

Company Number: 07786312

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY SHARES**

**OAKLEY HOUSE CHILDRENS HOME LIMITED**

(“the Company”)

**WRITTEN RESOLUTIONS OF THE MEMBERS OF**

**OAKLEY HOUSE CHILDRENS HOME LIMITED**

**CIRCULATION DATE 1st OCTOBER 2013**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the Directors of the Company propose that the following resolutions are passed as ordinary and special resolutions (“Resolutions”)

**ORDINARY RESOLUTION**

1. **THAT** the 51 ordinary shares of £1 00 each held by Tantaztic Limited be redesignated as 51 “A” ordinary shares of £1 00 each and the 49 ordinary shares held by Linda Elizabeth Oakley be redesignated as 49 “B” Ordinary Shares of £1 00 each

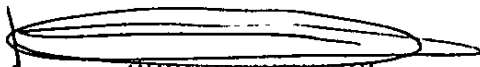
**SPECIAL RESOLUTION**

2. **THAT** the Articles of Association set out in the document accompanying this Written Resolution are adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company

**AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the Resolutions

The undersigned entitled to vote on the Resolutions on 1st OCTOBER 2013, hereby irrevocably agrees to the Resolutions



**LINDA ELIZABETH OAKLEY**

Dated 1st OCTOBER 2013



**NEIL PHILIP MASON  
For and on behalf of TANTAZTIC LIMITED**

Dated 1st OCTOBER 2013

THURSDAY



A23 \*A2IPWFXF\* 10/10/2013 #333  
COMPANIES HOUSE

## NOTES

- 1 If you agree to the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods
  - **By Hand** delivering the signed copy to The Directors, The Croft, Lowe Lane, Kidderminster DY11 5QR
  - **Post:** returning the signed copy by post to The Directors, The Croft, Lowe Lane, Kidderminster DY11 5QR

If you do not agree to the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply

- 2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 3 Unless by 29 September 2013, sufficient agreement has been received for the Resolutions to pass it will lapse. If you agree to the Resolutions please ensure that your agreement reaches us before or during this date
- 4 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

Company Number 07786312

The Companies Act 2006  
Private Company Limited by Shares

**ARTICLES OF ASSOCIATION**

of

**OAKLEY HOUSE CHILDRENS HOME LIMITED**

Incorporated on 26 September 2011

\*Adopted on [01/10/13] by Special Resolution



**41 Church Street  
Birmingham  
B3 2RT**

**Tel: 0121 233 4333**

**Fax: 0121 710 5913**

**[www.wilkes.co.uk](http://www.wilkes.co.uk)**

## CONTENTS

CONTENTS	1
1 Interpretation	1
2 Unanimous decisions	3
3 Calling a directors' meeting	3
4 Quorum for directors' meetings	3
5 Casting vote	4
6 Transactions or other arrangements with the Company	4
7 Directors' Conflicts of interest	5
8 Number of directors	6
9 Appointment of directors	6
10 Appointment and removal of alternate directors	7
11 Rights and responsibilities of alternate directors	7
12 Termination of alternate directorship	8
13 Secretary	8
14 Share capital	8
15 Allotment of Shares	9
16 Transfer of shares subject to pre-emption rights	10
17 Drag along	13
18 Tag along rights on a change of control	15
19 Deemed Transfer	15
20 Fair value	16
21 Proceedings at general meetings	16
22 Votes of Members	17
23 Poll votes	17
24 Proxies	18
25 Gratuities and Pensions	18
26 Capitalisation of Profits	18
27 Variation of Class Rights	18
28 Means of communication to be used	19
29 Indemnity	19
30 Insurance	20

## INTRODUCTION

### 1. INTERPRETATION

#### 1.1 In these Articles, unless the context otherwise requires

**Accountants:** means the accountants of the Company for the time being

**Act:** means the Companies Act 2006,

**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),

**appointor:** has the meaning given in article 10 1,

**Articles:** means the company's articles of association for the time being in force,

**business day:** 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,

**Conflict:** has the meaning given in article 7 1,

**Controlling Interest:** shall mean an interest in more than 50% of the Shares in issue for the time being,

**eligible director:** means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter),

**Fair Value:** means the value of any Shares to be transferred under these Articles, as determined in accordance with article 20,

**Liquidation:** means the making of an order or the passing of a resolution for the voluntary winding up of the Company for any purpose whatever but excluding a winding up pursuant to the provisions of section 110 of the Insolvency Act 1986,

**Model Articles:** means the model articles for private companies limited by Shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles, and

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 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 6 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 7 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles
- 1 8 Articles 7, 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company
- 1 9 Article 7 of the Model Articles shall be amended by
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a), and
  - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1 10 Article 20 of the Model Articles shall be amended by the insertion of the words before the words "properly incur"
- 1 11 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But"
- 1 12 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 1 13 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

## **DIRECTORS**

## **2. UNANIMOUS DECISIONS**

- 2.1 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
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum (as defined in article 4.1) at such a meeting

## **3. CALLING A DIRECTORS' MEETING**

- 3.1 Any director may call a directors' meeting by giving not less than 7 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice
- 3.2 Notice of a directors' meeting shall be given to each director in writing in accordance with article 28
- 3.3 Article 9(3) of the Model Articles shall be amended by the addition of the following sentence

“It shall not be necessary to give notice of a meeting to a director or his alternate director, who is absent from the United Kingdom unless he has given to the Company an address within the United Kingdom to which notices should be sent.”

## **4. QUORUM FOR DIRECTORS' MEETINGS**

- 4.1 The quorum for the transaction of business at a meeting of directors is any two directors
- 4.2 If for more than six consecutive months the total number of directors in office 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
- 4.3 If the directors participating in any meeting are not in the same place, the meeting is deemed to take place where the largest group of those participating are assembled, or if there is no such group, where the chairman of the meeting is present

**5. CASTING VOTE**

Matters arising at any directors meeting shall be determined by a majority of votes and if the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote

**6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the 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) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- (d) 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,
- (e) 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
- (f) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such 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 Act



**7. DIRECTORS' CONFLICTS OF INTEREST**

7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

7.2 Any authorisation under this article will be effective only if:

- (a) 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,
- (b) 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
- (c) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted

7.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential Conflict which may reasonably be expected to arise out of the matter so authorised,
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, and
- (c) 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

7.4 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

- (a) disclose such information to the directors or to any director or other officer or employee of the company, or
- (b) use or apply any such information in performing his duties as a director,

where to do so would amount to a breach of that confidence

7 5 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director

- (a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,
- (b) is not given any documents or other information relating to the Conflict, and
- (c) 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.

7 6 Where the directors authorise a Conflict

- (a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict, and
- (b) the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation

7 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## **8. NUMBER OF DIRECTORS**

8 1 The number of directors (other than alternate directors) shall be not less than two and no more than six

8 2 The office of any director shall be vacated in accordance with Model Article 18

8 3 Article 18 of the Model Articles shall be amended by the addition of the following

“A person ceases to be a director if, he shall for more than six consecutive months have been absent without permission of the directors, from meetings of directors held during that period and the directors resolve that his office be vacated ”

## **9. APPOINTMENT OF DIRECTORS**

In any case where, as a result of death or bankruptcy, the Company has no Shareholders and no directors, the transmittee(s) of the last Shareholder to have died

or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

**10. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

10.1 Any director (**appointor**) 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 responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor

10.2 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

10.3 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

**11. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

11.1 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

11.2 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 appointors

and, 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 Shareholder

11 3 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

11 4 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

## 12. TERMINATION OF ALTERNATE DIRECTORSHIP

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

## 13. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

## 14. SHARE CAPITAL

14 1 The Share capital of the Company shall be divided into

- (a) 51 A ordinary Shares of £1 00 each (**A Shares**), and
- (b) 49 B ordinary Shares of £1 00 each (**B Shares**),

(together the **Shares** and the holder of such Shares being a **Shareholder**)

14 2 The Shares shall have the rights and privileges as set out in these Articles

- 14 3 The Directors may distribute any profits which the Company determines to be distributed in respect of any financial period to the holders of the A Shares and the B Shares as they think fit
- 14 4 As regards capital on a return of assets on Liquidation or otherwise, the assets of the Company remaining after payment of its liabilities shall be distributed to the holders of the A Shares and of the B Shares pari passu as if they represented one class of Share
- 14 5 Any proceeds of sale (in whatever form and whether in cash, loan notes, shares or otherwise) arising on a sale of the whole of the issued equity share capital to any person or persons whether a private buyer, an institution and/or the public) shall be apportioned and distributed to the members as if they were surplus assets arising (after payment of the Company's liabilities) on a return of assets pursuant to article 14 4 and each member shall be entitled to receive in respect of each share held by him a proportion of the proceeds of sale determined by dividing such proceeds by the number of shares in issue on the relevant date subject to an appropriate adjustment in respect of the B Percentage being distributable to the B shares as a class
- 14 6 As regards voting, the holders of the A Shares and B Shares shall be entitled to receive notice of all general meetings and shall be entitled to attend and to vote at any general meeting

## 15. ALLOTMENT OF SHARES

- 15 1 In accordance with section 567 of the Act, section 561 of the Act shall not apply to the Company
- 15 2 All Shares which the directors propose to issue shall be comprised of A Shares and B Shares on a pro-rata basis and shall be dealt with in accordance with the following provisions
- 15 3 Any A Shares proposed to be issued shall first be offered to the holders of the A Shares in proportion (so far as possible) to the number of existing A Shares held by each of them Any B Shares proposed to be issued shall first be offered to the holders of the B Shares in proportion (so far as possible) to the number of existing B Shares held by them, unless the Company shall by special resolution otherwise direct
- 15 4 The offer will be made by notice specifying the total number of Shares being offered to the holders of each such class of Share The notice shall require each member to reply in writing within a period (not being less than 14 business days) after which the offer, if not accepted, will be deemed to be declined

- 15 5 After the expiration of that period, the Shares deemed to be declined will be offered (again in the proportion to their Shareholding) as follows
- (a) the A Shares will be offered to the A Shareholders, who have within the period specified, accepted all the Shares offered to them pursuant to article 15 3,
  - (b) the B Shares will be offered to the B Shareholders, who have within the period specified, accepted all the Shares offered to them pursuant to article 15 3
- 15 6 Any shares not accepted pursuant to Article 15 4 and Article 15 5 or not capable of being offered except by way of fractions and any shares released from the provisions of this Article by a special resolution of the Company will be under the control of the directors They may allot, grant options over or otherwise dispose of these shares to such persons, on such terms, and in such manner as they think fit However, these shares must not be disposed of on terms which are more favourable than the terms on which they are offered to the Shareholders
- 15 7 All Shares which pursuant to the provisions of the regulations of the Company may be issued to a holder of A Shares or B Shares, shall upon being registered in the name of such holder become A Shares or B Shares respectively

**16. TRANSFER OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**

- 16 1 In this Article, references to a transfer of a Share include the transfer or assignment 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
- 16 2 Any Shareholder (Vendor) who wishes to transfer any Shares (Sale Shares) shall be subject to the pre-emption rights in this article
- 16 3 The Vendor shall, before transferring or agreeing to transfer any Shares, give a Transfer Notice to the Company specifying
- (a) the number of Sale Shares,
  - (b) if the Vendor wishes to sell the Sale Shares to a third party, the name of the proposed transferee, and
  - (c) the price (in cash) per share at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Vendor and the Company (**Transfer Price**))
- 16 4 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn, except with the sanction of the directors

- 16 5 A Transfer Notice shall comprise one class of Shares only so that a separate Transfer Notice will be required in respect of each different class of Share
- 16 6 A Transfer Notice appoints the Company as the agent of the Vendor for the sale of the Sale Shares at the Transfer Price
- 16 7 The Company shall within 7 business days of receiving the Transfer Notice give notice in writing to each of the Shareholders (other than the Vendor) who hold Shares of the same class as those comprised in the Transfer Notice (**Continuing Shareholders**), inviting them to apply in writing within 28 business days of the date of the offer (**First Offer Period**) for the maximum number of Sale Shares they wish to buy
- 16 8 If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Company shall allocate the Sale Shares to each Continuing 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 those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy
- 16 9 If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Company shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with article 16 11
- 16 10 At the end of the First Offer Period, the Company shall offer the Initial Surplus Shares to any A Shareholder or any B Shareholder (**Member Applicant**), inviting them to apply in writing within 28 business days of the date of the offer (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy
- 16 11 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Company shall allocate the remaining Initial Surplus Shares to each Member Applicant who has applied for Initial Surplus Shares in the proportion that his existing holding of Shares (including any Sale Shares) bears to the total number of Shares (including any Sale Shares) held by those Member Applicants who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Member Applicant of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy
- 16 12 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Company shall allocate the

Initial Surplus Shares to the Member Applicants in accordance with their applications. The balance (**Second Surplus Shares**) shall be dealt with in accordance with article 16 14

If Shares have been allocated in accordance with this article the Company shall give written notice of allocation (**Allocation Notice**) to the Vendor and each Continuing Shareholder or Member Applicant (as the case may be) to whom Sale Shares have been allocated (**Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 28 business days after the date of the Allocation Notice)

16 13 On the service of an Allocation Notice, the Vendor shall, against payment of the Consideration, transfer the Sale Shares allocated in accordance with the requirements specified in the Allocation Notice

If the Vendor fails to comply with the requirements of the Allocation Notice

- (a) the chairman of the Company (or, failing him, one of the other directors, or some other person nominated by a resolution of the Company) may, on behalf of the Vendor
  - (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 Consideration and give a good discharge for it, and
  - (iii) (subject to the transfers 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 Consideration into a separate bank account in the Company's name on trust (but without interest) for the Vendor until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Company, in respect of any lost certificate, together with such other evidence (if any) as the Company may reasonably require to prove good title to those Shares) to the Company

16 14 If an Allocation Notice does not relate to all of the Sale Shares or the Company fail to issue an Allocation Notice then, subject to article 16 15 and within 4 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Vendor may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price



16 15 The Vendor's right to transfer Shares under article 16 14 does not apply if the Company reasonably considers that

- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company; or
- (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 Vendor has failed or refused to provide promptly information available to the Vendor and reasonably requested by the Company to enable it to form the opinion mentioned above

16 16 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with the consent of Shareholders who, but for the waiver, would or might have been entitled to have such Shares offered to them in accordance with this Article

#### 17. DRAG ALONG

17 1 If the Shareholders of 51 per cent of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in the Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**)

17 2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify

- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 17,
- (b) the person to whom the Called Shares are to be transferred,
- (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares, and
- (d) the proposed date of the transfer.

17.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 30 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

- 17 4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 17
- 17 5 Completion of the sale of the Called Shares shall take place on the Completion Date  
Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders, or
  - (b) that date is less than 7 business days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the fourteenth business day after delivery of the Drag Along Notice
- 17 6 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served
- 17 7 Within 30 business days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 17.2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds The Company's receipt for the price shall be a good discharge to the Proposed Buyer The Company shall hold the amounts due to the Called Shareholders pursuant to article 17 2(c) in trust for the Called Shareholders without any obligation to pay interest
- 17 8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to article 17 2(c), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 17 in respect of their Shares
- 17 9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person Failure to

produce a share certificate shall not impede the registration of shares under this article 17

**18. TAG ALONG RIGHTS ON A CHANGE OF CONTROL**

- 18.1 The provisions of article 18.2 to article 18.5 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer (or any person connected with any of the foregoing), acquiring a Controlling Interest in the Company
- 18.2 Before making a Proposed Transfer, a Shareholder shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration 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**)
- 18.3 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**)
- 18.4 If the Buyer fails to make the Offer to all of the Shareholders in the Company in accordance with article 18.3 and article 18.4, the Shareholder 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
- 18.5 If the Offer is accepted by any 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

**19. DEEMED TRANSFER**

- 19.1 A Shareholder is deemed to have served a Transfer Notice under article 16 immediately before any of the following events
- (a) his death, or

- (b) a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors,
- (c) a Shareholder convening a meeting of its creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of its creditors generally, or
- (d) a Shareholder being unable to pay its debts as they fall due within the meaning of Section 268 of the Insolvency Act 1986, or
- (e) any encumbrances taking possession of, or a receiver being appointed over or in relation to all or any material part of the Shareholders assets

19 2 The deemed Transfer Notice has the same effect as a Transfer Notice except that the Accountants are required to determine the Fair Value in accordance with article 17

## **20. FAIR VALUE**

20 1 The Fair Value for any Shares to be transferred under this Agreement is that proportion of the amount the Shareholders or the Shareholders personal representatives, or should the Shareholders fail to reach agreement within 28 business days the amount the Accountants, consider to be the Fair Value of the entire issued share capital of the Company that the Vendors' Shares bear to the entire issued share capital of the Company (with no discount for the size of the Vendors' Shareholding)

20 2 In determining the Fair Value of the entire issued share capital of the Company, the Shareholders and/or the Accountants rely on the following assumptions

- (a) the sale is between a willing seller and a willing buyer,
- (b) the Shares are sold free of all restrictions, liens, charges and other encumbrances, and
- (c) the sale is taking place on the date the Accountants were requested to determine the Fair Value

## **DECISION MAKING BY SHAREHOLDERS**

### **21. PROCEEDINGS AT GENERAL MEETINGS**

21 1 No business shall be transacted at any general meeting unless a quorum of members is present throughout the meeting A quorum shall consist of two members present in person or by proxy or (in the case of a member being a corporation by a representative) of whom one shall be an A Shareholder and one shall be a B Shareholder save that

- (a) If and for so long as all the Shares in issue are of one class (subject to article 21 1(b) two members present in person or by proxy holding Shares of that class shall be a quorum, and
- (b) If and for so long as the Company has only one person as member, one member present in person or by proxy shall be a quorum

21 2 Article 38 of the Model Articles shall not apply to the Company

21 3 If a quorum is not present within half an hour from the time appointed for the general meeting the general meeting shall stand adjourned to the same day and time the following week or as determined by the directors, and if at the adjourned the general meeting a quorum is not present within half an hour from the time appointed therefore such adjourned meeting shall be dissolved Model Article 41 shall not apply to the Company

21 4 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote Article 44(2) of the Model Articles shall be altered accordingly

## **22. VOTES OF MEMBERS**

22 1 Article 42 of Model Articles shall be deleted and replaced with the following wording

“Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not himself being a member entitled to vote) shall have one vote or (being a corporate body) is present by a representative or by proxy (not being himself a member entitled to vote) shall have one vote On a poll, each member shall have one vote for each Share of which he is a holder ”

## **23. POLL VOTES**

23 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

23 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words, "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made," as a new paragraph at the end of that article

**24. PROXIES**

24 1 A member shall not be entitled to appoint more than one proxy to attend and vote on the same occasion and s 324(4) of the Act shall not apply to the Company Any such proxy shall be entitled to cast votes to which he is entitled in different ways

24 2 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

24 3 Article 45(1) of the Model Articles shall be amended by the insertion of the words as a new paragraph at the end of that article,

"And a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting "

**25. GRATUITIES AND PENSIONS**

The directors may exercise any powers of the Company conferred by its Memorandum of Association to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in section 1159 of the Act and the Company and the directors shall be entitled to retain benefits received by them or any of them by reason of the exercise of such powers

**26. CAPITALISATION OF PROFITS**

26 1 The words "Special Resolution" shall be substituted for the words Ordinary Resolution" in article 36(1) of the Model Articles

26 2 On any occasion when Shares are allotted and distributed credited as fully paid up, pursuant to this article 36(1), the Shares allotted to holders of A Shares shall forthwith on allotment automatically stand designated as A Shares and the Shares allotted to holders of B Shares shall forthwith on allotment automatically stand designated as B Shares

**27. VARIATION OF CLASS RIGHTS**

27 1 During such time as the Share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the Shares for that class) may, whether or not the Company is being wound-up, only be varied with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution of that class of issued Shares passed at a separate general meeting of the

holders of the Shares of that class Any action, agreement, resolution, arrangement or understanding on the part of the Company or the directors in contravention of the provisions of this article 27 shall for all purposes be ultra vires and invalid

- 27.2 The necessary quorum in any general meeting called in respect of article 27.1 shall be one person at least holding or representing by proxy one-third in number of the issued Shares of that class and that any holder of Shares of the present in person or by proxy may demand a poll is present If any such general meeting shall be adjourned owing to the absence of a quorum and if at the adjourned meeting a quorum shall not be present within half an hour from the time appointed for such adjourned meeting the holder or holders of Shares of the class concerned who are present shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place

#### **ADMINISTRATIVE ARRANGEMENTS**

#### **28. MEANS OF COMMUNICATION TO BE USED**

- 28.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted,
  - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
  - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
  - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article, no account shall be taken of any part of a day that is not a working day

- 28.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act

#### **29. INDEMNITY**

- 29.1 Subject to article 29.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

in the actual or purported execution and/or discharge of his duties, or in relation to them

- (i) discharge of his duties, or in relation to them,

including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 29 1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

29 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

29 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 officer" means any director or other officer or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act)

## 30. INSURANCE

30 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

30 2 In this article

- (a) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act),



- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, 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