or the purchase by the Company of its own Shares) then the surplus assets of the Company after payment of liabilities shall first be paid to the holders of the preference Shares to the extent of the amount paid up on the preference Shares and following such payment the remaining assets and retained profits or proceeds shall be distributed to the holders of the Shares.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

44. Attendance and speaking at general meetings

- 44.1. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 44.2. A person is able to exercise the right to vote at a general meeting when:
- 44.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting,
 - and
 - 44.2.2. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 44.3. The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 44.4. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 44.5. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

45. Quorum for general meetings

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

46. Chairing general meetings

- 46.1. If the Directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 46.2. If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- 46.2.1. the Directors present, or
 - 46.2.2. (if no Directors are present), the meeting, must appoint a Director or Shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 46.3. The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

47. Attendance and speaking by Directors and non-Shareholders

- 47.1. Directors may attend and speak at general meetings, whether or not they are Shareholders.
- 47.2. The chairman of the meeting may permit other persons who are not:
- 47.2.1. Shareholders of the Company, or

- 47.2.2. otherwise entitled to exercise the rights of Shareholders in relation to general meetings, to attend and speak at a general meeting.

48. Adjournment

- 48.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- 48.2. The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
 - 48.2.1. the meeting consents to an adjournment, or
 - 48.2.2. it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 48.3. The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 48.4. When adjourning a general meeting, the chairman of the meeting must:
 - 48.4.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
 - 48.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 48.5. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
 - 48.5.1. to the same persons to whom notice of the Company's general meetings is required to be given, and
 - 48.5.2. containing the same information which such notice is required to contain.
- 48.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

49. Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these articles.

50. Errors and disputes

- 50.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 50.2. Any such objection must be referred to the chairman of the meeting, whose decision is final.

51. Poll votes

51.1. A poll on a resolution may be demanded:

- 51.1.1. in advance of the general meeting where it is to be put to the vote, or
- 51.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

51.2. A poll may be demanded by:

- 51.2.1. the chairman of the meeting;
- 51.2.2. the Directors;
- 51.2.3. two or more persons having the right to vote on the resolution; or
- 51.2.4. a person or persons representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote on the resolution.

51.3. A demand for a poll may be withdrawn if:

- 51.3.1. the poll has not yet been taken, and
- 51.3.2. the chairman of the meeting consents to the withdrawal.

51.4. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

52. Content of proxy notices

52.1. Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

- 52.1.1. states the name and address of the Shareholder appointing the proxy;
- 52.1.2. identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
- 52.1.3. is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
- 52.1.4. is delivered to the Company in accordance with these articles and any instructions contained in the notice of the general meeting to which they relate.

52.2. The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

52.3. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

52.4. Unless a proxy notice indicates otherwise, it must be treated as:

- 52.4.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

- 52.4.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

53. Delivery of proxy notices

- 53.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 53.2. An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 53.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 53.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

54. Amendments to resolutions

- 54.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - 54.1.1. notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - 54.1.2. the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 54.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - 54.2.1. the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 54.2.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 54.3. If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5

ADMINISTRATIVE ARRANGEMENTS

55. Means of communication to be used

- 55.1. Subject to these articles, anything sent or supplied by or to the Company under these articles may be sent or supplied in any way in which the Companies Act 2006

provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

- 55.2. Subject to these articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 55.3. A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- 55.4. The Company can deliver a notice or other document, including a Share certificate, to a Shareholder:
 - 55.4.1. By delivering it by hand to the address recorded for the Shareholder on the register;
 - 55.4.2. By sending it by post or other delivery service in an envelope (with postage or delivery paid) to the address recorded for the Shareholder on the register;
 - 55.4.3. By fax (except for Share certificates) to a fax number notified by the Shareholder in writing;
 - 55.4.4. By electronic mail (except a Share certificate) to an address notified by the Shareholder in writing;
 - 55.4.5. By a website (except a Share certificate) the address of which shall be notified to the Shareholder in writing; or
 - 55.4.6. By a relevant system; or
 - 55.4.7. By advertisement in at least two national newspapers.

This article does not affect any provision in any relevant legislation or these articles requiring notices or documents to be delivered in a particular way.

- 55.5. If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the Shareholder. If a notice or document is sent by post or other delivery service not referred to below, it is treated as being delivered:
 - 55.5.1. 24 hours after it was posted, if first class post was used; or
 - 55.5.2. 72 hours after it was posted or given to delivery agents, if first class post was not used;

provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was:

- a) properly addressed; and
 - b) put into the post system or given to delivery agents with postage or delivery paid.
- 55.6. If a notice or document (other than a Share certificate) is sent by fax, it is treated as being delivered at the time it was sent.

- 55.7. If a notice or document (other than a Share certificate) is sent by electronic mail, it is treated as being delivered at the time it was sent.
- 55.8. If a notice or document (other than a Share certificate) is sent by a website, it is treated as being delivered when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 55.9. If a notice or document (other than a Share certificate) is sent by a relevant system, it is treated as being delivered when the Company (or a sponsoring system participant acting on its behalf) sends the issuer instruction relating to the notice or document.
- 55.10. If a notice is given by advertisement, it is treated as being delivered at midday on the day when the last advertisement appears in the newspapers.
- 55.11. The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceedings shall not invalidate the relevant meeting or other proceeding.
- 55.12. A member present either in person or by proxy, at any meeting of the Company or the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting, and when requisite, of the purpose for which it was called.

56. Company seals

- 56.1. Any common seal may only be used by the authority of the Directors.
- 56.2. The Directors may decide by what means and in what form any common seal is to be used.
- 56.3. Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 56.4. For the purposes of this article, an authorised person is:
- 56.4.1. any Director of the Company;
 - 56.4.2. the Company secretary (if any); or
 - 56.4.3. any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

57. No right to inspect accounts and other records

Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Shareholder.

58. Provision for employees on cessation of business

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

59. Indemnity

- 59.1. Subject to the provisions of, and so far as may be permitted by and consistent with the Companies Act 2006, every Director of the Company shall be indemnified by the Company out of its own funds against:
- 59.1.1. any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company other than:
 - (a) any liability to the Company or any Associated Company; and
 - (b) any liability of the kind referred to in Section 234(3) of the Companies Act 2006; and
 - 59.1.2. any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.
- 59.2. Where a Director is indemnified against any liability in accordance with this article 59, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.
- 59.3. Subject to the provisions of the Companies Act 2006, the Company (a) may provide a Director with funds to meet expenditure incurred or to be incurred by him in defending any criminal, civil or regulatory proceedings or in connection with any application under the provisions mentioned in Sections 205 or 206 of the Companies Act 2006 and (b) may do anything to enable a Director to avoid incurring such expenditure, but so that the terms set out in Section 205(2) of the Companies Act 2006 shall apply to any such provision of funds or other things done in connection with an application made under Section 205(1) of the Companies Act 2006.
- 59.4. In this article 59, "Associated Company" shall have the meaning given thereto by Section 256 of the Companies Act 2006.

60. Insurance

- 60.1. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss.
- 60.2. In this article:
- 60.2.1. a "relevant Director" means any Director or former Director of the Company or an associated Company,
 - 60.2.2. a "relevant loss" means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director'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
 - 60.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.