

Company Number: NI618921

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

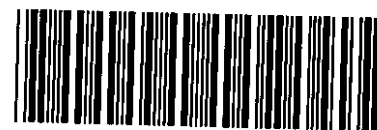
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**CAUSEWAY SENSORS LIMITED**

(Adopted by a Written Resolution dated

2017)

MONDAY



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22/01/2018 #17  
COMPANIES HOUSE

**1 PRELIMINARY**

- 1.1** The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "**Model Articles**") shall apply to the Company save in so far as they are excluded or modified hereby and such Model Articles and the articles set out below shall be the articles of association of the Company (the "**Articles**").
- 1.2** Model Articles 9(2), 11(2), 13, 14, 17(1), 19(5), 21, 24, 26(5), 28(3), 41, 44(4), 50 and 52 do not apply to the Company.
- 1.3** The headings used in these Articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of these Articles.
- 1.4** In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa.
- 1.5** In these Articles:

<b>"A Ordinary Shares"</b>	means the A ordinary shares of £0.01 each in the capital of the Company;
<b>"Act"</b>	means the Companies Act 2006;
<b>"Adoption Date"</b>	means the date upon which these Articles were adopted by the Company pursuant to the written resolution noted above;
<b>"Articles"</b>	means these articles of association of the Company as amended from time to time;
<b>"Asset Sale"</b>	the completion of a transaction whereby any person or group of Connected Persons purchases all or substantially all of the business and assets of the Company (other than a solvent reorganization of the Company to which the Subscriber has given prior written consent);
<b>"Auditors"</b>	means the auditors or accountants of the Company from time to time;
<b>"Board"</b>	means the Board of Directors of the Company from time to time;
<b>"Business Day"</b>	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which banks in Belfast are generally open for business;

<b>"Business Plan"</b>	shall have the meaning set out in the Subscription and Shareholders' Agreement;
<b>"Clear Days"</b>	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>"Company"</b>	<b>CAUSEWAY SENSORS LIMITED</b> , a Company incorporated in Northern Ireland with registered number NI618921 and whose registered office is c/o Qubis Limited, 63 University Road, Belfast, BT7 1NF;
<b>"Connected Persons"</b>	in relation to any person, any other person who is connected to such person as set out in section 1122 of the Corporation Tax Act 2010;
<b>"Controlling Interest"</b>	an interest in Shares carrying in aggregate over 50% of the total voting rights conferred by the entire issued share capital of the Company from time to time and conferring the right to vote at all general meetings of the Company and shall include Shares held by Connected Persons;
<b>"Convertible Securities"</b>	means any convertible loan notes or any other form of securities that may be converted into Shares;
<b>"Director"</b>	means each director of the Company from time to time;
<b>"Entire Issued Share Capital"</b>	means the entire issued share capital of the Company from time to time;
<b>"Expert"</b>	means the Auditors, or if they cannot act, such other firm of chartered accountants as is agreed by a majority decision of the Board (with Subscriber Consent) or failing such agreement within 10 business days, appointed by the Chairman for the time being of the Ulster Branch, Chartered Accountants Ireland on application by any holder of Shares;
<b>"Family Trust"</b>	as regards any particular individual Shareholder (or deceased or former individual Shareholder) trusts (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);
<b>"the holder"</b>	in relation to Shares means the member whose name is entered in the register of members as the holder of the Shares;
<b>"Ordinary Shares"</b>	means the ordinary shares of £0.01 each in the capital of the Company;

<b>"Permitted Transferee"</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;</li> <li>(b) in relation to the Subscriber, any member of the Subscriber's Group;</li> </ul>
<b>"Privileged Relation"</b>	in relation to a Shareholder who is an individual Shareholder (or a deceased or former individual Shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child (including step and adopted children);
<b>"Shares"</b>	means any class of shares in the Company's share capital from time to time (each being a <b>"Share"</b> );
<b>"Shareholder"</b>	means a holder for the time being of any Share or Shares;
<b>"Subscriber"</b>	has the meaning set out in the Subscription and Shareholders' Agreement;
<b>"Subscriber Consent"</b>	means the consent of the Subscriber expressed either in writing or by the Subscriber Director at a duly convened and quorate meeting of the Board as recorded in the minutes of the relevant meeting;
<b>"Subscriber Director"</b>	means any Director appointed by the Subscriber pursuant to clause 5.1 of the Subscription and Shareholders' Agreement;
<b>"Share Sale"</b>	the completion of any transaction whereby any person or group of Connected Persons (other than a member of the Company) acquires a Controlling Interest (which Controlling Interest including all Shares in the Company owned by the Subscriber and any Member of the Subscriber's Group for the time being);
<b>"Subscriber's Group"</b>	has the meaning set out in the Subscription and Shareholders' Agreement;
<b>"Subscription and Shareholders' Agreement"</b>	means the subscription and shareholders' agreement in respect of the Company dated 10 June 2016 as supplemented by a supplemental agreement dated on or about the Adoption Date, as further amended from time to time; and
<b>"Winding up"</b>	a winding up of the Company or any other event which results in a distribution of the assets of the Company to the Shareholders.

## 2 SHARE CAPITAL

The Directors may (subject to the terms of the Act and the Subscription and Shareholders' Agreement) declare a dividend on the Shares.

## 3. NOT USED

## 4. SHARE RIGHTS

### 4.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in

accordance with these Articles, on a show of hands every holder of Shares who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a holder of Shares shall have one vote, and on a poll every holder of Shares who is present in person or by proxy or (being a corporation) is present by representative or by proxy shall (except as provided in these Articles) have one vote for every Share of which he is the holder.

**4.2** All votes at meetings of Shareholders shall be conducted on a poll basis.

#### **4.3 Winding Up**

**4.3.1** In the event of a Winding Up of the Company, the A Ordinary Shares shall at the option of the Subscriber:

- (a) carry preferential rights as to the repayment of the capital paid up thereon (including the share premium, if any) together with payment of all arrears of dividends (whether or not declared). Thereafter, the A Ordinary Shares shall not participate further in the distribution of the assets of the Company; or
- (b) participate pari passu with the Ordinary Shares in the distribution of the assets of the Company.

**4.3.2** The Subscriber shall notify the Company in writing of the manner in which it wants to participate in the distribution of the assets of the Company (as set out in Article 4.3.1) within 14 days of the appointment of a liquidator to the Company. The directors shall promptly inform the liquidator of the Subscriber's election.

**4.3.3** No distribution of the assets of the Company shall be made until the Subscriber has notified its election in accordance with Article 4.3.2 or the expiry of 14 days from the appointment of a liquidator to the Company, whichever is earlier.

**4.3.4** If the Subscriber fails to give notice of his election in accordance with Article 4.3.2 it shall be deemed to have elected to participate in the distribution of the assets of the Company on a preferential basis as set out in Article 4.3.1(a).

#### **4.4 Asset Sale**

On an Asset Sale, the Company shall distribute the proceeds of such sale to the Shareholders and those proceeds shall be distributed between the Shareholders as if the same constituted a Winding Up of the Company and the provisions of Article 4.3 shall apply mutatis mutandis save that the notification in accordance with Article 4.3.2 shall be given by the Subscriber to the Company within 14 days of the Asset Sale.

#### **4.5 Share Sale**

On a Share Sale, the Company's solicitors (the **Distributor**) shall receive the proceeds of such sale on behalf of the selling Shareholders and shall distribute the proceeds of such sale to the selling Shareholders (on the basis of their shareholdings immediately prior to the Share Sale) and if the Subscriber is one of the selling Shareholders and is selling all shares held by the Subscriber at the relevant time this shall be treated as if the same constituted a Winding Up of the Company and the provisions of Article 4.3 shall apply mutatis mutandis save that the notification in accordance with Article 4.3.2 shall be given by the Subscriber to the Distributor within 14 days of the Share Sale.

### **5 ALLOTMENT OF SHARES**

**5.1** All Shares or Convertible Securities which the Directors propose to issue, shall first be offered to the members in proportion (as nearly as they may be) to the number of Shares already held by them respectively, (as if all Shares constituted one class of shares). The offer shall be made by notice in writing specifying the number of Shares or Convertible Securities, and

stating a period (of not less than fourteen days) within which the offer, if not accepted, will be deemed to have been declined. After the expiration of that period, those Shares so deemed to be declined, shall be offered to the members who have, within the stated period, accepted all the Shares or Convertible Securities offered to them. Such further offer shall be made in like terms, in the same proportions and the same manner, and limited by a like period as the original offer.

- 5.2 Any Shares or Convertible Securities not accepted in respect of such offer (or further offer) as is mentioned in Article 5.1 or which cannot be offered except by dividing Shares or Convertible Securities into fractions, shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of them to such persons, on such terms and in such manner as they think fit, provided that they shall not be disposed of on terms which are more favourable than the terms on which they were offered to the members.
- 5.3 The provisions of article 5.1 may be disappplied with the consent of the holders of 75% or more of the issued Shares (as, if all Shares constituted one class of shares) which must include the Subscriber. Any Shares or Convertible Securities so released from the provisions of Article 5.1 shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of them to such persons, on such terms and in such manner as they think fit.
- 5.4 Section 561 and section 566 of the Act (which impose statutory rights of pre-emption) shall not apply to the Company.

## 6 TRANSFER OF SHARES

- 6.1 Subject to the provisions of this Article 6, Article 7 and Article 8 below the Directors shall register the transfer of any Share which has been transferred in accordance with this Article 6, Article 7 and Article 8 below.
- 6.2 Subject to the provisions of the Subscription and Shareholders' Agreement all other regulations of the Company relating to the transfer of Shares and the right to registration of transfers shall be read subject to the provisions of this Article but to the extent that this Article conflicts with any other Article then such other Article shall take precedence.
- 6.3 The Directors shall refuse to register any transfer of Shares made in contravention of the provisions of this Article 6, Article 7 and Article 8. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles the Directors may request the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question.
- 6.4 Save as otherwise provided in these Articles every member who desires to transfer Shares (hereinafter called the "**Vendor**") shall give to the Company notice in writing of such desire (hereinafter called a "**Transfer Notice**"). Subject as hereinafter mentioned a Transfer Notice (whether deemed or not) shall constitute the Company as the Vendor's agent for the sale of the Shares specified therein (hereinafter called the "**Sale Shares**") in one or more lots at the discretion of the Directors to all the holders of Shares other than the Vendor at the Sale Price in accordance with the remaining provisions of this Article 6.
- 6.5 The price at which the Sale Shares are sold (the "**Sale Price**") shall be the price agreed by the Vendor and the Directors or if the Vendor and the Directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to be given if the Transfer Notice is a deemed Transfer Notice an Expert shall be appointed to determine (and to notify the Company in writing of) in his opinion the fair value thereof on a going concern basis (if appropriate) as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest or any uplift in value which may be ascribed to the Sale Shares by virtue of the fact

that they represent a majority interest and on the assumption that the Sale Shares are capable of transfer without restriction (the "**Fair Market Value**"). Save for Shares sold pursuant to a deemed Transfer Notice the Transfer Notice may contain a provision that unless all the Shares comprised therein are sold by the Company pursuant to this Article none shall be sold (a "**100 percent Provision**") and any such provision shall be binding on the Company.

- 6.6** If an Expert is asked to determine the Fair Market Value, as soon as the Company receives his determination it shall furnish a certified copy thereof to the Vendor and save for Shares to be sold pursuant to a deemed Transfer Notice the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the Expert's determination shall be borne by the Company unless the Vendor shall have given notice of cancellation as aforesaid in which case the Vendor shall bear the cost.
- 6.7** Upon the Sale Price being agreed or determined and provided the Vendor shall not give a valid notice of cancellation pursuant to Article 6.6 the Company shall forthwith offer the Sale Shares to all holders of Shares (other than the Vendor) pro rata as nearly as may be in proportion to the existing number of Shares held by such members giving details of the number and the Sale Price of such Sale Shares. The Company shall invite each such member as aforesaid to state in writing within twenty-one days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum thereof which he is willing to purchase. If at the expiration of the said period of twenty-one days there are any Sale Shares offered which any of the members hereinbefore mentioned have not so stated their willingness to purchase the Company shall offer such Shares to such members as have stated in writing their willingness to purchase all the Shares previously offered to them. Such remaining Shares shall be offered pro rata as nearly as may be in proportion to the existing numbers of Shares then held by such members which offer shall remain open for a further period of twenty-one days and if any Shares remain to be purchased the Company may (if it is legally able to do so) inform the Vendor that it is willing to buy back such Shares.
- 6.8** If the Company shall legally be able (with Subscriber Consent) to purchase such Sale Shares or shall find a member or members of the Company willing to purchase any or (if the Transfer Notice contained a 100 percent Provision) all of the Sale Shares, the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers in the absence of a 100 percent Provision) to the Company or any such persons. If the Vendor shall make default in so doing the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor any director and shall be authorised to execute transfers of the Sale Shares in favour of the purchasers and the Company shall enter the names of the purchasers in the register of members of the Company as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.
- 6.9** If the Directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this Article, the Company shall at any time within six months after the final offer by the Company to its members be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person at a price (taking into account all terms of the sale) being no less than the Sale Price.
- 6.10** The provisions of this Article shall not apply to a transfer if the holders of 75% of the Shares so direct in writing and with Subscriber Consent and the Directors shall be obliged to register any such transfer.
- 6.11** If any Covenantor becomes bankrupt, or if a receiver is appointed having the power of sale over the property of a member, (or, being a corporate member, goes into liquidation or suffers the appointment of an administrator or an administrative receiver) trustee in bankruptcy, liquidator, receiver, administrative receiver or administrator (as the case may be) will, if and

when called upon by the Directors to do so give a Transfer Notice in respect of all the Shares then held by him and any Shares that may be issued to him subsequently and the provisions of this Article 6 will apply accordingly to all such Shares. In such a case the Transfer Notice will be irrevocable.

## **7. PERMITTED TRANSFERS OF SHARES**

**7.1** A Shareholder (the “**Original Shareholder**”) may (for the avoidance of doubt, where the Shareholder is an individual this Article 7 shall only apply during his lifetime) transfer all or any of his Shares to a Permitted Transferee.

**7.2** Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

7.2.1 the Original Shareholder;

7.2.2 any Privileged Relation(s) of the Original Shareholder;

7.2.3 subject to Article 7.3, the trustee(s) of another Family Trust of which the Original Shareholder is the settlor; or

7.2.4 subject to Article 7.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

**7.3** A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied:

7.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);

7.3.2 with the identity of the proposed trustee(s); and

7.3.3 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

**7.4** If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 5 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

7.4.1 execute and deliver to the Company a transfer of the 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

7.4.2 give a Transfer Notice to the Company in accordance with article 6, failing which 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 7.4. This Article 7.4 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

## **8. DRAG ALONG AND TAG ALONG**

**8.1 Drag Along**

If at any time the Company or any Shareholder(s) receive(s) a bona-fide, arm's length offer from any third party not being a Connected Person to any member of the Company (the **Third Party Purchaser**), to purchase 75% or more of the Shares in the Company (which must include the Subscriber) (the **Offer**), the Company and the Shareholders shall procure (in so far as same is within their powers of procurement) that the Company shall promptly do the following: Forward to all the holders of Shares an offer notice (**Outside Offer Notice**) setting out the details of the proposed purchase which shall include:

- 8.1.1.1 the full name and address of the Third Party Purchaser;
  - 8.1.1.2 the full terms and conditions of the proposed purchase including the price payable per share which shall include any additional or deferred consideration payable to any individual shareholders (whether by way of earn out, net asset adjustment or otherwise) and which is attributable either directly or indirectly to the Offer;
  - 8.1.1.3 any other proposals and conditions made by the Third Party Purchaser that relate or may relate to any matter arising directly or indirectly from the Offer including, but not limited to, any element of non-cash consideration, any payment of the Company's debts, the settling of guarantees or sureties, consultancy agreements etc; and
  - 8.1.1.4 the names of those of the Shareholders who have already accepted or signalled their acceptance of the offer in writing, (hereinafter collectively called the **DA Terms**).
- 8.1.2 If the holders of more than 75% (which must include the Subscriber) of the issued Shares in the capital of the Company agree in writing to accept the Offer (the **Accepting Shareholders**), the Accepting Shareholders shall have the right (acting by a majority based on the number of votes each has as a shareholder) to forward to all the remaining Shareholders (the **Non-Accepting Shareholders** and each a **Non-Accepting Shareholder**) a notice (the **Drag Along Notice**) requiring the Non-Accepting Shareholders to transfer the legal and beneficial interest in their Shares to the Third Party Purchaser on the DA Terms. Where it is resolved that such a Drag Along Notice is to be sent, same shall be forwarded to all of the Non-Accepting Shareholders within 30 days of the Outside Offer Notice.
- 8.1.3 Such a Drag Along Notice shall oblige each Non-Accepting Shareholder to whom it is addressed to transfer the entire legal and beneficial interest in the Shares comprised in the Drag Along Notice to the Third Party Purchaser at the time and place therein specified, not being less than 30 days from the date of such Drag Along Notice, and if any Non-Accepting Shareholder shall fail to do so the chairman of the Board or some other person appointed by the Directors shall be hereby deemed to have been appointed attorney of that Non-Accepting Shareholder with full power to execute, complete and deliver, such of the Shares as aforesaid to the Third Party Purchaser against payment in full to the Company of the purchase price (whether cash or non-cash) in respect of each such share (as determined in accordance with the DA Terms). Any such payment received by the Company shall be held by the Company in trust for the Shareholder in a deposit account of the Company's choosing. The Board will forthwith register the Third Party Purchaser as the holder thereof and after the Third Party Purchaser has been registered as the holder the validity of such proceedings shall not be questioned by any such person. It shall not be an impediment to registration of shares under this provision that no share certificate has been produced
- 8.1.4 For the avoidance of doubt, nothing herein shall require the Non-Accepting Shareholders to join in accepting the Offer if:
- 8.1.4.1 the Third Party Purchaser is Connected to any of the Shareholders;
  - 8.1.4.2 the consideration for the purchase of their Shares consists of anything other than freely convertible currency or freely transferable security instruments; or



8.1.4.3 the sale is not completed within a 90 day period from the date of the Drag Along Notice.

8.1.5 Any pre-emption rights conferred on Shareholders or any party by law or by virtue of these Articles or otherwise shall be waived in relation to any transfer made pursuant to this clause 8.1.

## **8.2 Tag-Along**

Without prejudice to Clause 8.1, if a Shareholder (other than the Subscriber) or a number of Shareholders (not including the Subscriber) (the **Seller**) receive an offer from a Third Party Purchaser to purchase 30% or more of the Shares in the Company (or if the effect of any transfer of any Shares or interest in Shares by a Shareholder or Shareholders would, if completed, be to entitle any person or group of Connected Persons to 30% or more of the voting rights at general meetings), then the Company and the Shareholders shall procure (in so far as same is within their powers of procurement) that:

8.2.1 the Seller shall procure the making by the proposed transferee of the Seller's Shares or interest in Shares of an offer to all of the other Shareholders of the Company (other than any person or group of Connected Persons who shall as a consequence of the proposed transfer obtain such controlling interest in the Company) (the **Tag Along Offer**) upon the same terms as those terms being offered to the Seller. The terms of such Tag Along Offer shall be that every Shareholder receiving it shall be bound within 28 days of the date of the Tag Along Offer (which date shall be specified therein) either to accept or reject the Tag Along Offer in writing (and in default of so doing shall be deemed to have rejected the Tag Along Offer). Until such Tag Along Offer has been made and completed or rejected or deemed to be rejected the Board shall not sanction the making and registration of the relevant transfer; and

8.2.2 if a Shareholder accepts such a Tag Along Offer such Shareholder shall upon such written acceptance be deemed to have irrevocably appointed the Seller (or each them severally) to be his attorney to execute any stock transfer and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Shares or interest in Shares the subject of the Tag Along Offer.

## **9 LIEN, CALLS ON SHARES AND FORFEITURE**

9.1. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien on a share shall extend to any amount payable in respect of it.

9.2. The Company may sell in such manner as the Directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold. This lien shall attach also to fully paid Shares, and the Company shall also have a first and paramount lien on all Shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company (whether that person is the full registered holder of those Shares or one of two or more joint holders) for all sums presently payable by him or his estate to the Company.

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

- 9.4.** The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.
- 9.5** Subject to the terms of allotment, the Directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
- 9.6** A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 9.7** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 9.8** If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Directors may waive payment of the interest wholly or in part.
- 9.9** An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.
- 9.10** Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
- 9.11** If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
- 9.12** If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 9.13** Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
- 9.14** A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the

rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

- 9.15** A statutory declaration by a Director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

## **10 NOTICES OF GENERAL MEETINGS**

Every notice convening a general meeting shall comply with the provisions of section 325(1) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of, and other communications relating to, any general meeting which any member is entitled to receive shall be sent to the Directors and to the auditors of the Company.

## **11 QUORUM AT GENERAL MEETINGS**

- 11.1** Subject to the provisions of the Subscription and Shareholders' Agreement the quorum for a general meeting shall be two members present in person or by proxy, one of whom must at all times be the Subscriber.
- 11.2** If a quorum is not present within half an hour from the time appointed for the start of a general meeting the meeting shall be adjourned for a period of 7 Days at the same time and place, or at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for its start then the members present shall constitute a quorum.
- 11.3** Article 41 of the Model Articles shall not apply to the Company.

## **12 NUMBER OF DIRECTORS**

Subject to the provisions of the Subscription and Shareholders' Agreement, the maximum number of Directors shall be seven and the minimum number shall be one. Whenever the minimum number of Directors is one, a sole Director shall have authority to exercise all the powers and discretions vested in the Directors generally, and Article 11 of the Model Articles (which relates to the quorum at board meetings) is modified accordingly.

## **13 APPOINTMENT OF DIRECTORS**

Subject to the provisions of the Subscription and Shareholders' Agreement, the Company may from time to time with the approval of 65% or appoint any person who is willing to act to be a Director, to fill a vacancy provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with the Subscription and Shareholders' Agreement and Article 12 as the maximum number of Directors and for the time being in force.

## **14 BOARD MEETINGS**

- 14.1** Board meetings shall be held in accordance with the provisions of the Subscription and

Shareholders' Agreement.

- 14.2** Subject to the provisions of the Subscription and Shareholders' Agreement the quorum for a Board meeting shall be two Directors present in person or through their alternates (where a Subscriber Director is appointed, one of whom must be or represent the Subscriber Director), provided that if there is only one director a sole director may constitute a quorum and in the event notice of a meeting of the Directors has been correctly given and a Subscriber Director (where one has been appointed) (or his duly appointed alternate) has failed to attend or participate then the Directors present shall adjourn the meeting for a period of 7 days and if a Subscriber Director (or his duly appointed alternate) is not participating at the adjourned meeting within half an hour from the time appointed for the meeting, provided always that two directors (or their duly appointed alternates) are participating, the meeting shall be deemed quorate and may proceed provided only those matters as specifically set out in the agenda for the original meeting are put before the adjourned meeting and provided further that at least 5 days' written notice of the adjourned meeting is given to a Subscriber Director and such adjourned meeting is held at the normal place of business of the Company and during normal business hours.

**15 RETIREMENT OF DIRECTORS**

The Directors shall not be required to retire by rotation.

**16 DIRECTORS' BORROWING POWERS**

Subject to the provisions of the Subscription and Shareholder's Agreement, the Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and, subject (in the case of any security convertible into Shares) to section 551 of the Act, to grant any mortgage, charge of standard security over the Company's undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

**17 ALTERNATE DIRECTORS**

- 17.1** Any director (the "**appointor**") may appoint as an alternate any other director, or any other person approved by a decision of the directors, to:
- (i) exercise that director's powers; and
  - (ii) carry out that director's responsibilities, in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- 17.2** Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors. The notice must:
- (i) identify the proposed alternate; and
  - (ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of his appointor.
- 17.3** An alternate director has the same rights to participate in any directors' meeting or decision of the directors reached in accordance with Model Article 8, as the alternate's appointor.
- 17.4** Except as these Articles specify otherwise, alternate directors:
- (i) are deemed for all purposes to be directors;
  - (ii) are liable for their own acts or omissions;

- (iii) are subject to the same restrictions as their appointors;
- (iv) are not deemed to be agents of or for their appointors.

**17.5** A person who is an alternate director but not a director:

- (i) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
- (ii) may sign or otherwise signify his agreement in writing to a written resolution in accordance with Model Article 8 (but only if that person's appointor has not signed or otherwise signified his agreement to such written resolution). No alternate may be counted as more than one director for such purposes.

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

**17.7** Model Article 20 is modified by the deletion of each of the references to "directors" and the replacement of each such reference with "directors and/or any alternate directors".

**17.8** An alternate director's appointment as an alternate terminates:

- (a) when his appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor would result in the termination of the appointor's office as director;
- (c) on the death of his appointor; or
- (d) when his appointor's appointment as a director terminates.

**17.9** A Director may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

**17.10** An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence.

**18 GRATUITIES AND PENSIONS**

The Directors may exercise the powers of the Company conferred by these Articles and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

**19 DIRECTORS' INTERESTS IN TRANSACTIONS**

At any meeting of the Directors (or of any Committee of the Directors) a Director may vote on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest. If he does vote on any such resolution, his vote shall be counted. Such a Director shall be counted as part of the quorum present at the meeting (and in relation to such a resolution) whether or not the Director votes on the

resolution.

## **20 COMPANY SEAL**

- 20.1** Model Article 49(1) is modified, such that any common seal of the Company may be used by the authority of the Directors or any committee of Directors.
- 20.2** Model Article 49(3) is modified by the deletion of all words which follow the "," after the word "document" and they are replaced with "the document must also be signed by:
- (a) one authorised person in the presence of a witness who attests the signature; or
  - (b) two authorised persons".

## **21 INDEMNITY**

- 21.1** Every Director, or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 661 or section 1157 of the Act in which relief is granted to him by the Court; and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall have effect only in so far as its provisions are not avoided by section 232 and 532 of the Act.
- 21.2** The Directors may purchase and maintain for any Director, officer or auditor of the Company, insurance against any such liability as is referred to in section 232 and 532 of the Act.