

MESHPower LIMITED
(the "Company")

Company No
08103342

The Companies Act 2006

On the *14th December* 2013 the following written resolutions (such resolutions being passed as an ordinary resolution (in the case of the first resolution) and a special resolution (in the case of the second resolution) were approved by the eligible members pursuant to sections 288 to 300 of the Companies Act 2006

Resolutions

- 1 That the 150,000 preference shares of £1 00 each in the capital of the Company currently in issue be re-designated as preference 'A' shares
- 2 THAT the draft articles of association marked "A" attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

Gerald Aigner
Chairman



A19 "A34LQL0P" #182
28/03/2014
COMPANIES HOUSE

'A'

ARTICLES OF ASSOCIATION

OF

MESHPOWER LIMITED

Company Number: 08103342

(Adopted by Special Resolution passed on 14 December 2013)

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

- 1 In these articles, unless the context required otherwise -
- | | |
|-------------------------------|---|
| Acting in Concert | has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time), |
| articles | means the company's articles of association, |
| bankruptcy | includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy, |
| Business | Research and development for small standalone power generation and distribution systems for communities in developing countries |
| chairman | the person nominated to be chairman of the company by any shareholder(s) holding at least 51% of the company's issued share capital, |
| companies acts | means the Companies Acts (as defined in Section 2 of the Companies Act 2006) in so far as they apply to the company, |
| Controlling Interest | means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010, |
| deferred shares | the deferred shares of £0.01 each in the capital of the company, |
| director | means a director of the company, and includes any person occupying the position of director, by whatever name called, |
| distribution recipient | has the meaning given in Article 31, |
| document | includes, unless otherwise specified, any document sent or supplied in electronic form, |
| electronic form | has the meaning given in Section 1168 of the Companies Act 2006, |
| encumbrance | any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, claim, right, interest or |

	preference granted to any third party, or any other encumbrance or security interest in the company's shares,
fully paid	in relation to a share means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,
hard copy form	has the meaning given in section 1168 of the Companies Act 2006,
holder	in relation to shares means the person whose name is entered in the register of members as the holder of the shares,
instrument	means a document in hard copy form,
ordinary resolution	has the meaning given in section 282 of the Companies Act 2006,
ordinary share	means the ordinary shares of £0.10 each in the capital of the company
paid	means paid or credited as paid,
participate	in relation to a directors' meeting, has the meaning given in article 10,
preference share	the preference 'A' shares and the preference 'B' shares of £1 each in the capital of the company,
proxy notice	has the meaning given in article 45,
recognised investment exchange	has the meaning set out in section 285 of the Financial Services and Markets Act 2000,
shareholder	means a person who is the holder of a share,
shares	means shares in the company,
special resolution	has the meaning given in section 283 of the Companies Act 2006,
subsidiary	has the meaning given in section 1159 of the Companies Act 2006,
transmittee	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law,
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

- 12 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

Liability of members

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

DIRECTORS – DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

- 3 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

Shareholders' reserve power

- 4 (i) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action
- (ii) No such special resolution invalidates anything which the directors have done before the passing of the resolution

Directors may delegate

- 5 (i) Subject to the articles, the directors may 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
- (ii) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- (iii) The directors may revoke any delegation in whole or part, or alter its terms and conditions

Committees

- 6 (i) 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
- (ii) The directors 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

Directors to take decisions collectively

- 7 (i) Subject to article 12, 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 taking in accordance with article 8
- (ii) If the company only has one director, and 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

Calling a directors' meeting

- 8 (i) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice
- (ii) 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
- (iii) Notice of a directors' meeting must be given to each director, but need not be in writing
- (iv) 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

Participation in directors' meetings

- 9 (i) 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
- (ii) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other
- (iii) 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

Quorum for directors' meetings

- 10 (i) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
- (ii) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two
- (iii) 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
- (a) to appoint further director, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors

Chairing of directors' meetings

- 11 The chairman shall chair the directors' meetings

Chairman's vote

- 12 In the event of an equality of votes, the chairman shall have a casting vote
- 12.1 The chairman's view shall be final and binding on the other directors in respect of the following matters relating to the business of the company
- (i) Varying in any respect the articles or the rights attaching to any of the shares in the company
 - (ii) Permitting the registration (upon subscription or transfer) of any person as a member of the company other than the parties in respect of their initial investment and/or any permitted transferees
 - (iii) Increasing the amount of the company's issued share capital granting any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeeming or purchasing any of its own shares or effecting any other reorganisation of its share capital
 - (iv) Issuing any loan capital in the company or entering into any commitment with any person with respect to the issue of any loan capital
 - (v) Making any borrowing other than in the ordinary and usual course of business
 - (vi) Applying for the listing or trading of any shares or debt securities on recognised investment exchange or market

- (vii) Passing any resolution for the Company's winding up or presenting any petition for its administration other than in accordance with this agreement (unless it has become insolvent)
- (viii) Altering the name of the company or its registered office
- (ix) Changing the nature of the company's Business or commencing any new business by the company which is not ancillary or incidental to the Business
- (x) Forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not)
- (xi) Amalgamating or merging with any other company or business undertaking
- (xii) Making any acquisition or disposal by the company of any material asset(s) otherwise than in the ordinary course of business
- (xiii) Creating or granting any encumbrance over the whole or any part of the Business, undertaking or assets of the company or over any shares in the company or agreeing to do so other than in the ordinary course of business or any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business
- (xiv) Making any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits or in the ordinary course of business) or granting any credit (other than in the normal course of trading) or giving any guarantee (other than in the normal course of trading) or indemnity
- (xv) Altering any mandate given to the company's bankers relating to any matter concerning the operation of the company's bank accounts other than by the substitution of any person nominated as a signatory by the Chairman
- (xvi) Entering into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms
- (xvii) Giving notice of termination of any arrangements, contracts or transactions which are material in the nature of the company's Business, or materially varying any such arrangements, contracts or transactions
- (xviii) Adopting or amending any standard terms of business (including prices) on which the company is prepared to provide goods or services to third parties
- (xix) Granting any rights (by licence or otherwise) in or over any intellectual property owned or used by the company
- (xx) Factoring or assigning any of the book debts of the company
- (xxi) Changing the auditors of the company or its financial year end
- (xxii) Making or permitting to be made any material change in the accounting policies and principles adopted by the company in the preparation of its audited [and management] accounts except as may be required to ensure compliance with relevant accounting standards under the Act or any other generally accepted accounting principles in the United Kingdom
- (xxiii) Declaring or paying any dividend or making any other distribution by way of capitalisation, repayment or in any other manner
- (xxiv) Establishing or amending any profit-sharing, share option, bonus or other incentive scheme of any nature for directors or employees

- (xxv) Establishing or amending any pension scheme or granting any pension rights to any director, officer, employee, former director, officer or employee, or any member of any such person's family
- (xxvi) Dismissing any director, officer or employee in circumstances in which the company incurs or agrees to bear redundancy or other costs in excess of £4000 in total
- (xxvii) Agreeing to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any officer of or consultant to the company at a rate in excess of £4000 per annum or increasing the remuneration of any such person to a rate in excess of £4000 per annum
- (xxviii) Entering into or varying any contract of employment providing for the payment of remuneration (including pension and other benefits) in excess of a rate of £4000 per annum or increasing the remuneration of any staff (including pension and other benefits) to a rate in excess of £4000 per annum
- (xxix) Instituting, settling or compromising any legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the company or submitting to arbitration or alternative dispute resolution any dispute involving the company
- (xxx) Making any agreement with any revenue or tax authorities or making any claim, disclaimer, election or consent exceeding £4000 for tax purposes in relation to the company or its business

Conflict of interest

Directors' powers to authorise conflicts of interest

- 13 The directors may, in accordance with the requirements set out in this article, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Companies Act 2006 to avoid conflicts of interest (Conflict)
- 13.1 Any authorisation under this article will be effective only if
- (i) the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these articles or in such other manner as the directors may determine,
 - (ii) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question, and
 - (iii) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted
- 13.2 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)
- (i) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised,
 - (ii) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine,
 - (iii) be terminated or varied by the directors at any time

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation

- 13 3 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to
- (i) disclose such information to the directors or to any director or other officer or employee of the company,
 - (ii) use or apply any such information in performing his duties as a director,
 - (iii) where to do so would amount to a breach of that confidence
- 13 4 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director
- (i) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,
 - (ii) is not given any documents or other information relating to the Conflict,
 - (iii) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict
- 13 5 Where the directors authorise a Conflict
- (i) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict,
 - (ii) the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation
- 13 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

Records of decisions to be kept

- 14 The Directors must ensure that the Company keeps a written record of every meeting of the Directors for at least 10 years from the date of the meeting

Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

- 16 (i) 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, or
 - (b) by a decision of the directors
- (ii) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director

- (iii) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

Termination of director's appointment

- 17 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 is removed from office pursuant to section 168 of the companies acts

Directors' remuneration

- 18 (i) Directors may undertake any services for the company that the directors decide
- (ii) Subject to article 12, directors are entitled to such remuneration as the directors determine -
- (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company
- (iii) Subject to article 12, 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
- (iv) Unless the directors decide otherwise, directors' remuneration accrues from day to day
- (v) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested

Directors' expenses

- 19 The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at -
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or

- (c) 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

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

- 20 (i) 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
- (ii) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

Powers to issue different classes of share

- 21 (i) Subject to the articles, but without prejudice to the right attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution
- (ii) 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 director may determine the terms, conditions and manner of redemption of any such shares

Share rights

- 22 The ordinary, preference and deferred shares shall each constitute a separate class of shares and shall have, and be subject to, the following rights and restrictions

22 1 Voting

Subject to any other provisions in these articles concerning voting rights, shares in the company shall carry votes as follows

- (i) the ordinary shares shall confer on each holder of ordinary shares the right to receive notice of and to attend, speak and vote at all general meetings of the company, and each ordinary share shall carry one vote per share,
- (ii) the preference shares shall confer on each holder of such shares the right to receive notice of and to attend, speak and vote at all general meetings of the company, and each preference share shall carry one vote per share, and
- (iii) the deferred shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the company

22 2 Where shares confer a right to vote, votes may be exercised

- (i) on a show of hands by every shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each shareholder holding shares with votes shall have one vote), or
- (ii) on a poll by every shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each shareholder holding shares with votes shall have one vote for each such share held)

22 3 Capital

22 3 1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion, redemption or purchase of shares), the assets of the company remaining after the payment of its liabilities shall (to the extent that the company is lawfully able to do so) be applied in the following order of priority

(a) first, in paying to the holders of the preference 'A' shares an amount equivalent to the original subscription price per preference 'A' share, together with a sum equal to any arrears and accruals of the dividend relating to the preference 'A' shares calculated down to and including the date of the return of capital and, if there is a shortfall of assets remaining to satisfy the entitlements of holders of preference 'A' shares in full, the proceeds shall be distributed to the holders of the preference 'A' shares in proportion to the amounts due to each such share held,

(b) second, in paying to the holders of the preference 'B' shares an amount equivalent to the original subscription price per preference 'B' share, together with a sum equal to any arrears and accruals of the dividend relating to the preference 'B' shares calculated down to and including the date of the return of capital and, if there is a shortfall of assets remaining to satisfy the entitlements of holders of preference 'B' shares in full, the proceeds shall be distributed to the holders of the preference 'B' shares in proportion to the amounts due to each such share held,

(c) third, the balance (if any) shall be distributed amongst the holders of the ordinary shares in proportion to the numbers of such shares held by them respectively provided that, after the distribution of the first £100,000,000 of such balance, the deferred shares (if any) shall be entitled to receive an amount equal to the nominal value of such deferred shares

23 3 2 The holders of deferred shares shall not, save as mentioned above, be entitled to share or participate further or otherwise in such surplus assets

22 4 Conversion of preference shares

22 4 1 Any holder of preference shares may, by notice in writing to the company, require conversion of all of the preference shares held by them into ordinary shares. Those preference shares shall convert automatically on the date that the holder of those preference shares requires a conversion

22 4 2 The preference shares shall automatically convert into ordinary shares on the date that an independent third party or parties (who is/are not a shareholder(s) as at 31 October 2012) invest a cumulative £2,000,000 into the company in the form of equity or loan capital (**Conversion Date**)

22 4 3 On the Conversion Date, the relevant preference shares shall (without any further authority than that contained in these articles) stand converted into ordinary shares on the basis of one ordinary share and 9 deferred shares for each preference share held and the ordinary shares resulting from the conversion shall rank pari passu in all other respects with the existing issued ordinary shares

22 4 3 On the Conversion Date, the company shall enter the holder of the converted preference shares on the register of shareholders of the company as the holder of the appropriate number of ordinary shares and, subject to the relevant holder of preference shares delivering the relevant share certificate (or indemnity or other evidence) in respect of the preference shares in accordance with this article, the company shall, within 14 days of the Conversion Date, forward a definitive share certificate for the appropriate number of fully paid ordinary shares to such holder of preference shares by post to his address as shown in the register of shareholders, at his own risk and free of charge

Company not bound by less than absolute interests

23 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 an interest in a share other than the holders' absolute ownership of it and all the rights attaching to it

Share certificates

- 24
- (i) The company must issue such shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
 - (ii) 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
 - (iii) No certificate may be issued in respect of shares of more than one class
 - (iv) If more than one person holds a share, only one certificate may be issued in respect of it
 - (v) Certificates must -
 - (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts

Replacement share certificates

- 25
- (i) 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 the shareholder is entitled to be issued with a replacement certificate in respect of the same shares
 - (ii) 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

Share transfers

- 26
- (i) 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
 - (ii) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
 - (iii) The company may retain any instrument of transfer which is registered
 - (iv) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
 - (v) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

Drag along

- 27 1 In this Agreement, a **Qualifying Offer** shall mean an offer in writing by or on behalf of any person (**Offeror**) for the entire issued ordinary and preference share capital of the company not already owned by the Offeror or persons connected with the Offeror
- 27 2 If the holders of 60% of the ordinary and preference shares in issue for the time being (**Accepting Shareholders**) have indicated in writing that they wish to accept the Qualifying Offer, then the provisions of this article 27 shall apply
- 27 3 The Accepting Shareholders shall give written notice to the other ordinary and preference shareholders (**Other Shareholders**) of their wish to accept the Qualifying Offer and shall become entitled to transfer their ordinary and preference shares to the Offeror (or his nominee) and the Other Shareholders shall, become bound to accept the Qualifying Offer and transfer their ordinary and preference shares to the Offeror (or his nominee) with full title guarantee on the date specified by the Accepting Shareholders
- 27 4 If any Other Shareholders shall not, within seven days of being required to do so, execute and deliver transfers in respect of the shares held by him and deliver certificate(s) in respect of the same (or a suitable indemnity in lieu of any certificate), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the Other Shareholders' behalf and, against receipt by the company (on trust for such Shareholder) of the consideration payable for the relevant shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by anyone
- 27 5 The consideration (whenever received) from a Qualifying Offer shall be distributed amongst the selling ordinary and preference Shareholders (being the Accepting Shareholders and the Other Shareholders) on a pro rata basis

Tag Along

- 28 1 The provisions of articles 28 2 to 28 5 shall apply if, in one or a series of related transactions, one or more shareholders propose to transfer any of the ordinary and preference shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company
- 28 2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other ordinary and preference Shareholders to purchase all of the ordinary and preference shares held by them for a consideration in cash per Share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (**Specified Price**)
- 28 3 The Offer shall be given by written notice (**Offer Notice**), at least 20 Business Days (**Offer Period**) before the proposed sale date (**Sale Date**) To the extent not described in any accompanying documents, the Offer Notice shall set out (a) the identity of the Buyer, (b) the purchase price and other terms and conditions of payment, (c) the Sale Date, and (d) the number of shares proposed to be purchased by the Buyer (**Offer Shares**)
- 28 4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with article 28 2 and article 28 3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer
- 28 5 If the Offer is accepted by any ordinary and preference shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders

Transmission of shares

- 29 (i) If title to a share passes to a transferee, the company may only recognise the transferee as having any title to that share
- (ii) A transferee who produces such evidence of entitlement to shares as the director may properly require
- (a) may, subject to the articles, choose either to become the holder of those shares or 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
- (iii) But transferees 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

Exercise of transferees' rights

- 30 (i) Transferees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish
- (ii) If the transferee wishes to have a share transferred to another person, the transferee must execute an instrument of transfer in respect of it
- (iii) 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 transferee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

Transferees bound by prior notices

- 31 If a notice is given to a shareholder in respect of shares and a transferee is entitled to those shares, the transferee is bound by the notice if it was given to the shareholder before the transferee's name has been entered in the register of members

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

- 32 (i) Subject to article 12, the company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends
- (ii) 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
- (iii) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
- (iv) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms in 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
- (v) 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
- (vi) 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

- (vii) 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

Payment of dividends and other distributions

- 33 (i) 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 addressee specified 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
- (ii) 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

No interest on distributions

- 34 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

Unclaimed distributions

- 35 (i) 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
- (ii) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it
- (iii) 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

Non-cash distributions

- 36
- (i) 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)
 - (ii) 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

Waiver of distributions

- 37
- 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

Authority to capitalise and appropriation of capitalised sums

- 38
- (i) 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 an 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
 - (ii) 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
 - (iii) 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

- (iv) A capitalised sum which was appropriate 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
- (v) Subject to the articles the directors may
 - (a) Apply capitalised sums in accordance with paragraphs (3) and (4) 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

DECISION MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

- 39
- (i) 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
 - (ii) 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
 - (c) the 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
 - (iii) 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
 - (iv) 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
 - (v) 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

Quorum for general meetings

- 40 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

Chairing general meetings

- 41
- (i) The chairman shall chair general meetings if present and willing to do so
 - (ii) If the chairman is unwilling to chair the meeting (and has not nominated a replacement) then
 - (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

- (iii) The person chairing a meeting in accordance with this article is referred to as the chairman of the meeting

Attendance and speaking by directors and non-shareholders.

- 42 (i) Directors may attend and speak at general meetings, whether or not they are shareholders
- (ii) 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 meetingsto attend and speak at a general meeting

Adjournment

- 43 (i) 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
- (ii) 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
- (iii) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (iv) 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
- (v) 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 if it (that is, excluding the day of the adjourned meeting and the day on which the notice is given) -
 - (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
- (vi) 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

Voting: general

- 44 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

Errors and disputes

- 45 (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
- (ii) Any such objection must be referred to the chairman of the meeting, whose decision is final

Poll Votes:

- 46 (i) 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
- (ii) 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
- (iii) 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
- (iv) Polls may be taken immediately and in such manner as the chairman of the meeting directs

Consent of proxy notices

- 47 (i) 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, 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
- (ii) The company may require proxy notices to be delivered in a particular form and may specify different forms for different purposes

- (iii) 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
- (iv) 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

Delivery of proxy notices

- 48
- (i) 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
 - (ii) 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
 - (iii) 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
 - (iv) 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

Amendments to resolutions

- 49
- (i) 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
 - (c) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
 - (ii) A special resolution to be proposed does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution, if -
 - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (c) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
 - (iii) 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

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

- 50
- (i) 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

- (ii) 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
- (iv) 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

Company Seals

- 51 (i) Any common seal may only be used by the authority of the directors
- (ii) The directors may decide by what means and in what form any common seal is to be used
- (iii) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- (iv) For the purposes of this article, an authorised person is
 - (a) any director of the company,
 - (b) the company secretary (if any), or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

No right to inspect accounts and other records

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

Provision for employees on cessation of business

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

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

- 54 (i) Subject to paragraph (ii) 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),
 - (c) any other liability incurred by that director as an officer of the company or an associated company

(ii) The 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

(iii) 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

Insurance

55 (i) 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

(ii) 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