

# Articles of Association

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**Lineat Composites Limited**

**The Companies Act 2006  
Private Company Limited by Shares**

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**The Companies Act 2006**  
**Company Limited by Shares**  
**Articles of Association**  
**of**  
**Lineat Composites Limited (company number 13028918)**  
**(the "Company")**  
**(Adopted by special resolution passed on 15 February 2022)**

**Introduction**

**1 Interpretation**

**1.1** In these Articles, the following words have the following meanings:

**Articles:** the Company's articles of association for the time being in force;

**Available Profits:** means profits available for distribution within the meaning of Part 23 of the CA 2006;

**Bad Leaver:** an Employee who becomes a Departing Employee in any circumstances where he is not a Good Leaver;

**Board:** the board of directors from time to time of the Company;

**Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

**CA 2006:** the Companies Act 2006;

**Conflict:** a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;

**Controlling Interest:** 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;

**Critical Illness:** means a medical condition which renders a person wholly or substantially incapable (as certified by a suitably qualified medical professional) of performing his duties as a director or employee (as the case may be) of the Company either permanently or for the six months immediately following the delivery of the certificate by the medical professional;

**Deemed Transfer Notice:** a Transfer Notice that is deemed to have been served under any provisions of these Articles;

**Deferred Conversion Date:** means the date that the Employee Shares convert into Deferred Shares pursuant to Article 21;

**Deferred Shares:** means deferred shares of £0.01 each in the capital of the Company from time to time;

**Departing Employee:** an Employee who ceases to be a director, consultant and/or employee of the Company;

**Eligible Director:** any 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);

**Employee:** a shareholder who is, or has been, a director, consultant and/or employee of the Company;

**Employee Shares:** in relation to an Employee means Shares held by:

- (a) the Employee in question; and
- (b) any Permitted Transferee of that Employee other than those Shares held by those persons that the Board (acting with Shareholder Consent) declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of that person's relationship with the Employee;

**Fair Value:** the price for Sale Shares confirmed by the Valuers in accordance with article 22.1;

**Family Trust:** as regards any particular shareholder who is an individual (or deceased or former shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular shareholder and/or any of the Privileged Relations of that shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons);

**Financial Year:** has the meaning set out in section 390 of the CA 2006;

**Good Leaver:** an Employee who becomes a Departing Employee by reason of death, permanent disability or permanent incapacity through ill-health, retirement at normal retirement age, dismissal by the Company which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful or constructive, his redundancy the non-renewal or termination by the Company of a fixed term contract or consultancy agreement (as the case may be) or its expiration due to effluxion of time or completion of the task or purpose for which such appointment was made, or when the Board (with Shareholder Consent) determines that a person is a Good Leaver;

**Interested Director:** has the meaning given in article 10.1;

**ITEPA:** means the Income Tax (Earnings and Pensions) Act 2003;

**Member of the Same Group:** as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company;

**Minimum Transfer Condition:** as defined in article 20.2.4;

**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 and reference to a numbered Model Article is a reference to that article of the Model Articles;

**Ordinary Shares:** means the ordinary shares of £0.01 each in the capital of the Company from time to time;

**Original Shareholder:** a shareholder who holds shares in the Company on the date of adoption of these Articles;

**Permitted Transferee:** in relation to:

- (a) a shareholder who is an individual, any of his Privileged Relations, a Privileged Company, or the trustee(s) of a Family Trust; or
- (b) a shareholder which is a company, a Member of the Same Group as that company;

**Privileged Company:** in relation to a shareholder who is an individual means a company in which such shareholder, or a Permitted Transferee of such shareholder, has a Controlling Interest;

**Privileged Relation:** in relation to a shareholder who is an individual (or a deceased or former shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue);

**Sale Shares:** the Shares being transferred by a Seller;

**Seller:** a shareholder transferring Shares by virtue of a Transfer Notice or Deemed Transfer Notice;

**Share Option Plan:** the enterprise management incentive option plan **AND/OR** unapproved option plan **AND/OR** approved option plan proposed to be adopted by the Company following 15 February 2022, by which the Company proposes to award options over Ordinary Shares to Employees;

**shareholder:** a shareholder of the Company;

**Shareholder Consent:** the prior written consent of the holder(s) for the time being of not less than 70% by nominal value of all Shares held by shareholders;

**Shares:** shares (of any class) in the capital of the Company from time to time;

**Termination Date:** the date on which a shareholder becomes a Departing Employee which date shall be deemed to be:

- (a) where employment ceases by virtue of notice given by the employer to the Employee, the date on which notice of termination was served;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where an Employee dies, the date of his death;
- (d) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated; or

- (e) in any other case, the date on which the employment or holding of office is terminated;

**Transfer Notice:** as defined in article 20.2;

**Transfer Price:** the price per Sale Share determined in accordance with article 20.2.3;

**University:** the University of Bristol;

**University Director:** the Director appointed from time to time by the University in accordance with article 13 and references to the University Director shall include any alternate appointed in his place from time to time;

**University Observer:** the observer appointed from time to time by the University in accordance with article 13 and references to the University Observer shall include any alternate appointed in his place from time to time;

**Valuers:** an independent firm of accountants of repute jointly appointed by the Seller and the Board (acting with Shareholder Consent) or, in the absence of agreement between the Seller and the Board on the identity of the Valuers within 30 Business Days of the expiry of the period referred to in article 23.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales;

**Writing or written:** 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 otherwise expressly provided in these Articles.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force at the date of these Articles.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made as at the date of these Articles under that statute or statutory provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

## **2 Adoption of the Model Articles**

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1) and (3), 11, 13, 14(1), (2), (3) and (4), 16, 17, 26(5), 27 to 29 (inclusive), 38, 39, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.4 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(1)(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **Directors**

### **3 Directors' meetings**

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.

### **4 Unanimous decisions of directors**

- 4.1 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.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7.

### **5 Number of directors**

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

### **6 Calling a directors' meeting**

- 6.1 Any director may call a meeting of directors by giving not less than 5 Business Days' notice of the meeting (or such shorter period of notice as all directors may agree) to each director or by authorising the Company secretary (if any) to give such notice.

- 6.2 Meetings of the Directors shall take place at least 10 times in each year, with a period of not more than 10 weeks between any two meetings unless the Board shall agree otherwise. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 10 Business Days' advance notice in writing of each such meeting shall be given to each Director and to the University Observer (for so long as one is appointed). Notice of every meeting of the Directors shall be given to each Director and to the University Observer (for so long as one is appointed) at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom, provided that any Director and the University Observer (for so long as one is appointed) may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Meetings of the Directors may be held by conference telephone or similar equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the directors and, if applicable, the University Observer had met in person.

## **7 Quorum for directors' meetings**

- 7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be more than 50% of the Eligible Directors including the University Director for as long as one is appointed.
- 7.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those Eligible Directors present will constitute a quorum provided that the University Director or the University Observer is present.
- 7.4 For the purposes of any meeting (or part of a meeting) held pursuant to article 10 to authorise a director's conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director and the University Observer (if one has been appointed).

## **8 Chairing of directors' meetings**

- 8.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall have a casting vote.
- 8.2 Article 8.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

## **9 Directors' interests - transactions or other arrangements with the company**

- 9.1 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:
- 9.1.1 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;

- 9.1.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 9.1.3 shall be entitled to vote and participate 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 existing or proposed transaction or arrangement in which he is interested;
- 9.1.4 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;
- 9.1.5 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
- 9.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

## 10 Directors' conflicts of interest

- 10.1 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 (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 10.2 Any authorisation under this article 10 will be effective only if:
  - 10.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles;
  - 10.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director;
  - 10.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted; and
  - 10.2.4 it has received Shareholder Consent.
- 10.3 Any authorisation of a Conflict under this article 10 may (whether at the time of giving the authorisation or subsequently):
  - 10.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 10.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;



- 10.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- 10.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- 10.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
- 10.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 10.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors (acting with Shareholder Consent) in relation to the Conflict.
- 10.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 10.6 Notwithstanding the other provisions of this article 10, it shall not be made a condition of any authorisation of a matter in relation to the University Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors.
- 10.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **11 Records of decisions to be kept**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

## **12 Appointment and removal of directors**

- 12.1 No director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.
- 12.2 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the personal representative(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 personal representative who is a natural person), who is willing to act and is permitted to do so, to be a director.

- 12.3 For the purposes of article 12.2, 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.

### **13 University Director**

- 13.1 Notwithstanding any other provisions of these articles, the University shall, for so long as it holds more than 10% of the Ordinary Shares in issue, be entitled to appoint as a Director any person and to remove from office any person so appointed and to appoint another person in his place. For so long as it remains a shareholder and where no Director is appointed, the University shall be entitled to appoint as an Observer any person and to remove from office any person so appointed and to appoint another person in his place.
- 13.2 An appointment or removal of a University Director or a University Observer under article 13.1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the Directors.
- 13.3 The University Director or the University Observer shall be entitled at his request to be appointed to any committee of the Board established from time to time.
- 13.4 All documents and information handed or sent to the Directors (including any proposed written resolutions) must be handed or sent to the University Observer as nearly as possible at the same time.
- 13.5 The University Observer shall be entitled to attend and speak as if he were a director at every meeting of the Directors and any committee of the Board, but shall not have a vote regarding any resolution.

### **Shares**

#### **14 Voting rights**

- 14.1 The Ordinary Shares confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 14.2 The Deferred Shares do not entitle the holders of them to receive notice of, attend, speak or vote at any general meeting of the Company, nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 14.3 Where Shares confer a right to vote, at a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each Share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each Share of which he is the holder.

#### **15 Dividend rights**

- 15.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this article 15.
- 15.2 Any Available Profits that the Company may determine to distribute in respect of any Financial Year will be distributed amongst the holders of the Deferred Shares (if any) and the Ordinary Shares so that £1.00 of such profits will be distributed to the holders of the

Deferred Shares pro-rata according to the number of Deferred Shares held by them (and payment may be made to any holder of Deferred Shares for the class).

- 15.3 The balance of any Available Profits shall be distributed among the holders of Ordinary Shares pro rata to their respective holdings of Ordinary Shares.

## **16 Rights to capital**

On a winding up or other repayment of capital the assets of the Company (including capital uncalled at the commencement of the winding up) remaining after paying and discharging the debts and liabilities of the Company and the costs of winding up shall be divided amongst the shareholders:

- a) first, in paying to the holders of the Deferred Shares (if any) a total of £1.00 for the entire class of Deferred Shares; and
- b) the balance of surplus assets (if any) shall be distributed among the holders of Ordinary Shares in proportion to the nominal amount paid up or credited as paid up on any Ordinary Shares they hold.

## **17 Deferred shares**

- 17.1 Subject to the Act, any Deferred Shares may be purchased by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder(s) without obtaining the sanction of the holder(s).

- 17.2 The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of the holder(s) to:

17.2.1 appoint any person to execute any transfer of (or any agreement to transfer) those Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise), including (subject to the Act) to the Company itself, in any such case for a price being not more than an aggregate sum of one penny for all the Deferred Shares registered in the name of such holder(s); and/or

17.2.2 receive the consideration for such a transfer or purchase (and give a good discharge for it) and hold the same on trust for the transferor(s); and/or

17.2.3 give, on behalf of such holder(s), consent to the cancellation of those Deferred Shares; and/or

17.2.4 retain the certificate(s) (if any) in respect of such Deferred Shares pending the transfer, cancellation and/or purchase thereof.

- 17.3 No Deferred Share may be transferred without the prior consent of the Board, acting with Shareholder Consent.

## **18 Share transfers: general**

- 18.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

- 18.2 No share shall be transferred unless the transfer is made in accordance with these Articles.

- 18.3 Subject to article 18.4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 18.4 The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 18.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 18.5 Any transfer of shares by way of a sale that is required to be made under articles 20, 21, 24 or 25 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

## **19 Permitted transfer of shares**

- 19.1 A shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.
- 19.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
- 19.2.1 the Original Shareholder;
  - 19.2.2 any Privileged Relation(s) of the Original Shareholder;
  - 19.2.3 subject to article 19.3, the trustee(s) of another Family Trust of the Original Shareholder; or
  - 19.2.4 subject to article 19.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
- without any price or other restriction.
- 19.3 A transfer of Ordinary Shares may only be made to the trustee(s) of a Family Trust if the Board is satisfied:
- 19.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
  - 19.3.2 with the identity of the proposed trustee(s);
  - 19.3.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - 19.3.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 19.4 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation or a Privileged Company of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 15 Business Days of

ceasing to be a Privileged Relation or Privileged Company of the Original Shareholder (whether by reason of death, divorce, a change in shareholding or otherwise) either:

19.4.1 execute and deliver to the Company a transfer of the Ordinary Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

19.4.2 give a Transfer Notice to the Company in accordance with article 20.2,

failing which (and unless otherwise agreed by the Board in writing (acting with Shareholder Consent) a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 19.4.

## **20 Pre-emption rights on transfer**

20.1 Except where:

20.1.1 the provisions of articles 19, 24 and 25 apply; or

20.1.2 Shareholder Consent has been provided to the contrary,

any transfer of Ordinary Shares by a shareholder shall be subject to the pre-emption rights in this article 20.

20.2 Any shareholder (**Seller**) wishing to transfer Shares (**Sale Shares**) in accordance with these Articles must give notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer including:

20.2.1 the number of Sale Shares;

20.2.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;

20.2.3 the price per share (in cash) at which the Seller wishes to sell the Sale Shares (which, failing agreement between the Seller and the Board (acting with Shareholder Consent) as to the appropriate cash price of the Sale Shares within 15 Business Days of the proposed transfer arising, shall be the Fair Value) (**Transfer Price**); and

20.2.4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**).

20.3 In article 20.2, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

20.4 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn save with Shareholder Consent.

20.5 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 these Articles.

20.6 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 20 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

20.7 The Board shall offer the Sale Shares to:

- 20.7.1 firstly, the Company, which shall be granted the right, subject to compliance with all applicable laws, to buyback the Sale Shares; and
- 20.7.2 secondly, if the Company has not opted or is unable to buyback the Sale Shares within 10 Business Days of being offered, any shareholders other than the Seller (**Qualifying Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 20.8 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 20.9 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 20.9 If:
- 20.9.1 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 Qualifying Shareholder who has applied for Sale Shares in the proportion which the Qualifying Shareholder's existing holding of Shares bears to the total number of Shares held by those Qualifying Shareholders who have applied for Sale Shares. 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 Qualifying Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Qualifying Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy;
- 20.9.2 not all Sale Shares are allocated following allocations in accordance with article 20.9.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 20.9.1. The procedure set out in this article 20.9.2 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
- 20.9.3 at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Qualifying Shareholders in accordance with their applications. The balance (**Surplus Shares**) shall be dealt with in accordance with article 20.14.
- 20.10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 20.9, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 20.11 If:
- 20.11.1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- 20.11.2 allocations under article 20.9 have been made in respect of some or all of the Sale Shares,
- the Board shall give written notice of allocation (**Allocation Notice**) to the Seller and each Qualifying 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/or

to the Company, the amount payable by each Applicant and/or the Company for the number of Sale Shares allocated to them (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 2 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).

20.12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to the relevant Applicant and/or the Company, in accordance with the requirements specified in the Allocation Notice.

20.13 If the Seller fails to comply with article 20.12:

20.13.1 the chairman of the Company (or, failing the chairman, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:

- (a) complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- (b) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration);
- (c) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and

20.13.2 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its 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.

20.14 If there are Surplus Shares or the Transfer Notice lapses pursuant to article 20.10 then:

20.14.1 firstly, the Company shall be granted the right, subject to compliance with all applicable laws, to buyback the Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be); and

20.14.2 secondly, if the Company has not opted or is unable to buyback the Surplus Shares within 60 Business Days of being offered, the Seller may transfer the Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price, subject to article 20.14 (but the Company shall be permitted to opt to buyback such shares at any time prior to completion of such transfer, subject to compliance with all applicable laws),

Any sale in accordance with this article 20.14 shall continue to be subject to any Minimum Transfer Condition.

20.15 The Seller's right to transfer Sale Shares under article 20.14 does not apply if the Board (acting with Shareholder Consent) reasonably considers that:

20.15.1 the transferee is a person (or a nominee for a person) who is a competitor with the business of the Company; or

20.15.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

- 20.15.3 the Seller has failed or refused to promptly provide information available to the Seller and reasonably requested by the Board to enable it to form the opinions mentioned above; or
- 20.15.4 it is a transfer of Sale Shares to a bankrupt, a minor or a person of unsound mind; or
- 20.15.5 the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company; or
- 20.15.6 it is a transfer of Sale Shares which are not fully paid:
- (a) to a person of whom the Directors do not approve; or
  - (b) on which Sale Shares the Company has a lien;
- 20.15.7 the transfer is in respect of more than one class of Shares; or
- 20.15.8 the transfer is in favour of more than four transferees.
- 20.16 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 20 (subject to due stamping of a transfer by the relevant Applicant(s) and/or the Company) and each of them consents to such transfers and registrations.

## **21 Compulsory transfers**

- 21.1 A shareholder is deemed to have served a Transfer Notice under article 20.2 (a **Deemed Transfer Notice**) immediately before any of the following events:
- 21.1.1 a petition being presented for the shareholder's bankruptcy or insolvency, or an arrangement or composition being proposed 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;
  - 21.1.2 subject to Article 21.4, the shareholder (being an Employee) becoming a Departing Employee, unless the Board (acting with Shareholder Consent) otherwise directs in writing within 15 Business Days of the relevant Termination Date that a Deemed Transfer Notice shall not be deemed to have been served; and
  - 21.1.3 the shareholder committing a material or persistent breach of these Articles which, if capable of remedy, has not been so remedied within 15 Business Days of notice to remedy the breach being served by the Board (acting with Shareholder Consent).
- 21.2 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of article 20 shall apply, except that:
- 21.2.1 the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Employee Shares held by him (including any Employee Shares acquired after the date the relevant Deemed Transfer Notice is deemed given but before completion of the transfer of Employee Shares pursuant to the relevant Deemed Transfer Notice;
  - 21.2.2 if the Seller is deemed to have given a Transfer Notice as a result of article 21.1.2, the Transfer Price shall, where the Departing Employee is:



- (a) a Bad Leaver, be restricted to the nominal value of each Sale Share;
- (b) a Good Leaver, be the Fair Value of each such Sale Share;

21.2.3 if the Seller is deemed to have given a Transfer Notice as a result of article 21.1.3, the Transfer Price shall be restricted to the nominal value of each Sale Share.

- 21.3 If an Employee becomes a Departing Employee as a Bad Leaver (and unless the Directors (with Shareholder Consent) otherwise direct in writing in respect of any particular Employee Shares prior to or within 15 Business Days after the relevant Termination Date), any Transfer Notice served in respect of any of such Employee Shares before the date such Employee becomes a Departing Employee shall automatically lapse.
- 21.4 The Board (acting with Shareholder Consent) shall be entitled to determine that, in the alternative to Article 21.1.2, if a Seller is deemed to have given a Transfer Notice as a result of article 21.1.3 or an Employee ceases to be an Employee by reason of being a Bad Leaver, their Shares (or, in the case of an Employee, their Employee Shares) shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held) 15 Business Days after the Termination Date (rounded down to the nearest whole share). Upon such conversion into Deferred Shares, the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date. Upon the Deferred Conversion Date, the Employee (and his Permitted Transferee(s)) shall deliver to the Company at its registered office the shares certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for lost certificate in a form acceptable to the Board) for the Employee Shares so converting and upon such delivery there shall be issued to him (or his Permitted Transferee(s)) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and (if applicable) any remaining Ordinary Shares.

## 22 Suspension of Voting Rights

- 22.1 Immediately on a Transfer Notice or Deemed Transfer Notice being served in accordance with these Articles, the Sale Shares subject to such notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:
- 22.1.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
  - 22.1.2 to receive dividends or other distributions otherwise attaching to those Shares; or
  - 22.1.3 to participate in any future issue in respect of those Shares.
- 22.2 The Board (acting with Shareholder Consent) may reinstate the rights referred to in clause 22.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to these articles on completion of such transfer.

## 23 Valuation of Sale Shares

- 23.1 If, in accordance with article 20.2.3 or article 21.2.2, the Transfer Price for any Sale Shares is to be determined with reference to the Fair Value then the Valuers shall be appointed and shall be requested to determine the Fair Value within 15 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 23.2 The Valuers, if appointed, shall determine the Fair Value on the following bases and assumptions:

- 23.2.1 the sale is taking place on the date of the relevant Transfer Notice or Deemed Transfer Notice;
- 23.2.2 each of the Sale Shares shall be valued as a proportion of the total value of all the 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;
- 23.2.3 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 23.2.4 the sale is to be on arms' length terms between a willing seller and a willing buyer;
- 23.2.5 the Sale Shares are sold free of all Encumbrances; and
- 23.2.6 the relevant Seller has ceased to be a director, employee or consultant of the Company.
- 23.3 The parties are entitled to make submissions to the Valuers in writing 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 parties may reasonably require.
- 23.4 To the extent not provided for by this article 22.1, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 23.5 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).
- 23.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the relevant Seller equally or in such other proportions as the Valuers direct.

## **24 Drag Along**

- 24.1 If the holders of 70% of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), and providing such transfers are made in accordance with these Articles, the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their Shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 24 (**Drag Along Option**).
- 24.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
  - 24.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 24;
  - 24.2.2 the person to whom the Called Shares are to be transferred;
  - 24.2.3 the purchase price 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
  - 24.2.4 the proposed date of the transfer.

- 24.3 Once issued, a Drag Along Notice shall be irrevocable without Shareholder Consent. 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 15 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.
- 24.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 24.
- 24.5 Completion of the sale of the Called Shares shall take place on the Completion Date. For the purposes of this article. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- 24.5.1 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
- 24.5.2 that date is less than 30 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 30th Business Day after service of the Drag Along Notice.
- 24.6 No transfers made in accordance with this article 24 shall be subject to the pre-emption provisions of article 20.
- 24.7 On or before the Completion Date, the Called Shareholders shall execute and 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 Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 24.2.3 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 24.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 24 in respect of their Shares.
- 24.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 24.7) transfer(s) in respect of all of the Called Shares held by them, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent to execute all necessary transfer(s) and (if required) share certificate indemnities on their behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) and (if required) indemnities to the Proposed Buyer (or as it may direct) as the holder thereof.
- 24.10 Upon any person, following the issue of a Drag Along Notice but prior to the Completion Date (as described in article 24.5), becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a **Missed Shareholder**), a Drag Along Notice shall be deemed to have been served on the Missed Shareholder on the same terms as the previous Drag Along Notice. The Missed 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 24 shall apply with the

necessary changes to the Missed Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the Missed Shareholder becoming a Shareholder of the Company, if later.

## **25 Tag Along**

- 25.1 The provisions of this article 25 shall apply if, in one or a series of related transactions, one or more shareholders (**Selling Shareholder**) propose to transfer, in accordance with these Articles, any of their 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.
- 25.2 Before making a Proposed Transfer, a Selling Shareholder shall procure that the Buyer makes an offer (**Offer**) to:
- 25.2.1 the other Shareholders to purchase all of the Shares held by them;
  - 25.2.2 the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer; and
  - 25.2.3 the holders of any securities of the Company that are convertible into Shares, to purchase any Shares arising from the conversion of such securities at any time before the Proposed Transfer,
- for a consideration in cash 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 3 months preceding the date of the Proposed Transfer (**Specified Price**).
- 25.3 The Offer shall be made by written notice (**Offer Notice**), at least 30 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 25.3.1 the identity of the Buyer;
  - 25.3.2 the Specified Price and other terms and conditions of payment;
  - 25.3.3 the Sale Date; and
  - 25.3.4 the number of Shares proposed to be purchased by the Buyer (Offer Shares).
- 25.4 If the Buyer fails to make the Offer to all of the persons listed in article 25.2 in accordance with the provisions of this article 25, the Selling Shareholder/s shall not be entitled to complete the Proposed Transfer (even if the Proposed Transfer had previously received Shareholder Consent) and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 25.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 15 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.

## **26 Further issues of shares**

- 26.1 Save to the extent authorised by these Articles; or authorised from time to time by an ordinary resolution of the shareholders (and subject always to Article 26.5), 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.
- 26.2 In accordance with section 567(1) of the CA 2006, sections 561 and 562 of the CA 2006 shall not apply to an allotment of equity securities (as defined in section 560(1) of the CA 2006) made by the company.
- 26.3 Unless otherwise agreed by Shareholder Consent, if the company proposes to allot any equity securities, 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:
- 26.3.1 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
- 26.3.2 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.
- 26.4 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with article 26.3 shall be used for satisfying any requests for Excess Securities made pursuant to article 26.3.2. 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 26.3 (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.
- 26.5 The provisions of Articles 26.1 to 26.4(inclusive) shall not apply to options to subscribe for Ordinary Shares under the Share Option Plans (or to the issue of the Ordinary Shares required to be issued and allotted to the relevant person as a consequence of the lawful exercise of the relevant option by the relevant Employee in accordance with the terms of the relevant Share Option Plan).

## **Decision making by shareholders**

### **27 Quorum for general meetings**

- 27.1 If and for so long as the Company has one shareholder only who is entitled to vote on the business to be transacted at a general meeting, that shareholder present at the meeting in person or by one or more proxies or, in the event that the shareholder is a corporation, by one or more corporate representatives, is a quorum.
- 27.2 If and for so long as the Company has two or more shareholders entitled to vote on the business to be transacted at a general meeting, two of such shareholders, each of whom is present at the meeting in person or by one or corporate representatives, are a quorum.

27.3 If a quorum is not present in accordance with article 27.2 and article 27.4, then the meeting shall be adjourned for 5 Business Days at the same time and place, and the quorum for such adjourned meeting shall be two shareholders entitled to vote on the business to be transacted at a general meeting.

27.4 Model Article 41(1) is modified by the addition of a second sentence as follows:

"If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved."

27.5 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

## **28 Chairing general meetings**

28.1 The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, any other director present may act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

28.2 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 in accordance with article 28.1) shall have a second and casting vote.

## **29 Poll votes**

29.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.

29.2 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.

## **30 Proxies**

30.1 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 general meeting (or adjourned meeting) to which they relate".

30.2 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" as a new paragraph at the end of that article.

## **Administrative arrangements**

### **31 Means of communication to be used**

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

31.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

- 31.1.2 if sent by pre-paid United Kingdom first class post or another next working day delivery service providing proof of postage to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
  - 31.1.3 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - 31.1.4 if sent or supplied by email, at the time of transmission; or
  - 31.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
  - 31.1.6 if deemed receipt under the previous paragraphs of this article 31.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 31.2 To prove service, it is sufficient to prove that:
- 31.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
  - 31.2.2 if sent by post, the envelope containing the notice was properly addressed, paid for and posted; or
  - 31.2.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.
- 31.3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.

## **32 Indemnity and insurance**

- 32.1 Subject to article 32.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 32.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including (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 affairs; and
  - 32.1.2 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 32.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

- 32.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.
- 32.3 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.
- 32.4 In this article:
- 32.4.1 a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- 32.4.2 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 or any pension fund or employees' share scheme of the Company.

### **33 Data Protection**

- 33.1 Each of the shareholders, directors and the University Observer (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a **Recipient**) for due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.
- 33.2 The personal data that may be processed for such purposes under this article 33 shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or any regulated authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
- 33.2.1 a member of the same group as the Recipient (**Recipient Group Companies**);
- 33.2.2 to employees, directors and professional advisors of that Recipient or the Recipient Group Companies; and
- 33.2.3 to funds managed by any of the Recipient Group Companies.
- 33.3 Each of the shareholders and directors consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.