

LGN Innovation Limited - Company Number 11652253

84 Canon Street, Shrewsbury, Shropshire, United Kingdom, SY2 5HF

Circulation Date : 4th May 2019

Written Resolutions

We, the undersigned, being the members of the Company eligible to vote on the proposals at the time and date of circulation, hereby pass the following resolutions pursuant to section 288 to 300 of the Companies Act 2006:

As a special resolution in accordance with s. 283 of the 2006 Act

To adopt the LGN Company Articles Of Association

Signature  James Arthur Date 4/5/2019

 Luke Robinson Date 4/5/2019

 Vladimir Ceperic Date 7/3/2019

 James Arthur (Post Urban Ventures) Date 4/5/2019

 Garry Hill (Employee Trustee Limited) Date 4/5/2019

Notes:

1. Members may signify their agreement to the resolutions by returning a hard copy of the resolutions signed by them (or on their behalf) to the company at the address shown above.

FRIDAY



A10 *A8568MJN* #109
10/05/2019
COMPANIES HOUSE

2. The proposed resolutions will lapse if not passed within the period of 28 days beginning with the circulation date shown above.

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

LGN Innovations LIMITED
Company No. 11652253

ARTICLES OF ASSOCIATION



Aaron & Partners
Solicitors

www.aaronandpartners.com

INTRODUCTION

1. Interpretation

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

Act: the Companies Act 2006;

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

Board: the board of directors of the Company for the time being;

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

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under any provisions of these Articles or required to be served under article 21;

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

Fair Value: in relation to shares, as determined in accordance with article 22.2;

Group: the Company and its subsidiaries from time to time and **Group Company** shall be construed accordingly;

Independent Expert: the auditors or principal accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of incorporation of the Company and reference to a numbered "Model Article" is a reference to that article of the Model Articles;

Ordinary Shares: means the ordinary shares in the capital of the Company;

Proceeds: means the aggregate amount of consideration which is attributable or can be reasonably attributed to all shares in the capital of the Company on a Sale after payment of all indebtedness of the Company required to be settled on the occurrence of the Sale;

Proposed Sale Price: has the meaning given in article 20.2(c);

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), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

Relevant Shares: means, in relation to a given shareholder (the **Relevant Shareholder**), all shares held by:

- (a) the Relevant Shareholder; and
- (b) any person who has acquired shares directly or indirectly from the Relevant Shareholder pursuant to a transfer permitted by article 19 (other than those shares held by such person(s) that the Board (acting reasonably) declare themselves

satisfied were not acquired directly or indirectly from the Relevant Shareholder or by reason of his or her relationship with the Relevant Shareholder);

and including any shares acquired by that shareholder or any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of shares pursuant to the relevant Transfer Notice;

Sale: means:

- (a) the making of an offer to purchase all of the share capital of the Company which is accepted in relation to such percentage of such share capital as, when aggregated with such share capital, if any, already held by the offeror, will result in the offeror acquiring greater than 75% in number of the Ordinary Shares; or
- (b) the entering into of one or more agreements which will result in any person acquiring greater than 75% in number of the Ordinary Shares;

Sale Shares: has the meaning given in article 20.2(a);

Seller: has the meaning given in article 20.2;

subsidiary: has the meaning given in article 1.5;

Surplus: means the assets of the Company remaining after the payment of its liabilities;

Transfer Notice: an irrevocable notice in writing given by any shareholder to the other shareholder where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares;

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

- 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 those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to **subsidiary** means a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
 - (a) another person (or its nominee), by way of security or in connection with the taking of security; or
 - (b) its nominee.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as is in force on the date when these Articles become binding on the Company.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made as at the date on which these Articles become binding on the Company under that statute or statutory provision.

- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 2. Adoption of the Model Articles**
- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 26(5), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 2.3 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".
- 2.4 Article 20 of the Model Articles shall be amended by the insertion of the words "(including Alternate Directors) and the secretary" before the words "properly incur".
- 2.5 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.6 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".
- 2.7 Articles 31(1)(a) to (d) (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".

DIRECTORS

3. Unanimous Decisions

- 3.1 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.
- 3.2 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.
- 3.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

4. Calling a Directors' Meeting

- 4.1 Any director may call a directors' meeting by giving not less than 10 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.
- 4.2 Notice of a directors' meeting shall be given to each director in writing.

5. Quorum for Directors' Meetings

- 5.1 Subject to article 5.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors.
- 5.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a director's Conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 5.3 If 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 appoint further directors or to call a general meeting so as to enable the shareholders to appoint further directors.

6. Casting Vote

- 1.2 If the numbers of votes for and against a proposal at a meeting of directors or a general meeting of the Company are equal, the chairman or other director chairing the meeting shall have a casting vote.

7. Transactions or other arrangements with the Company

- 7.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the 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.

8. Directors' Conflicts of Interest

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

- 8.2 Any authorisation under this article 8 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 for consideration at a meeting under the provisions of these Articles;
 - (b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the Interested director; and
 - (c) the matter was agreed to without his voting or would have been agreed to if the vote of the Interested director had not been counted.
- 8.3 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - (c) provide that the Interested director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - (d) impose upon the Interested director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - (e) provide that, where the Interested director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the affairs of the company where to do so would amount to a breach of that confidence; and
 - (f) permit the Interested director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 8.4 Where the directors authorise a Conflict, the Interested director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 8.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 8.6 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.

9. Records of Decisions to be kept

1.3 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

10. Number of Directors

1.4 Unless otherwise determined by ordinary resolution, the number of directors (other than Alternate Directors) shall not be subject to a maximum but shall not be less than two.

11. Appointment of Directors

1.5 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.

12. Appointment and Removal of Alternate Directors

12.1 Any director (**Appointor**) may appoint any other director, or any other person approved by resolution by the directors as an alternate (**Alternate Director**), to exercise that director's powers and carry out that director's responsibilities in relation to the taking of decisions by the directors, in the absence of the Alternate Director's Appointor.

12.2 Any appointment or removal of an Alternate Director must be effected by notice in writing to the company signed by the Appointor, or in any other manner approved by the directors.

12.3 The notice must:

- (a) identify the proposed Alternate Director; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed Alternate Director that the proposed Alternate Director is willing to act as the Alternate Director of the director giving the notice.

13. Rights and Responsibilities of Alternate Directors

13.1 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 Director's Appointor.

13.2 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 Appointor; and
- (d) are not deemed to be agents of or for their Appointor,

1.6 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 member.

13.3 A person who is an Alternate Director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of article 13.3(a) and article 13.3(b).

13.4 A director who is also an Alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the directors (provided that his Appointor is an Eligible Director in relation to that decision).

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

14. Termination of Alternate Directorship

14.1 An Alternate Director's appointment as an Alternate Director terminates:

- (a) when the Alternate Director'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 Director, of any event which, if it occurred in relation to the Alternate Director's Appointor, would result in the termination of the appointment of the Appointor as a director;
- (c) on the death of the Alternate Director's Appointor; or
- (d) when appointment of the Alternate Director's Appointor terminates.

15. Secretary

1.7 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.

SHARES

16. Share Capital

1.8 The effective rights of the Ordinary Shares shall be as follows.

16.1 Income

1.9 The profits of the Company may be distributed by way of a dividend pursuant to Articles 30 to 35 (inclusive) of the Model Articles to the members holding Ordinary Shares (apportioned pro-rata according to the number of Ordinary Shares held by them respectively).

16.2 Capital

1.10 On a return of assets on liquidation or otherwise (except on a redemption of shares of any class, a capital reduction or the purchase by the Company of its own shares) the Surplus shall be distributed to the members holding Ordinary Shares (apportioned pro-rata according to the number of Ordinary Shares held by them respectively).

16.3 Sale

1.11 Upon a Sale (but conditional upon such Sale being completed), the Proceeds shall be distributed to the members holding Ordinary Shares (apportioned pro-rata according to the number of Ordinary Shares held by them respectively).

16.4 Voting

1.12 Article 27 shall apply.

17. Issue of Shares

- 17.1 The directors may be authorised by ordinary resolution to exercise any power of the Company to offer or allot, grant rights to subscribe for or to convert any security into, and otherwise deal in, or dispose of, any shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for shares) to any person, at any time and subject to any terms and conditions as the directors think proper.
- 17.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 17.3 If the Company proposes to allot any shares (**Relevant Securities**), those shares shall not be allotted to any person unless the Company has first offered them to the existing holders of shares (on the date of the offer) (each an **Offeree**) on a pari passu basis and in the respective proportions that the number of shares held by each such holder bears to the total number of shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.
- 17.4 An offer made under article 17.3 shall:
- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
 - (b) remain open for a period of at least 20 Business Days from the date of service of the offer; and
 - (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 17.3 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Shares**) for which he wishes to subscribe.
- 17.5 If, on the expiry of an offer made in accordance with article 17.3, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 17.6 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 17.3 shall be used to satisfy any requests for Excess Shares made pursuant to article 17.4(c). If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants in the respective proportions that the number of shares held by each such applicant bears to the total number of such shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any shareholder beyond that applied for by him).
- 17.7 The provisions of articles 17.3 to 17.6 inclusive may be dis-applied with the approval or at the direction in writing of the holder(s) of greater than 50% in number of the issued Ordinary Shares for the time being. Each member agrees not to question the authority of or otherwise impugn the directors and/or the Company in relation to an allotment or issue of shares made in accordance with these Articles following such disapplication.
- 17.8 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant company under section 431 of the Income Tax (Earnings and Pensions) Act 2003 or the directors resolve that such election is not required.

18. Transfers of Shares: General

- 18.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 18.2 No Share shall be transferred, and the directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. The directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 18.3 No shareholder shall transfer any share except in accordance with articles 19, 20, 21, 23 or 24.
- 18.4 Any transfer of a Share by way of sale which is required to be made under articles 21, 22 or 24 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 18.5 To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to those shares held by that shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. Such directors may reinstate these rights at any time.
- 18.6 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:
- (a) it does not contain a Minimum Transfer Condition; and
 - (b) the Seller wishes to transfer all the shares held by him (including any shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of shares pursuant to the relevant Transfer Notice).
- 18.7 Any Transfer Notice (but not an Offer Notice (as defined in article 22) or a Drag Along Notice (as defined in article 23)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

19. Permitted Transfers of Shares

- 1.13 With the prior written consent of the Board, a shareholder may transfer all or any of his shares in the Company without being required to follow the steps set out in article 20.

20. Pre-emption Rights on the Transfer of Shares

- 20.1 Except where the provisions of article 19, article 21 or article 23 apply, any transfer of shares by a shareholder shall be subject to the pre-emption rights in this article 20.
- 20.2 A Shareholder who wishes to transfer shares (a **Seller**) shall, before transferring or agreeing to transfer any shares, give notice in writing (a **Transfer Notice**) to the Company specifying:
- (a) subject to article 18.6(b), the number of shares he wishes to transfer (**Sale Shares**);

- (b) the name of the proposed transferee, if any;
 - (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
 - (d) subject to article 18.6(a), whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).
 - 20.3 Once given, a Transfer Notice may only be withdrawn (except in the case of a Deemed Transfer Notice (which may not be withdrawn)), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value less than the Proposed Sale Price the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice is irrevocable and may not be withdrawn.
 - 20.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
 - 20.5 As soon as practicable following the later of:
 - (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
 - (b) the determination of the Transfer Price,
- the directors shall (unless the Transfer Notice is withdrawn in accordance with article 20.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 20 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.
- 20.6 The Company shall offer the Sale Shares in the following order of priority:
 - (a) first, subject to the Act, the Company;
 - (b) second, to the holders of Ordinary Shares.
 - 1.14 in each case on the basis set out in article 20.8 to article 20.14 (inclusive).
 - 20.7 An offer of Sale Shares made in accordance with article 20.6(a) shall remain open for acceptance for a period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with article 20.8 and article 20.9.
 - 20.8 Subject to article 20.7, the directors shall offer the Sale Shares in the order of priority referred to in article 20.6 to the shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.
 - 20.9 If:
 - (a) at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of Ordinary Shares held by them (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;

- (b) not all Sale Shares are allocated following allocations in accordance with article 20.9(a), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 20.9(a). The procedure set out in this article 20.9(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the shareholders in accordance with their applications. The balance (the **Surplus Shares**) shall, subject to article 20.10, be offered to any other person in accordance with article 20.14.

20.10 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation made under articles 20.7 to 20.9 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- (b) if the total number of Sale Shares applied for under articles 20.7 to 20.9 (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

20.11 Where either:

- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
- (b) allocations have been made in respect of all the Sale Shares,

1.15 the directors shall, when no further offers or allocations are required to be made under articles 20.7 to 20.9 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).

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

20.13 If the Seller fails to comply with article 20.12:

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

other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

20.14 Where a Transfer Notice lapses pursuant to article 20.10(b) or an Allocation Notice does not relate to all the Sale Shares, then, the Seller shall not transfer the Sale Shares (in the case of a lapsed offer) or the Surplus Shares (as the case may be) except as permitted in accordance with article 19. The sale or transfer of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 20.14 shall continue to be subject to any Minimum Transfer Condition.

21. Deemed Transfer Notice

21.1 If a shareholder transfers (or purports to transfer) a share other than in accordance with these Articles, he shall if so elected by the Board being be deemed to have immediately served a Transfer Notice in respect of all Relevant Shares.

21.2 If any shall acquire shares in pursuance of rights or interests previously obtained by such person or another party as a director or employee of any Group Company where such person is not at the time of such acquisition a director or employee of any Group Company, then and in that event the Board or the holder(s) of greater than 50% in number of the issued Ordinary Shares for the time being may within 12 months of such event serve a written notice on such person confirming and with the effect that he or she shall be deemed on the date of such notice to have immediately served a Transfer Notice in respect of all such shares so acquired.

22. Valuation

22.1 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Board and the Seller or, in default of agreement within 15 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share.

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

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

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

22.4 The directors will give the Independent Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the directors may reasonably impose.

22.5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.

- 22.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 22.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 22.8 The cost of obtaining the Independent Expert's certificate shall be borne by the Company (on the one hand) and the Seller (on the other) or in such other proportions as the Independent Expert directs unless:
- (a) the Seller withdraws the relevant Transfer Notice in accordance with article 20.3; or
 - (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

23. Drag Along

- 23.1 If the holder(s) of greater than 50% in number of the Ordinary Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 23.
- 23.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a Drag Along Notice), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to this article 23;
 - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - (c) the consideration payable for the Called Shares calculated in accordance with article 23.4;
 - (d) the proposed date of completion of transfer of the Called Shares.
- 23.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 40 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.
- 23.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the same consideration per share proposed to be paid by the Proposed Buyer to the Selling Shareholders.
- 23.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 23.

- 23.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders otherwise agree.
- 23.7 Within 10 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 23.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 23.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 23.4 in trust for the Called Shareholders without any obligation to pay interest.
- 23.8 To the extent that the Proposed Buyer has not, on the expiration of the 40 Business Day period referred to above, put the Company in funds to pay the amounts due pursuant to article 23.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant shares and the Called Shareholders shall have no further rights or obligations under this article 23 in respect of their shares.
- 23.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of shares under this article 23.
- 23.10 Upon any person, following the issue of a Drag Along Notice, becoming a shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, shares, whether or not pursuant to a Share Option Scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 23 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 23.11 to a person becoming a shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own shares.
- 23.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 20.
- 23.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

24. Tag Along

- 24.1 If one or more persons proposing to transfer any shares in the capital of the Company (**Proposed Sellers**) propose to transfer in one or a series of related transactions any shares (the **Proposed Transfer**) which would, if put into effect, result in any person whether alone or with persons acting in concert or connected with him (the **Proposed Purchaser**) acquiring greater than 50% in number of the Ordinary Shares in issue for the time being then:
- (a) The Proposed Sellers must, before making the Proposed Transfer procure the making by the Proposed Purchaser of an offer (the **Offer**) to the other shareholders to acquire all of the Company's shares for a consideration per share the value of which is at least equal to the Specified Price (as defined below);
 - (b) The Offer must be given by written notice (a **Proposed Sale Notice**) at least 10 Business Days (the **Offer Period**) prior to the proposed sale date (**Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of shares proposed to be purchased by the Proposed Purchaser (the **Proposed Sale Shares**);
 - (c) If any other holder of shares is not given the rights accorded him by this article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect;
 - (d) If the Offer is accepted by any shareholder (an **Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the shares held by Accepting Shareholders;
 - (e) The Proposed Transfer is subject to the pre-emption provisions of article 20 but the purchase of the Accepting Shareholders' shares shall not be subject to article 20;
 - (f) For the purpose of this article:
 - (i) the expression "transfer" and "purchaser" shall include the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively;
 - (ii) the expression "**Specified Price**" shall mean in respect of each share a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any person or persons referred to in article 24.1 at any time in the previous 12 month period for Ordinary Shares and such further consideration (in cash or otherwise) paid or payable by each person which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the relevant shares.

DECISION MAKING BY SHAREHOLDERS

25. Quorum for General Meetings

- 25.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be member(s) holding greater than 50% in number of the Ordinary Shares in issue for the time being present in person or by proxy.
- 25.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

26. Chairing General Meetings

- 1.16 The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

27. Voting

- 1.17 Subject to article 16.4, at a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

28. Poll Votes

- 28.1 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.
- 28.2 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.

29. Proxies

- 29.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 29.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

30. Means of Communication to be used

- 30.1 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 (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - (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(s) 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.

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

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

31. Indemnity

31.1 Subject to article 31.2 but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the assets of the company against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the activities of the company (or any activities of an associated company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company (or any affairs of an associated company); 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 31.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

31.2 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.

31.3 In this article companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

32. Insurance

32.1 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.

32.2 In this article:

- (a) 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

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