


Company number 00850954  
PRIVATE COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTION  
of  
COWIE TECHNOLOGY GROUP LIMITED (the Company)

Passed on 03 February 2014

The following resolution was duly passed as a special resolution on 03 February 2014 by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006

**SPECIAL RESOLUTION**

That the articles hereby attached be adopted as the articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association

Signed 

Director



**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF  
COWIE TECHNOLOGY GROUP LIMITED  
(Adopted on 3<sup>rd</sup> February 2014)**

**ENDEAVOUR PARTNERSHIP**   
Business Lawyers

Westminster, St Mark's Court, Teesdale Business Park, Teesside, TS17 6QP  
T 01642 610 300 F 01642 610 330 W [www.endeavourpartnership.com](http://www.endeavourpartnership.com)

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**COWIE TECHNOLOGY GROUP LIMITED**  
**(Adopted on 3<sup>rd</sup> February 2014)**

**PART 1: INTERPRETATION AND LIMITATION OF LIABILITY**

**1 Preliminary and defined term**

1.1 The model articles of association for private companies limited by Shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 shall not apply to the Company and the following regulations shall apply in their place

1.2 In the Articles, unless the context requires otherwise

<b>'Adoption Date'</b>	the date of adoption of these Articles,
<b>'Appointor'</b>	means any Director appointing an alternate in accordance with <b>article 22 1</b> ,
<b>'Articles'</b>	means the Company's Articles of association,
<b>'Bad Leaver'</b>	an Employee Shareholder who becomes a Departing Employee Shareholder, where that cessation occurs in circumstances where the Employee Shareholder is guilty of fraud, dishonesty, gross negligence, gross misconduct (including incompetence), bankruptcy or joining a competitor of the Company,
<b>'bankruptcy'</b>	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,
<b>'business day'</b>	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,
<b>'Chairman'</b>	has the meaning given in <b>article 12</b> ,
<b>'Chairman of the meeting'</b>	has the meaning given in <b>article 52</b> ,
<b>'Companies Acts'</b>	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company,
<b>'Deemed Transfer Notice'</b>	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles,
<b>'Departing Employee Shareholder'</b>	an Employee Shareholder who ceases to be a Director or employee of any Group Company and who does not continue as, or become, a Director or employee of any other Group Company,

<b>'Director'</b>	means a Director of the Company, and includes any person occupying the position of director, by whatever name called,
<b>'distribution recipient'</b>	has the meaning given in <b>article 43 2</b> ,
<b>'document'</b>	includes, unless otherwise specified, any document sent or supplied in electronic form,
<b>'electronic form'</b>	has the meaning given in section 1168 of the Companies Act 2006,
<b>'Eligible Director'</b>	means any Director (other than a Director whose vote is not to be counted in respect of a particular matter) who is entitled to vote on the matter at a meeting of Directors,
<b>'Employee Shareholder'</b>	a Shareholder (other than a Founder Shareholder) who is, or has been, an employee of any Group Company,
<b>'Fair Value'</b>	has the meaning given in <b>article 36 2</b> ,
<b>'Founder Shareholders'</b>	Mr George Raymond Cowie and Mrs Enid Cowie,
<b>'fully paid'</b>	in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company,
<b>'Good Leaver'</b>	a Departing Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is not a Bad Leaver,
<b>'Group'</b>	the Company and its subsidiaries (if any) from time to time and <b>Group Company</b> shall be construed accordingly,
<b>'hard copy form'</b>	has the meaning given in section 1168 of the Companies Act 2006,
<b>'holder'</b>	in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares,
<b>'Independent Expert'</b>	the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 business days of the expiry of the 20 business day period referred to in <b>article 36 1</b> , an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator),
<b>'instrument'</b>	means a document in hard copy form,
<b>'issue price'</b>	in respect of any share, the subscription price paid (or agreed to be paid) in respect of that share, including any share premium,
<b>'Member of the Same Group'</b>	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,
<b>'ordinary resolution'</b>	has the meaning given in section 282 of the Companies Act 2006,
<b>'Ordinary Shares'</b>	the ordinary Shares of £1 00 each in the capital of the Company,

<b>'paid'</b>	means paid or credited as paid,
<b>'participate'</b>	in relation to a Directors' meeting, has the meaning given in <b>article 10</b> ,
<b>'Permitted Transfer'</b>	a transfer of Shares made in accordance with <b>article 34</b> ,
<b>'proxy notice'</b>	has the meaning given in <b>article 58</b> ,
<b>'Qualified Majority'</b>	the holder(s) for the time being of not less than 75% by nominal value of all Ordinary Shares from time to time,
<b>'Qualified Majority Consent'</b>	the prior consent in writing of a Qualified Majority,
<b>'Relevant Securities'</b>	any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Qualified Majority Consent,
<b>'Relevant Shares'</b>	in relation to an Employee Shareholder means all Shares held by the Employee Shareholder in question and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice,
<b>'Seller'</b>	has the meaning given in <b>article 35 2</b> ,
<b>'Shareholder'</b>	means a person who is the holder of a Share,
<b>'Shares'</b>	means Shares (of any class) in capital of the Company,
<b>'special resolution'</b>	has the meaning given in section 283 of the Companies Act 2006,
<b>'subsidiary'</b>	has the meaning given in section 1159 of the Companies Act 2006,
<b>'Termination Date'</b>	<ul style="list-style-type: none"> <li>(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,</li> <li>(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,</li> <li>(c) where an Employee Shareholder dies, the date of his death,</li> <li>(d) where the Employee Shareholder 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</li> <li>(e) in any other case, the date on which the employment or holding of office is terminated,</li> </ul>
<b>'Transfer Notice'</b>	has the meaning given in <b>article 35.2</b> ,
<b>'Transfer Price'</b>	has the meaning given in <b>article 36.1</b> ,
<b>'transmittee'</b>	means a person entitled to a Share by reason of the death or bankruptcy of a Founder Shareholder or otherwise by operation of law, and

**'writing'**

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

- 1 3 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company
- 1 4 Headings in the Articles are used for convenience only and shall not affect the construction or interpretation of the Articles
- 1 5 A reference in the Articles to an 'article' is a reference to the relevant provision of these Articles unless expressly provided otherwise
- 1 6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- (a) any subordinate legislation from time to time made under it, and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 7 Any phrase introduced by the terms 'including', 'include', 'in particular' or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 8 Companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate
- 1 9 Words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neutral and vice versa
- 1 10 References to a **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors or permitted assigns

**2 Liability of members**

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

**PART 2: DIRECTORS**

**Directors' powers and responsibilities**

**3 Directors' general authority**

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company

**4 Shareholders' reserve power**

- 4 1 The Shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action

**5 Directors may delegate**

- 5 1 Subject to the Articles, the Directors may (acting with Qualified Majority Consent) delegate any of the powers which are conferred on them under the Articles

- (a) to such person or committee,
  - (b) by such means (including by power of attorney),
  - (c) to such an extent,
  - (d) in relation to such matters or territories, and
  - (e) on such terms and conditions,
- as they think fit

5 2 If the Directors (acting with Qualified Majority Consent) so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated

5 3 The Directors (acting with Qualified Majority Consent) may revoke any delegation in whole or part, or alter its terms and conditions

## **6 Committees**

6 1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors

6 2 The Directors acting with Qualified Majority Consent may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them

## **Decision-making by Directors**

### **7 Directors to take decisions collectively**

7 1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with **article 8**.

7 2 If

- (a) the Company only has one Director, and
- (b) no provision of the Articles requires it to have more than one Director,

the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making

### **8 Unanimous decisions**

8 1 A decision of the Directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter

8 2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in writing

8 3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting

## **9 Calling a Directors' meeting**

9 1 Any Director may call a Directors' meeting on reasonable notice to the Directors or by authorising the Company secretary (if any) to give such notice

9 2 Notice of any Directors' meeting must indicate

- (a) its proposed date and time,
- (b) where it is to take place, and
- (c) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting

9 3 Notice of a Directors' meeting must be given to each Director, but need not be in writing

9 4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

## **10 Participation in Directors' meetings**

10 1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when

- (a) the meeting has been called and takes place in accordance with the Articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

10 2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other

10 3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

## **11 Quorum for Directors' meetings**

11 1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

11 2 The quorum for Directors' meetings (or, where specified below, part of such a meeting) shall be two Eligible Directors and for so long as both or either of the Founder Shareholders shall be directors of the Company, at least one such Eligible Director shall be a Founder Shareholder

11 3 If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Chairman determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed

11 4 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision to call a general meeting so as to enable the Shareholders to appoint further Directors



## **12 Chairing of Directors' meetings**

- 12 1 The Directors may (with Qualified Majority Consent), appoint a Director to chair their meetings
- 12 2 The person so appointed for the time being is known as the Chairman
- 12 3 The Directors may (with Qualified Majority Consent), terminate the Chairman's appointment at any time
- 12 4 If the Chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it

## **13 Casting vote**

- 13 1 If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote
- 13 2 But this does not apply if, in accordance with the Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes

## **14 Conflicts of interest**

- 14 1 If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes
- 14 2 But if **article 14.3** applies, a Director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes
- 14 3 This **article 14.3** applies when
  - (a) the Company by ordinary resolution disapplies the provision of the Articles which would otherwise prevent a Director from being counted as participating in the decision-making process,
  - (b) the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
  - (c) the Director's conflict of interest arises from a permitted cause
- 14 4 For the purposes of this article, the following are permitted causes
  - (a) a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries,
  - (b) subscription, or an agreement to subscribe, for Shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such Shares or securities, and
  - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors
- 14 5 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or

indirectly, interested in an existing or proposed transaction or arrangement with the Company

- (a) 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,
- (b) 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,
- (c) 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
- (d) will not, save as he may otherwise agree, be accountable to the Company for any benefit which he or a person 'connected' with him (as that term is defined in section 252 Companies Act 2006) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006

14 6 For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting

14 7 Subject to **article 14.8**, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive

14 8 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

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

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

## **16 Directors' discretion to make further rules**

Subject to the Articles, the Directors may (with Qualified Majority Consent) make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors

## **Appointment of Directors**

### **17 Number of Directors**

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

### **18 Methods of appointing Directors**

18 1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director

- (a) by ordinary resolution of the Company, or
- (b) pursuant to the provisions of any agreement between all of the members of the Company from time to time

## **19 Termination of Director's appointment**

19 1 A person ceases to be a Director as soon as

- (a) that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months,
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
- (f) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms,
- (g) that person has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and the Directors make a decision to vacate that person's office,
- (h) a majority of the other Directors resolve that he cease to be a Director

## **20 Directors' remuneration**

20 1 Directors may undertake any services for the Company that the Directors decide

20 2 Directors are entitled to such remuneration as the Directors acting with Qualified Majority Consent determine

- (a) for their services to the Company as directors, and
- (b) for any other service which they undertake for the Company

20 3 Subject to the Articles, a Director's remuneration may

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director

20 4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day

## **21 Directors' expenses**

The Company may (acting with Qualified Majority Consent) pay any reasonable expenses which the Directors (including alternate Directors) properly incur in connection with their attendance at

- 21 1 meetings of Directors or committees of Directors,
- 21 2 general meetings, or
- 21 3 separate meetings of the holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company

## **22 Appointment and removal of alternate Directors**

- 22 1 Any Director (**Appointor**) acting with Qualified Majority Consent may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to
  - (a) exercise that Director's powers, and
  - (b) carry out that Director's responsibilitiesin relation to the taking of decisions by the Directors, in the absence of the alternate's Appointor
- 22 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
- 22 3 The notice must
  - (a) identify the proposed alternate, and
  - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice

## **23 Rights and responsibilities of alternate Directors**

- 23 1 An alternate Director may act as alternate Director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's Appointor
- 23 2 Except as the Articles specify otherwise, alternate Directors
  - (a) are deemed for all purposes to be Directors,
  - (b) are liable for their own acts and omissions,
  - (c) are subject to the same restrictions as their Appointors, and
  - (d) are not deemed to be agents of or for their Appointorsand, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member
- 23 3 A person who is an alternate Director but not a Director
  - (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating),
  - (b) may participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate), and

- (c) shall not be counted as more than one Director for the purposes of **Articles 23.3(a) and 23.3(c)**

23 4 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present

23 5 An alternate Director may be paid expenses and may be indemnified by the Company to the same extent as his Appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company

23 6 For the purposes of this article 'Appointor' has the meaning given in **article 22 1**.

#### **24 Termination of alternate directorship**

24 1 An alternate Director's appointment as an alternate terminates

- (a) when the alternate's 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 appointment as a Director,
- (c) on the death of the alternate's Appointor, or
- (d) when the alternate's Appointor's appointment as a Director terminates

24 2 For the purposes of this article 'Appointor' has the meaning given in **article 22.1**

#### **Appointment of secretary**

#### **25 Appointment and removal of secretary**

The Directors may appoint any person who is willing to act as the secretary for such period, at such remuneration and upon such other terms as they may think fit and may remove any such person and appoint a replacement

### **PART 3· SHARES AND DISTRIBUTIONS**

#### **Issue of Shares**

#### **26 All Shares to be fully paid up**

26 1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue

26 2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum

#### **27 Powers to issue different classes of share**

27 1 Subject to the Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution

- 27 2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors (with Qualified Majority Consent) may determine the terms, conditions and manner of redemption of any such Shares

## **28 Authority to issue further Shares**

- 28 1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the Shareholders, the Directors shall not (save with Qualified Majority Consent) exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares
- 28 2 Subject to the remaining provisions of this article and **article 29**, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Companies Act 2006, to exercise any power of the Company to offer or allot, grant rights to subscribe for or to convert any security into, otherwise deal in, or dispose of any Shares in the Company to any person, at any time and subject to any terms and conditions as the Directors think proper
- 28 3 The authority referred to in **article 28.2**
- (a) will only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution, and
  - (b) may only be exercised for a period of five years from the Adoption Date, save that the Directors may (with Qualified Majority Consent) make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the Directors may (with Qualified Majority Consent) allot Shares in pursuance of an offer or agreement as if such authority had not expired)

## **29 Pre-emption rights**

- 29 1 In accordance with Section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company
- 29 2 Save with Qualified Majority Consent if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Ordinary Shares (each an **Offeree**) and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person
- 29 3 An offer made under **article 29.2** shall
- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered,
  - (b) remain open for a period of 20 business days from the date of service of the offer, and
  - (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under **article 29 2** shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe
- 29 4 If, on the expiry of an offer made in accordance with **article 29 2**, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors acting with Qualified Majority Consent shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement

- 29 5 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with **article 29.2** shall be used to satisfy any requests for Excess Securities made pursuant to **article 29 3(c)** If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Ordinary Shares held by each such applicant bears to the total number of such Ordinary Shares held by all applicants (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 those allotments, any Excess Securities shall be offered to any other person(s) as the Directors may (with Qualified Majority Consent) determine, at the same price and on the same terms as the offer to the Shareholders

### **Interests in Shares**

#### **30 Company not bound by less than absolute interests**

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

### **Share certificates**

#### **31 Issue of share certificates**

- 31 1 The Company must (except as otherwise provided in the Articles) issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds
- 31 2 Every certificate must specify
- (a) in respect of how many Shares, of what class, it is issued,
  - (b) the nominal value of those Shares,
  - (c) that the Shares are fully paid, and
  - (d) any distinguishing numbers assigned to them
- 31 3 No certificate may be issued in respect of Shares of more than one class
- 31 4 If more than one person holds a Share, only one certificate may be issued in respect of it
- 31 5 Certificates must
- (a) have affixed to them the Company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts

#### **32 Replacement share certificates**

- 32 1 If a certificate issued in respect of a Shareholder's Shares is
- (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed,
- that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares
- 32 2 A Shareholder exercising the right to be issued with such a replacement certificate

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced, and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide

### **Transfer and transmission of Shares**

#### **33 Share transfers**

- 33 1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor
- 33 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share
- 33 3 The Company may retain any instrument of transfer which is registered
- 33 4 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it
- 33 5 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
- 33 6 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to **article 33.9**, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent
- 33 7 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with Qualified Majority Consent to the contrary, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him
- 33 8 Any transfer of a Share by way of sale which is required to be made under **article 37** or **article 38** shall be deemed to include a warranty that the transferor sells the Share with full title guarantee
- 33 9 The Directors may (and shall, if requested by a Qualified Majority), as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors (acting with Qualified Majority Consent) may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this **article 33.9**, the transfer may not be registered unless and until that deed has been executed and delivered to the other parties to it by the transferee
- 33 10 If the Directors refuse to register the transfer of a Share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent
- 33 11 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require
  - (a) any holder (or the legal representatives of a deceased holder), or



- (b) any person named as a transferee in a transfer lodged for registration, or
- (c) such other person as the Directors may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose

33 12 If any such information or evidence referred to in **article 33.11** is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 20 business days of receipt of such written notice, then, unless otherwise directed in writing by a Qualified Majority

- (a) the Relevant Shares shall cease to confer on the holder of them any rights
  - (i) 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, or
  - (ii) to receive dividends or other distributions otherwise attaching to those Shares, and
- (b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice)

The Directors may (with Qualified Majority Consent) reinstate the rights referred to in **article 33.12(a)** at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to **article 33.12(b)**

33 13 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that

- (a) it does not contain a minimum transfer condition, and
- (b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice)

33 14 Any Transfer Notice or a Drag Along Notice (as defined in **article 38**) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall (save with Qualified Majority Consent to the contrary) automatically be revoked by the service of a Deemed Transfer Notice

#### **34 Permitted Transfers of Shares**

- 34 1 A Founder Shareholder may transfer all or any of his or its Shares to any person at any time and without restriction
- 34 2 Notwithstanding any other provision of this **article 34**, a transfer of any Shares approved by a Qualified Majority may be made without any price or other restriction and any such transfer shall be registered by the Directors

#### **35 Pre-emption rights on the transfer of Shares**

- 35 1 Except where the provisions of **article 34** or **article 38** apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this **article 35**

- 35 2 A Shareholder who wishes to transfer Shares (**a Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (**a Transfer Notice**) to the Company specifying
- (a) subject to **article 33.13(b)**, the number of Shares he wishes to transfer (**Sale Shares**),
  - (b) the name of the proposed transferee, if any,
  - (c) subject to **article 37.3**, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (**the proposed sale price**), and
  - (d) subject to **article 33.13(a)**, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (**a minimum transfer condition**)
- 35 3 Once given, a Transfer Notice may only be withdrawn with Qualified Majority Consent
- 35 4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 35 5 As soon as practicable following the later of
- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), and
  - (b) the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with **article 35.3**) offer the Sale Shares for sale in the manner set out in the remaining provisions of this **article 35** at the Transfer Price Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered The Company shall offer the Sale Shares to the holders of Ordinary Shares in each case on the basis set out in **article 35.6** to **article 35.13** (inclusive)
- 35 6 The Directors shall offer the Sale Shares to the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 15 business days after the offer (both dates inclusive) (**the Offer Period**) for the maximum number of Sale Shares they wish to buy
- 35 7 If
- (a) at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by all Shareholders (other than the Seller) 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 shall be determined by the Directors (acting with Qualified Majority Consent)) No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,
  - (b) not all Sale Shares are allocated following allocations in accordance with **article 35.7(a)**, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in **article 35.7(a)** The procedure set out in this **article 35.7(b)** 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,
  - (c) at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the

Shareholders in accordance with their applications. The balance shall, subject to **article 35.9**, be offered to any other person to be dealt with in accordance with **article 35.13**

35.8 Notwithstanding any other provisions of these Articles the Directors (acting with Qualified Majority Consent) may use their absolute discretion in allocating Sale Shares being the subject of a Deemed Transfer Notice under Article 37.2 to Shareholders who have applied such Sale Shares and the provisions of Article 35.7 shall not apply to such allocations

35.9 Where the Transfer Notice contains a minimum transfer condition

- (a) any allocation made under **articles 35.6 and 35.7** (inclusive) shall be conditional on the fulfilment of the minimum transfer condition, and
- (b) if the total number of Sale Shares applied for under **articles 35.6 and 35.7** (inclusive) is less than the number of Sale Shares, the board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

35.10 Where either

- (a) the Transfer Notice does not contain a minimum transfer condition, or
- (b) allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under **Articles 35.6 and 35.7** (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 business days, but not more than 10 business days, after the date of the Allocation Notice)

35.11 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice

35.12 If the Seller fails to comply with **article 35.11**

- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller
  - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
  - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and
  - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of shareholders as the holders of the Shares purchased by them, and
- (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the Relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the board may reasonably require to prove good title to those Shares) to the Company

35.13 Where a Transfer Notice lapses pursuant to **article 35.9(b)** or an Allocation Notice does not relate to all the Sale Shares, then, subject to **article 35.14**, the Seller may, at any time during the 60 business days following the date of lapse of the Transfer Notice, or the date of

service of the Allocation Notice, as the case may be, transfer the Sale Shares (in the case of a lapsed offer) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this **article 35.13** shall continue to be subject to any minimum transfer condition

35 14 The Seller's right to transfer Shares under **article 35.13** does not apply if the Directors reasonably consider that

- (a) the transferee is a person (or a nominee for a person) whom a Qualified Majority determine to be a competitor or a Member of the Same Group as a competitor) of the business of any Group Company,
- (b) 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
- (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable the Directors to form the opinion referred to in **article 35.14(b)**

### 36 Valuation

36 1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice other than in respect of a Compulsory Employee Transfer in respect of which the provisions of **Article 37.3** apply) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is 'connected' (as that term is defined in section 252 Companies Act 2006) not voting), (acting with Qualified Majority Consent) and the Seller or, in default of agreement within 20 business days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share

36 2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions

- (a) valuing the Sale Shares as on an arm's-length sale between a willing Seller and a willing Buyer as at the date the Transfer Notice was served (or deemed served),
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- (c) that the Sale Shares are capable of being transferred without restriction, and
- (d) reflecting any other factors which the Independent Expert reasonably believes should be taken into account

36 3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit

36 4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose

36 5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)

36 6 The Independent Expert shall be requested to determine the Fair Value within 20 business days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller

36 7 The cost of obtaining the Independent Expert's certificate shall be borne by the parties in such other proportions as the Independent Expert directs unless

- (a) the Seller withdraws the relevant Transfer Notice in accordance with **article 35.3**, or
- (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost

### 37 **Compulsory transfers**

37 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors (acting with Qualified Majority Consent) may determine

37 2 If an Employee Shareholder becomes a Departing Employee Shareholder a Transfer Notice shall, unless the Directors (acting with Qualified Majority Consent) otherwise direct in writing in respect of any particular Relevant Shares prior to or within 20 business days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse

37 3 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall,

- (a) where the Departing Employee Shareholder is a Bad Leaver,
  - (i) in the case of Shares acquired by such Departing Employee Shareholder by allotment be restricted to a maximum of the lower of the aggregate issue price of such Sale Shares (as specified in the statutory registers of the Company) and the aggregate Fair Value of such Sale Shares, and
  - (ii) in the case of Shares acquired by such Departing Employee Shareholder by transfer, be the price at which the Shares were acquired by such Departing Employee Shareholder be restricted to a maximum of the lower of the aggregate transfer price of such Sale Shares (as specified in the statutory registers of the Company) and the aggregate Fair Value of such Sale Shares, and
- (b) where the Departing Employee Shareholder is a Good Leaver, be an amount equal to
  - (i) in the case of Shares acquired by such Departing Employee Shareholder by allotment the aggregate issue price of such Sale Shares (as specified in the statutory registers of the Company), or
  - (ii) in the case of Shares acquired by such Departing Employee Shareholder by transfer, the aggregate transfer price of such Sale Shares (as specified in the statutory registers of the Company)

plus the relevant proportion (to be determined by the Directors acting with Qualified Majority Consent) of the difference (to the extent that the difference is a positive amount) in the shareholders funds as shown between the Company's audited accounts prepared in the accounting period of the Company ending immediately prior to the date on which the Shares were acquired by such Departing Employee Shareholder and the shareholders funds as shown in the Company's audited accounts immediately before the date of the relevant Deemed Transfer Notice

- 37 4 Forthwith upon a Transfer Notice being deemed to be served under **article 37 2** the Relevant Shares (**Restricted Shares**) shall cease to confer on the holder of them any rights
- (a) 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,
  - (b) to receive dividends or other distributions otherwise attaching to those Shares, or
  - (c) to participate in any future issue of Shares
- 37 5 The Directors may (with the Qualified Majority Consent) reinstate the rights referred to in **article 37.4** at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to **article 37.2** on completion of such transfer

### **38 Drag along**

- 38 1 If the holders of 75% of the Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide arm's-length purchaser (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this **article 38**
- 38 2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify
- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this **article 38**,
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),
  - (c) the consideration payable for the Called Shares calculated in accordance with **article 38.4**,
  - (d) the proposed date of completion of transfer of the Called Shares
- 38 3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors (acting with Qualified Majority Consent). However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 20 business days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 38 4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares pro rata to the number of Ordinary Shares held by them
- 38 5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this **article 38**
- 38 6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless

- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree, or
  - (b) that date is less than 10 business days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 business days after the date of service of the Drag Along Notice
- 38 7 Within 10 business days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Ordinary Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Ordinary Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 business day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to **article 38.4** to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to **article 38.4** shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to **article 38.4** in trust for the Called Shareholders without any obligation to pay interest.
- 38 8 To the extent that the Proposed Buyer has not, on the expiration of the 10 business day period, put the Company in funds to pay the amounts due pursuant to **article 38.4**, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the Called Shares and the Called Shareholders shall have no further rights or obligations under this **article 38** in respect of their Shares.
- 38 9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this **article 38**.
- 38 10 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of **article 35**.
- 38 11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.
- 39 Transmission of Shares**
- 39 1 Articles 39.2 to 39.4 below shall apply only in relation to Shares held by the Founder Shareholders. In all other respects a Transfer Notice shall be deemed to have been served on a person becoming entitled to a Share by reason of the death or bankruptcy of any other Shareholder or otherwise by operation of law.
- 39 2 If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share.
- 39 3 A transmittee who produces such evidence of entitlement to Shares as the Directors may properly require
- (a) may, choose either to become the holder of those Shares or subject to the Articles, to have them transferred to another person, and

- (b) subject to the Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had

39 4 But transmittes do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares

39 5 Nothing in the Articles releases the estate of a deceased Shareholder from any liability in respect of a Share solely or jointly held by that Shareholder

#### **40 Exercise of transmittes' rights**

40 1 Transmittes who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish

40 2 If the transmittes wishes to have a Share transferred to another person, the transmittes must execute an instrument of transfer in respect of it

40 3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittes has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred

#### **41 Transmittes bound by prior notices**

If a notice is given to a Founder Shareholder in respect of Shares and a transmittes is entitled to those Shares, the transmittes is bound by the notice

### **Dividends and other distributions**

#### **42 Procedure for declaring dividends**

42 1 The Company may by ordinary resolution declare dividends, and the Directors may acting with Qualified Majority Consent decide to pay interim dividends

42 2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors

42 3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights

42 4 Unless the Shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it

42 5 If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear

42 6 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment

42 7 If the Directors act in good faith, they do not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights

#### **43 Payment of dividends and other distributions**

43 1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means



- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide,
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide,
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide, or
- (d) any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide

43 2 In the Articles, **'the distribution recipient'** means, in respect of a Share in respect of which a dividend or other sum is payable

- (a) the holder of the Share, or
- (b) if the Share has two or more joint holders, whichever of them is named first in the register of members, or
- (c) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

#### 44 **No interest on distributions**

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

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

#### 45 **Unclaimed distributions**

45 1 All dividends or other sums which are

- (a) payable in respect of Shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed

45 2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it

45 3 If-

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company

#### **46 Non-cash distributions**

- 46 1 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, Shares or other securities in any company)
- 46 2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution
- (a) fixing the value of any assets,
  - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
  - (c) vesting any assets in trustees

#### **47 Waiver of distributions**

- 47 1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if
- (a) the Share has more than one holder, or
  - (b) more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,
- the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the Share

### **Capitalisation of profits**

#### **48 Authority to capitalise and appropriation of capitalised sums**

- 48 1 Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution
- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
  - (b) appropriate any sum which they so decide to capitalise (a '**capitalised sum**') to the persons who would have been entitled to it if it were distributed by way of dividend (the '**persons entitled**') and in the same proportions
- 48 2 Capitalised sums must be applied
- (a) on behalf of the persons entitled, and
  - (b) in the same proportions as a dividend would have been distributed to them
- 48 3 Any capitalised sum may be applied in paying up new Shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct
- 48 4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct
- 48 5 Subject to the Articles the Directors may

- (a) apply capitalised sums in accordance with **articles 48.2(a) and 48 2(b)** partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this article

#### **PART 4. DECISION-MAKING BY SHAREHOLDERS**

##### **Organisation of general meetings**

#### **49 Notice of general meetings**

49 1 Every notice convening a general meeting of the Company must

- (a) provide all such information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting as is required in accordance with section 311 of the Companies Act 2006, and
- (b) give all such information to members regarding their right to appoint proxies as is required in accordance with section 325(1) of the Companies Act 2006

#### **50 Attendance and speaking at general meetings**

50 1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

50 2 A person is able to exercise the right to vote at a general meeting when

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting

50 3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it

50 4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other

50 5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

#### **51 Quorum for general meetings**

51 1 No business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

51 2 If and for so long as the Company has only one member, that member who is present at a general meeting in person or by proxy or, in the event that the member is a corporation, by corporate representative, constitutes a quorum

- 51 3 If and for so long as the Company has two or more members, two members, each of whom is entitled to vote on the business to be transacted, present at a general meeting in person or by proxy or, in the event that any member present is a corporation, by corporate representative, constitute a quorum

## **52 Chairing general meetings**

- 52 1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so
- 52 2 If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start
- (a) the Directors present, or
  - (b) (if no Directors are present), the meeting,
- must appoint a Director or Shareholder to chair the meeting, and the appointment of the Chairman of the meeting must be the first business of the meeting
- 52 3 The person chairing a meeting in accordance with this article is referred to as 'the **Chairman of the Meeting**'

## **53 Attendance and speaking by Directors and non-Shareholders**

- 53 1 Directors may attend and speak at general meetings, whether or not they are Shareholders
- 53 2 The Chairman of the Meeting may permit other persons who are not
- (a) Shareholders of the Company, or
  - (b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings,
- to attend and speak at a general meeting

## **54 Adjournment**

- 54 1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it and 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
- 54 2 The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if
- (a) the meeting consents to an adjournment, or
  - (b) it appears to the Chairman of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- 54 3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by the meeting
- 54 4 When adjourning a general meeting, the Chairman of the Meeting must
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and

- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 54 5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is deemed to have been served in accordance with the Articles)
- (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain
- 54 6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

### **Voting at general meetings**

#### **55 Voting general**

- 55 1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles
- 55 2 On a vote on a resolution at a general meeting on a show of hands
- (a) each Shareholder who, being an individual, is present in person has one vote,
  - (b) if a Shareholder (whether such Shareholder is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies so appointed and in attendance at the meeting have, collectively, one vote, and
  - (c) if a corporate Shareholder appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the Companies Act 2006, one vote
- 55 3 On a resolution at a general meeting on a poll, every Shareholder (whether present in person, by proxy or authorised representative) has one vote in respect of each Share held by him
- 55 4 If a Share is registered in the name of joint holders, and two or more of them are present at a general meeting, whichever of them is the first named in the register of members shall be entitled to vote in respect of such Share

#### **56 Errors and disputes**

- 56 1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid
- 56 2 Any such objection must be referred to the Chairman of the meeting, whose decision is final

#### **57 Poll votes**

- 57 1 A poll on a resolution may be demanded
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared

57 2 A poll may be demanded by

- (a) the Chairman of the Meeting,
- (b) the Directors,
- (c) two or more persons having the right to vote on the resolution, or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote on the resolution
- (e) and a demand for a poll made by a person as proxy for a Shareholder is the same as a demand by the Shareholder

57 3 A demand for a poll may be withdrawn if

- (a) the poll has not yet been taken, and
- (b) the Chairman of the Meeting consents to the withdrawal

and a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made

57 4 Polls must be taken at the general meeting at which they are demanded and in such manner as the Chairman of the Meeting directs

## 58 Content of proxy notices

58 1 Proxies may only validly be appointed by a notice in writing (a **Proxy Notice**) which

- (a) states the name and address of the Shareholder appointing the proxy,
- (b) identifies the person appointed to be that Shareholder's proxy (who must be another Shareholder) and the general meeting in relation to which that person is appointed,
- (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine, and
- (d) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate

58 2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes

58 3 Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions

58 4 Unless a Proxy Notice indicates otherwise, it must be treated as

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

## 59 Delivery of Proxy Notices

59 1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even

though a valid Proxy Notice has been delivered to the Company by or on behalf of that person

59 2 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given

59 3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates

59 4 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the Appointor's behalf

## **60 Amendments to resolutions**

60 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if

(a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution

60 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if

(a) the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

60 3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution

## **Written resolutions**

### **61 Written resolutions: general**

61 1 Subject to **article 61 2**, a written resolution of Shareholders passed in accordance with Part 13 Chapter 2 of the Companies Act 2006 is as valid and effectual as a resolution passed at a general meeting of the Company

61 2 The following may not be passed as a written resolution and may only be passed at a general meeting -

(a) a resolution under section 168 of the Companies Act 2006 removing a Director before the expiration of his period of office, and

(b) a resolution under section 510 of the Companies Act 2006 removing an auditor before the expiration of his period of office

### **62 Voting on written resolutions**

62 1 On a written resolution, a member has one vote in respect of each Share held by him

- 62 2 If a Share is registered in the name of joint holders, any joint holder is entitled to sign the written resolution in respect of such Share

**63 Decisions of sole Shareholder**

If the Company has only one Shareholder, he may make any decision that may be made by the Company in general meeting which will have effect as if agreed by the Company in general meeting

**PART 5: ADMINISTRATIVE ARRANGEMENTS**

**64 Means of communication to be used**

- 64 1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company
- 64 2 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being
- 64 3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours
- 64 4 A Shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by *electronic means* is entitled to have notices sent to him at that address, but otherwise no such member is entitled to receive any notices from the Company
- 64 5 If any Share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders
- 64 6 Subject to the Articles, any notice, document or other information shall be in writing in the English language (or be accompanied by a properly prepared translation into English) and shall be deemed served on or delivered to the intended recipient
- (a) if properly addressed and delivered by hand, when it was delivered or left at the relevant address,
  - (b) if properly addressed and sent by prepaid first class post or recorded delivery to an address in the United Kingdom, 48 hours after it was posted,
  - (c) if properly addressed and sent by prepaid airmail to an address outside the country from which it is sent, 5 business days after it was posted,
  - (d) if properly addressed and sent by commercial courier at the time of signature of the courier's receipt, and
  - (e) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied

**provided that** if deemed service on or delivery to the intended recipient under the provisions of this article is not within business hours (meaning 9 00 am to 5 30 pm) on a business day, such notice, document or other information shall be deemed served on or delivered to the



intended recipient at commencement of business hours on the next following business day

- 64 7 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Companies Act 2006

#### **65 No right to inspect accounts and other records**

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

#### **66 Provision for employees on cessation of business**

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

### **Directors' indemnity and insurance**

#### **67 Indemnity**

- 67 1 Subject to article 69 2, a Relevant Director of the Company or an associated company may be indemnified out of the Company's assets against

- (a) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
- (b) any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006), or
- (c) any other liability incurred by that Director as an officer of the Company or an associated company

- 67 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

- 67 3 In this article

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a 'Relevant Director' means any Director or former Director of the Company or an associated company

#### **68 Insurance**

- 68 1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss

- 68 2 In this article

- (a) a 'Relevant Director' means any Director or former Director of the Company or an associated company,
- (b) a 'Relevant Loss' means any loss or liability which has been or may be incurred by a Relevant Director in connection with that Director's duties or powers in relation to the

Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate