

Registered Number: 10191422

**THE COMPANIES ACTS**

**PLANET HOLDING LTD**

**PRIVATE COMPANY LIMITED BY SHARES**

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**RESOLUTION  
to which Chapter 3 of Part 3  
of the Companies Act 2006 applies**

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At a general meeting of the Company duly convened and held on 24 September 2019 the following resolution was duly passed as a special resolution of the Company:

**SPECIAL RESOLUTION**

**THAT** the regulations contained in the document produced to the meeting be approved and adopted with effect from the termination of the meeting as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company.



Chairman of the meeting

Date 24 SEPTEMBER 2019

WEDNESDAY



\*A8F8YXDV\*  
02/10/2019  
COMPANIES HOUSE #9

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**PLANET HOLDING LTD**

**(Adopted by special resolution passed on 24 September 2019)**

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## INTRODUCTION

### 1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles:

“**Act**”: the Companies Act 2006.

“**Adoption Date**”: the date of adoption of these Articles.

“**Allocation Notice**” has the meaning given to it in Article 17.10.

“**Alternate Director**” has the meaning given to it in Article 8.1.

“**Applicant**”: has the meaning given in Article 17.10.

“**Articles**”: the Company’s articles of association for the time being in force.

“**Board**”: the Board of Directors from time to time.

“**Business**”: means the business of the Company, namely the design and implementation of smart cities and smart urban ecosystems, aimed in particular at creating smart neighbourhoods for social housing or residential projects, and its developments as provided in the Business Plan from time to time.

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

“**Business Plan**”: any business plan approved from time to time by the Board with a Qualified Board Majority.

“**Called Shareholders**”: has the meaning given in Article 20.1.

“**Called Shares**”: has the meaning given in Article 20.2.

“**Cash Value**”: has the meaning given in Article 17.12.

“**Chairman**”: the chairman of the Board, who shall always be a non-executive director.

“**Company**”: means Planet Holding Ltd (Company number 10191422).

“**Company’s Lien**”: has the meaning given to it in Article 23.1.

“**connected**”: has the meaning given in section 252 of the Act.

“**Controlling Interest**”: means an interest in shares giving to the holder or holders control of a company within the meaning of section 1124 of the Corporation Tax Act 2010.

“**Co-Sale Request**”: has the meaning given to it in Article 19.2.

“**Co-Sale Shares**”: has the meaning given to it in Article 19.2.

“**Deemed Transfer Notice**”: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

“**Directors**”: the directors of the Company from time to time.

“**Drag Along Notice**”: has the meaning given in Article 20.2.

“**Drag Along Option**”: has the meaning given in Article 20.1.

“**Drag Along Price**”: has the meaning given in Article 20.2.

**“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).

**“Encumbrance”:** means any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected) other than liens arising by operation of law.

**“Excess Securities”:** has the meaning given in Article 13.4.

**“Family Trust”:** a trust which does not permit any of the property subject to the trust or the income from the trust (or any interest in such property and/or income) to be applied otherwise than for the benefit of a Shareholder and/or a Privileged Relation of that Shareholder and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the member or the Privileged Relations of the Shareholder.

**“financial year”:** an accounting reference period (as defined in section 391 of the Act) of the Company.

**“Group”:** the Company, any direct or indirect subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and **Group Company** shall be construed accordingly.

**“holding company”:** has the meaning given in Article 1.11.

**“Independent Expert”:** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 15 Business Days of being required so to do, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

**“Lien Enforcement Notice”:** means a notice in writing which complies with the requirements of Article 24.2.

**“Listing”:** means the successful application and admission of all or any of the shares in the capital of the Company, or securities representing such shares (including American depository receipts, American depository shares and/or other instruments) to listing on the Official List of the UK Listing Authority or to trading on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended)) or other listing or quotation of all or any of the shares in the capital of the Company on any other securities exchange in any jurisdiction.

**“Member of the Same Group”:** means, as regards any company:

- (a) a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company;
- (b) any general partner, limited partner or other partner in, or trustee, nominee, custodian, operator or manager of, or investment adviser to, that company or any member of its Group; or

(c) any group undertaking of any general partner, trustee, nominee, custodian, operator or manager of, or investment adviser to, that company or any member of its Group (excluding any portfolio company thereof).

**“Minimum Issue Price”:** means a price per Share which is the same as the subscription price for the then last issued Shares in the Company (including, for the avoidance of doubt, any share premium). Where the issue price of a Share includes an element of non-cash consideration, the equivalent cash price shall be determined by an Independent Expert on the same basis as the Cash Value to be determined under Article 17.12;

**“Model Articles”:** the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date.

**“Non-Cash Consideration”:** has the meaning given in Article 17.12.

**“Offer Period”:** has the meaning give to it in Article 17.4.

**“Offeree”:** has the meaning given in Article 13.3.

**“Permitted Transfer”:** a transfer of Shares made in accordance with Article 15.

**“Permitted Transferee”:** in relation to:

(a) a Shareholder who is an individual:

- (i) any of his Privileged Relations; and
- (ii) trustees to be held under a Family Trust for that Shareholder; and

(b) a Shareholder which is a company, a Member of the Same Group as that company.

**“Privileged Relation”:** in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse or civil partner (as defined in the Civil Partnerships Act 2004).

**“Proposed Buyer”:** has the meaning given in Article 20.1.

**“Proposed Transferee”:** has the meaning given in Article 17.2.

**“Qualified Board Majority”:** in relation to any relevant decision, the approval of 2/3 (two thirds) of the Directors given either in writing or at a duly convened quorate Board meeting at which those Directors (or their duly appointed alternates) were in attendance.

**“Qualified Shareholder Majority”:** in relation to any relevant decision, the prior consent given at a general meeting of the Company by Shareholders for the time being holding at least 66% of the total number of Shares held by Shareholders present or otherwise represented at the relevant general meeting of the Company.

**“Relevant Loss”:** has the meaning given to it in Article 26.4.

**“Relevant Officer”:** has the meaning given to it in Article 26.4.

**“Relevant Securities”:** any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than:

(a) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles;

(b) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business; and

(c) any Shares or other securities issued by the Company pursuant to a share option scheme duly approved by the Board.

“**Reserved Matters**”: has the meaning given to it in Article 12.4.

“**Sale Shares**”: has the meaning given in Article 17.2.1.

“**Seller**”: a Shareholder who has served or who has deemed to serve a Transfer Notice.

“**Sellers’ Shares**”: has the meaning given in Article 20.1.

“**Selling Shareholders**”: has the meaning given in Article 20.1.

“**Shareholder**”: a holder from time to time of any Share or Shares, but excluding any member holding Shares in treasury.

“**Shares**”: shares (of any class) in the capital of the Company and **Share** shall be construed accordingly.

“**subsidiary**”: has the meaning given in Article 1.11.

“**Transfer Notice**”: has the meaning given in Article 17.2.

“**Transfer Price**”: has the meaning given in Article 18.

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 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 (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to an **Article** is a reference to the relevant numbered article of these Articles and a **model article** is a reference to the relevant article, unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time 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.
- 1.10 A reference in these Articles to a holder, or the holder(s), of Shares, shall be deemed to exclude any member holding Shares in treasury.
- 1.11 A reference to a **holding company** or a **subsidiary** means a holding company or 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:

- 1.11.1 another person (or its nominee), by way of security or in connection with the taking of security; or
- 1.11.2 its nominee.

1.12 A reference to **writing or written** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.13 Any reference to a **person** includes any individual, body corporate, trust, partnership, joint venture, unincorporated association or governmental, quasi-governmental, judicial or regulatory entity (or any department, agency or political sub-division of any such entity), in each case whether or not having a separate legal personality, and any reference to a **company** includes any company, corporation or other body corporate, and any limited partnership or limited liability partnership, wherever and however incorporated or established.

## **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 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 17(1)(b), 18(e), 22, 26(5), 38, 39, 44(2) and 51 to 53 (inclusive) shall not apply to the Company.

2.3 In model article 25(2)(c), the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.

2.4 Model article 29 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”.

## **DIRECTORS**

### **3. NUMBER OF DIRECTORS**

The maximum number of Directors shall be 9. At least half of the Directors shall be non-executive directors.

### **4. CALLING A MEETING OF DIRECTORS**

4.1 Any Director may call a meeting of the Directors. At least 5 Business Days’ advance notice in writing of each such meeting shall be given to each Director. The participation of a director at a meeting of Directors shall constitute a waiver by such Director of any notice requirements under this Article 4.1.

### **5. QUORUM**

5.1 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be half of the Eligible Directors (rounding up any partial number).

5.2 If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine, being no earlier than 3 Business Days after such adjournment. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall be deemed to be quorate with such Directors as are in fact present and will proceed on the basis that the meeting is quorate.

## **6. DECISION MAKING**

6.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with Article 6.2 (subject to Article 6.3 and Article 6.4).

6.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

6.3 A decision taken in accordance with Article 6.2 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.

6.4 A decision may not be taken in accordance with Article 6.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with Article 5.1.

6.5 If the number of Directors in office for the time being is less than 3, the Directors in office must not take any decision other than a decision to call a general meeting so as to enable the Shareholders to appoint further Directors.

6.6 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman shall have a second or casting vote.

6.7 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.

6.8 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

## **7. APPOINTMENT AND REMOVAL OF DIRECTORS**

7.1 Model article 17(1)(a) shall be modified by deleting the word "ordinary" and inserting the word "special" in its place. Model Article 17(1)(b) (appointment of further directors by a decision of the Directors) shall not apply to the Company.

7.2 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:

7.2.1 he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;

7.2.2 in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.

7.3 Any Shareholder(s) holding in aggregate at least 10% of the issued Shares from time to time, may from time to time propose for nomination any person to be a Director. On receipt of such a notice, the Company shall, within 10 Business Days, convene a general meeting of the Shareholders on

the shortest minimum notice period at which a resolution to appoint such a Director shall be proposed.

7.4 The appointment of a Director shall be for the period commencing on the date of appointment and ending at the close of the next occurring annual general meeting of the Company but he shall be eligible for re-appointment subject to him being eligible and willing to act as a Director. If a Director is not re-appointed his appointment shall terminate automatically and without compensation with effect from the close of the next occurring annual general meeting of the Company.

7.5 Notice of meetings of the Board shall be served on each of the Directors at the address for service of notice which he may notify details of to the Company.

7.6 The reasonable expenses of a Director shall be paid by the Company.

7.7 A Director shall be entitled to be accompanied (at no cost or expense to the Company) at any meeting of the Board or general meeting of any Group Company by any professional adviser whose advice may be required in respect of the matters discussed.

7.8 The Company and the Shareholders agree that any Director shall be at liberty from time to time to make such disclosure to any Shareholder(s) in relation to the business, affairs and financial position of the Company (and the subsidiaries) as he may in his absolute discretion think fit.

7.9 The Company shall send to each Director (in electronic format if so required):

- 7.9.1 reasonable advance notice of each Board meeting and, in any case, in accordance with these Articles.
- 7.9.2 a written agenda for each Board meeting, accompanied by all relevant papers.
- 7.9.3 as soon as practicable after each such meeting, a copy of the minutes of such meetings.

7.10 The Company shall procure that, if requested by a Director, for so long as such person remains as a Director, such Director is appointed as a director of any Group Company with the same rights as such Director has under the provisions of this Article 7.

## **8. ALTERNATE DIRECTORS**

8.1 Any Director (other than an Alternate Director) may at any time by notice in writing to the Company appoint any person to be his Alternate Director and may in like manner at any time terminate such appointment. If such Alternate Director is not another Director, such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

8.2 The appointment of Alternate Director shall determine on the happening of any event which, if he were a Director, would cause him to vacate such office, or if his appointer ceases to be a Director.

8.3 An Alternate Director shall be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointer is a member and shall be entitled to attend and vote as a Director at any such meeting to perform all the functions of his appointer as a Director in his absence and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director. If his appointer is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability, an Alternate Director's signature to any resolution in writing of the Directors shall be as effective as the signature of the appointer. Every person acting as an Alternate Director shall have one vote for

each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). An Alternate Director shall (save as aforesaid) have power to act as a Director or be deemed to be a Director for the purposes of these Articles.

8.4 An Alternate Director may be repaid expenses and shall be entitled to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director but he shall not be entitled by virtue of such appointment to receive from the Company any remuneration save for such proportion (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct.

## 9. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

9.1 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 Act upon authorisation by the Directors, in accordance with the requirements set out in this Article 9 a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 9.1.1 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;
- 9.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 9.1.3 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 existing or proposed transaction or arrangement in which he is interested;
- 9.1.4 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;
- 9.1.5 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
- 9.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

9.2 Any authorisation by the Directors under Article 9.1 will be effective only if the matter was agreed to by a Qualified Board Majority.

## 10. DIRECTORS' CONFLICTS

10.1 The Directors may in accordance with the requirements set out in this Article 10 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**).

10.2 Any authorisation under this Article 10 will be effective only if:

- 10.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;
- 10.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director;
- 10.2.3 the matter was agreed to by a Qualified Board Majority; and
- 10.2.4 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

10.3 Any authorisation of a Conflict under this Article 10 may (whether at the time of giving the authorisation or subsequently):

- 10.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- 10.3.2 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;
- 10.3.3 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;
- 10.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- 10.3.5 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 Company's affairs where to do so would amount to a breach of that confidence; and
- 10.3.6 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.

10.4 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.

10.5 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.

10.6 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## 11. 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.

## SHARES AND DISTRIBUTIONS

### 12. RIGHTS ATTACHING TO SHARES

#### *Income*

12.1 Any profits which the Company determines to distribute in any financial year shall be paid on the Shares *pari passu* by reference to the amount paid or deemed to be paid up on such shares.

#### *Capital*

12.2 On a liquidation or other return of capital event, the surplus assets available after payment of the Company's liabilities shall be distributed to the holders of Shares *pari passu*.

#### *Voting*

12.3 Subject as otherwise expressly provided by these articles, the holder of a Share shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and such holder who (being an individual) is present in person or by proxy or (being a body corporate) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll, have one vote for each Share held by him.

#### *Reserved Matters*

12.4 Any of the matters listed below (the **Reserved Matters**) shall require the prior written consent of (a) a Qualified Shareholder Majority or (b) a Qualified Board Majority as specified below. The Reserved Matters are as follows:

#### *Matters requiring approval of a Qualified Shareholder Majority*

- 12.4.1 allow the Company to cease (or propose to cease) to carry on its business;
- 12.4.2 make any increase or alteration whatsoever (including by way of subdivision, consolidation, redenomination or redesignation) of the Company's share capital, other than pursuant to these Articles;
- 12.4.3 vary the rights attaching to any class of Shares;
- 12.4.4 recommend, declare or pay any dividend;
- 12.4.5 take any step to place the Company into administration;
- 12.4.6 propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise);
- 12.4.7 apply for an interim order under Part 1 of the Insolvency Act 1986 or to invite the appointment of a receiver or administrative receiver over all or any part of the Company's assets or undertaking;
- 12.4.8 merge the Company (or any part of its business) with any other person or propose to do so;

12.4.9 appoint or remove any person as director of the Company other than as expressly provided by these Articles or enter into any agreement for or make any change to the terms of the engagement of a director; and

12.4.10 incurring an obligation to do any of the foregoing.

***Matters requiring the approval of a Qualified Board Majority***

12.4.11 acquire or dispose of the whole (or part) of the undertaking of any other person;

12.4.12 dispose of the whole (or any significant part) of the Company's undertaking;

12.4.13 form, enter into, terminate or withdraw from any partnership, consortium, joint venture or any other incorporated association;

12.4.14 approve, adopt or amend any Business Plan or budget;

12.4.15 borrow any money or incur any indebtedness in the nature of borrowings which will result in the aggregate borrowings of the Company and the other Group Companies exceeding € 5,000,000 (five million) per year;

12.4.16 establish any committee of the Directors or delegate any powers of the Directors;

12.4.17 appoint or remove any person as Chairman;

12.4.18 appoint or remove any senior executive of the Company (being a person paid remuneration which involves an aggregate cost for the Company in excess of €150,000) per annum (or the equivalent in any relevant currency or such other amount determined by the Board with a Qualified Board Majority) or enter into any agreement for or make any change to the terms of the engagement of such a person. For this purpose **remuneration** means the aggregate of salary, bonuses, payments in kind, ex gratia payments, commissions, pension contributions, share options, profit sharing and incentive remuneration schemes and cost includes any social contribution to be paid by the Company in connection with such senior executive;

12.4.19 enter into a transaction with a Director, employee, consultant or a Shareholder or any connected person of a Director, employee, consultant or a Shareholder;

12.4.20 make any loan to or give any guarantee or collateral charge or other security on behalf of any third party including another Group Company and except in the ordinary course of business;

12.4.21 create or permit to subsist any mortgage, charge, debenture or lien over the whole or any part of its undertaking, property or assets otherwise other than those arising by operation of law;

12.4.22 exercise or refrain from exercising any right, power or discretion of the Directors or the Company under these Articles including under Articles 9 (*Transactions or Other Arrangements with the Company*), 10 (*Conflicts*), 16 (*Compulsory Transfer*), 17 (*Transfer of Shares: Pre- Emption Rights*), 19 (*Co-Sale Rights*), 20 (*Drag Along*) and 26 (*Indemnity and Insurance*);

12.4.23 engage in any business other than the Business or make or permit any material alteration (including cessation) to the general nature of the Business;

12.4.24 expand, develop or evolve the Business other than through the Company or a subsidiary;

- 12.4.25 grant any option, warrant or other right to subscribe or convert any securities into shares, or require the allotment or issue of any such shares or securities whether conditional or otherwise, other than pursuant to these Articles;
- 12.4.26 approve or adopt any share option scheme or grant any option under any such scheme or otherwise exercise any power or discretion in respect of any such scheme;
- 12.4.27 establish any pension scheme, share option scheme, employee share scheme or any profit sharing or similar or related scheme or vary or discontinue any of the same or exercise any power or discretion in respect of any such scheme or any grant award or benefit arising pursuant to such scheme;
- 12.4.28 approve any Listing; and
- 12.4.29 incurring an obligation to do any of the foregoing.

### **13. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

- 13.1 Subject to the other provisions of this Article 13, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:
  - 13.1.1 offer or allot;
  - 13.1.2 grant rights to subscribe for or to convert any security into; and
  - 13.1.3 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.
- 13.2 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.
- 13.3 Unless (i) otherwise approved by an ordinary resolution, or (ii) pursuant to the grant of any options (or issue of Shares on the exercise of any options) pursuant to any share option scheme approved (and provided that such options, including the then outstanding but unexercised options, shall not at any time represent Shares exceeding 9% of the then issued Shares) if the Company proposes to allot (a) any Shares for a price lower than the Minimum Issue Price, or (b) any Relevant Securities which give the beneficiary of the Relevant Security the right to subscribe for Shares for a price lower than the Minimum Issue Price, those Shares and Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Shares (each an **Offeree**) on a pari passu basis (as if they constituted Shares of the same class) 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. For the avoidance of doubt, the pre-emption rights provided in this Article 13 shall not apply to an issue and allotment of (a) Shares equal to or higher than the Minimum Issue Price, or (b) Relevant Securities which give the beneficiary of the Relevant Security the right to subscribe for Shares for a price equal to or higher than the Minimum Issue Price.
- 13.4 An offer made under Article 13.3 shall:
  - 13.4.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;

- 13.4.2 remain open for a period of at least 10 Business Days from the date of service of the offer; and
- 13.4.3 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 13.3 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.

13.5 If, on the expiry of an offer made in accordance with Article 13.3, 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.

13.6 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with Article 13.3 shall be used to satisfy any requests for Excess Securities made pursuant to Article 13.4.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of 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 Securities allotted to any Shareholder beyond that applied for by him).

13.7 After those allotments, any Excess Securities shall, subject to Article 13.8, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.

13.8 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 Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

#### **14. TRANSFERS OF SHARES: GENERAL**

14.1 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.

14.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with Article 15 (*Permitted Transfers of Shares*), Article 16 (*Compulsory Transfers*), Article 17 (*Transfer of Shares: Pre-Emption Rights*), Article 19 (*Co-Sale Rights*) or Article 20 (*Drag Along*). Subject to Article 14.3, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

14.3 Any transfer of a Share by way of sale which is required to be made under Article 16 (*Compulsory Transfer*), Article 19 (*Co-Sale Rights*) or Article 20 (*Drag Along*) shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

14.4 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:

- 14.4.1 any holder (or the legal representatives of a deceased holder); or
- 14.4.2 any person named as a transferee in a transfer lodged for registration; or
- 14.4.3 such other person as the Directors may reasonably believe to have information relevant to that purpose,

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

14.5 If any such information or evidence referred to in Article 14.4 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then the relevant Shares shall cease to confer on the holder of them any rights:

- 14.5.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares; or
- 14.5.2 to receive dividends or other distributions (other than the amount to which they may be entitled pursuant to these Articles or otherwise attaching to those Shares).

The Directors may reinstate the rights referred to in this Article 14.5 at any time.

14.6 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 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).

14.7 Any Transfer Notice (but not a Drag Along Notice) 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.

## **15. PERMITTED TRANSFERS OF SHARES**

15.1 A Shareholder who wishes to transfer some or all of the Shares it holds (for the purposes of this Article 15 and Article 16, an **Original Shareholder**) may transfer some or all of the Shares it holds:

- 15.1.1 to a Permitted Transferee; or
- 15.1.2 in respect of up to such number of Shares that represents no more than 0.1% of the then issued Shares in the Company, to any other person with the approval of a Qualified Board Majority,

and, in either case, the provisions of Articles 17 (*Pre-Emption Rights*), 19 (*Co-Sale Rights*) and 20 (*Drag Along*) shall not apply to any transfer of Shares made pursuant to this Article 15.1.

## **16. COMPULSORY TRANSFERS**

### ***Corporate Shareholders – Ceasing to be part of the same group***

16.1 If an Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

- 16.1.1 the Original Shareholder; or
- 16.1.2 a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction.

#### ***Insolvency***

- 16.2 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine.
- 16.3 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine

#### ***Corporate shareholders – transfer of interests***

- 16.4 If after the Adoption Date there is a change (howsoever arising) in the legal and/or beneficial interest of the share capital of any Shareholder which is a company which constitutes a change in the Controlling Interest of that Shareholder, that Shareholder shall be deemed to have given a Transfer Notice in respect of those Shares held by it at such time as the Directors may determine. A Shareholder shall inform the Company immediately of any such change.

#### ***Consequences of Deemed Transfer Notice***

- 16.5 Forthwith upon a Transfer Notice being deemed to be served the Shares the subject of such deemed notice shall cease to confer on the holder of them any rights:
  - 16.5.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
  - 16.5.2 to receive dividends or other distributions otherwise attaching to those Shares; or
  - 16.5.3 to participate in any future issue of Shares issued in respect of those Shares.

### **17. TRANSFER OF SHARES: PRE-EMPTION RIGHTS**

- 17.1 Except where the provisions of Article 15 (*Permitted transfers of shares*), Article 19 (*Co-Sale Rights*) or Article 20 (*Drag Along*) apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 17.
- 17.2 A Shareholder who wishes to transfer Shares shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:
  - 17.2.1 the number of Shares he wishes to transfer (**Sale Shares**);
  - 17.2.2 the name of the proposed transferee (**Proposed Transferee**); and
  - 17.2.3 subject to Article 17.12 (*Non-Cash Consideration*), the price per Sale Share (in cash) at which he wishes to transfer the Sale Shares (the **Transfer Price**).
- 17.3 Within 10 Business Days of the later of:
  - 17.3.1 receipt by the Company of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
  - 17.3.2 the agreement or determination as the case may be of the Cash Value pursuant to Article 17.12,

the Directors shall offer (the **Offer**) the Sale Shares to each Shareholder (other than the Seller). The Offer shall be in writing and shall give details of the number and the Transfer Price of the Sale Shares offered and, if applicable, details of any Non-Cash Consideration and the Cash Value.

17.4 The Directors shall offer the Sale Shares to each Shareholder (other than the Seller), inviting him, within the period from the date of receipt by the Shareholder of the Offer to the date 20 Business Days thereafter (both dates inclusive) (the **Offer Period**), to:

- 17.4.1 apply in writing for the maximum number of Sale Shares he wishes to buy; and, where the proposed transfer is a transfer of a Controlling Interest in the Company,
- 17.4.2 issue a Co-Sale Request in accordance with Article 19.2.

17.5 If at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by all the Shareholders. 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.

17.6 If not all Sale Shares are allocated following allocations in accordance with Article 17.5, 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 17.5. The procedure set out in this Article 17.6 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.

17.7 Where allocations have been made in respect of all the Sale Shares, the Directors shall, 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**) within 10 Business Days after the end of the Offer Period. 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 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice.

17.8 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.

17.9 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.

17.10 If the Seller fails to comply with Article 17.8:

- 17.10.1 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:
  - (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
  - (b) 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

- (c) (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

17.10.2 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.

17.11 If, at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares:

- 17.11.1 The Directors shall notify the Seller and the Applicants (as defined in Article 17.7) within 10 Business Days of the end of the Offer Period of that fact.
- 17.11.2 The Seller may transfer the Sale Shares to the Proposed Transferee at the Transfer Price within 30 Business Days of receipt of such notice.
- 17.11.3 Where the proposed transfer is a transfer of a Controlling Interest, the provisions of Article 19 (*Co-Sale Rights*) shall operate.
- 17.11.4 If the Seller fails for any reason to complete the transfer of the Sale Shares to the Proposed Transferee and the purchase of the Co-Sale Shares within such period then the right of the Seller to transfer the Sale Shares pursuant to this Article 17.11 shall automatically lapse and terminate and the pre-emption provisions in this Article 17 shall apply to any subsequent proposed transfer of shares by the Seller.

17.12 Where under Article 17.2 the consideration offered by the Proposed Transferee includes a form of non-cash consideration (the **Non-Cash Consideration**), the Seller shall notify the Directors of that element of the Transfer Price which is represented by the Non-Cash Consideration and shall provide reasonable supporting evidence of the cash value attributed by the Seller and the Proposed Transferee to the same in calculating the Transfer Price. The Directors shall have a period of 15 Business Days to confirm whether they agree with the Seller's valuation of the Non-Cash Consideration. In default of agreement between the Seller and the Directors of the cash value of the Non-Cash Consideration within 30 Business Days of the date of service of the Transfer Notice, the cash value of the Non-Cash Consideration (**Cash Value**) will be determined by the Independent Expert on the following bases and assumptions:

- 17.12.1 valuing the Non-Cash Consideration as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served;
- 17.12.2 where the Non-Cash Consideration is securities of another company and that company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 17.12.3 where the Non-Cash Consideration is securities of another company, valuing them as a rateable proportion of the total value of all the issued securities of the relevant class(es) of that company without any premium or discount;
- 17.12.4 where the Non-Cash Consideration is not securities of another company, valuing the Non-Cash Consideration on such basis as the Independent Expert shall in its absolute discretion deem fair and appropriate; and
- 17.12.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

- 17.13 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.
- 17.14 The Seller will, in relation to the Non-Cash Consideration, use his reasonable endeavours to procure that the Independent Expert is given access to such documents, correspondence and records as are in his possession or control and which are relevant to the valuation of the Non-Cash Consideration.
- 17.15 The Seller and the Directors shall be entitled to make submissions to the Independent Expert in writing 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.
- 17.16 The Independent Expert shall act as expert and not as arbitrator and its determination of the Cash Value shall be final and binding on the parties (in the absence of fraud or manifest error).
- 17.17 The Independent Expert shall be requested to determine the Cash Value within 30 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.
- 17.18 The cost of obtaining the Independent Expert's certificate shall be borne by the Seller and the Company equally or in such other proportions as the Independent Expert directs unless the Cash Value is less than 90% of the Seller's valuation proposed before the appointment of the Independent Expert, in which case the Seller shall bear the cost.
- 17.19 If the Cash Value is less than 90% of the value proposed by the Seller before the appointment of the Independent Expert the Seller may withdraw the Transfer Notice.

## **18. TRANSFER PRICE**

- 18.1 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, subject to Article 17.12, be the price per Sale Share (in cash) specified by the transferor. Where Article 17.12 applies the Transfer Price for each Sale Share shall be (i) the price per Sale Share (in cash) specified by the transferor and/or (ii) the Cash Value per Sale Share, as the case may be.
- 18.2 The Transfer Price for each Sale Share the subject of a Deemed Transfer Notice shall be the nominal value of the relevant Sale Share at the date it was issued.

## **19. CO-SALE RIGHTS**

- 19.1 No transfer in one or a series of related transactions of a Controlling Interest in the Company to a Proposed Transferee will be permitted to proceed unless in furtherance of the co-sale rights under this Article 19. This Article 19 shall not apply to any transfer pursuant to Articles 15 (*Permitted Transfers*), 16 (*Compulsory Transfers*) or 20 (*Drag Along*).
- 19.2 A Shareholder shall have the right during the Offer Period to require by notice in writing to the Directors (a **Co-Sale Request**) that the Proposed Transferee acquires all or part of its Shares (the **Co-Sale Shares**) upon the same terms and conditions (including time of payment and form of consideration) offered by the Proposed Transferee to the Seller.
- 19.3 Within 10 Business Days of the end of the Offer Period the Directors shall notify (a **Co-Sale Exercise Notice**) the Seller and the Proposed Transferee of any Co-Sale Requests and the Seller shall endeavour to procure that the Proposed Transferee acquire the Co-Sale Shares of such Shareholders on the same terms and conditions offered by the Proposed Transferee to the Seller.

19.4 If the Proposed Transferee declines to purchase all or part of such Co-Sale Shares, then the Seller shall have the option to either:

- 19.4.1 Terminate its proposed transfer of the Sale Shares to the Proposed Transferee.
- 19.4.2 Acquire alone or with other Shareholders the Co-Sale Shares which the Proposed Transferee declined to purchase on the same terms and conditions offered by the Proposed Transferee to the Seller.

19.5 The sale and purchase of the Sale Shares and the Co-Sale Shares shall be completed within 30 Business Days of the date of the Co-Sale Exercise Notice. If the parties fail for any reason to complete the transfer of the Sale Shares and the Co-Sale Shares to the Proposed Transferee within such period then the rights of the Seller to transfer the Sale Shares and the right of the Proposed Transferee to acquire the Sale Shares pursuant to this Article 19 shall automatically lapse and terminate and the provisions of Article 17 shall apply to any subsequent proposed transfer of Shares by the Seller.

19.6 If no Co-Sale Request is received by the Company within the Offer Period then the Seller may, within the period of 30 Business Days after the end of the Offer Period, transfer its Shares to the Proposed Transferee upon the terms and conditions set out in the Transfer Notice. If the Seller fails for any reason to complete the transfer of the Sale Shares to the Proposed Transferee within such period then the rights of the Seller under this Article 19.6 shall automatically lapse and terminate and the provisions of Article 17 shall apply to any subsequent proposed transfer of shares by the Seller.

**20. DRAG ALONG**

20.1 If the holders of 66% of the Shares in issue from time to time (the **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 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 to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 20.1.

20.2 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:

- 20.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to Article 20.1;
- 20.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
- 20.2.3 the price (the **Drag Along Price**) including the calculation of any element not payable in cash at which the Called Shareholders' Shares are proposed to be transferred which shall be a price per share equal to that offered by the Proposed Buyer to the Selling Shareholders for their Shares;
- 20.2.4 the proposed date of completion of transfer of the Called Shares.

20.3 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 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.

20.4 The Called Shareholders shall be bound, on payment of the Drag Along Price, to transfer the Called Shares in accordance with the Drag Along Notice at the time and place therein specified free from any lien, charge or Encumbrance.

20.5 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 be suspended on the service of a Drag Along Notice until either the Drag Along Notice lapses, in which case it shall be reinstated (not taking into account any period of time whilst it was suspended for the purposes of any time limits), or the Selling Shareholders complete the transfer of all the Sellers' Shares in which case it shall be revoked.

### **DECISION-MAKING BY SHAREHOLDERS**

#### **21. GENERAL MEETINGS**

21.1 No business other than, subject to Article 21.2, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

21.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

21.3 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.

21.4 Model article 44(3) 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 model article.

21.5 Model article 45(1) shall be amended by:

- 21.5.1 the deletion of model article 45(1)(d) and its replacement 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"; and
- 21.5.2 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 model article.
- 21.5.3 The Company shall hold an annual general meeting in each year and no more than 14 months may elapse between annual general meetings.

#### **22. PURCHASE OF OWN SHARES**

22.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash.

22.2 Subject to the remaining provisions of these Articles, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:

- 22.2.1 hold the Shares (or any of them) in treasury;
- 22.2.2 deal with any of the Shares, at any time, in accordance with section 727; or
- 22.2.3 cancel any of the Shares, at any time, in accordance with section 729 of the Act.

**23. COMPANY'S LIEN OVER SHARES**

23.1 The Company has a lien (the Company's Lien) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

23.2 The Company's Lien over a share:

- 23.2.1 takes priority over any third party's interest in that Share; and
- 23.2.2 extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

23.3 The Board may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

**24. ENFORCEMENT OF THE COMPANY'S LIEN**

24.1 Subject to the provisions of this Article 24, if:

- 24.1.1 a Lien Enforcement Notice has been given in respect of a Share; and
- 24.1.2 the person to whom the notice was given has failed to comply with it, the Company may sell that Share in such manner as the Directors decide.

24.2 A Lien Enforcement Notice:

- 24.2.1 may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed;
- 24.2.2 must specify the Share concerned;
- 24.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- 24.2.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and
- 24.2.5 must state the Company's intention to sell the Share if the notice is not complied with.

24.3 Where Shares are sold under this Article 24:

- 24.3.1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
- 24.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

24.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

- 24.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
- 24.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

24.5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

- 24.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- 24.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

## **ADMINISTRATIVE ARRANGEMENTS**

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

25.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- 25.1.1 if delivered by hand, on signature of a delivery receipt; or
- 25.1.2 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- 25.1.3 if sent or supplied by e-mail, on the Business Day of receipt or, if the day of receipt isn't a Business Day, the first Business Day after receipt by the sender of an electronic confirmation of delivery from such sender's email service provider.

### **26. INDEMNITY AND INSURANCE**

26.1 Subject to Article 26.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- 26.1.1 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 thereto 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 Company's (or other Group Company's) affairs; and

- 26.1.2 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 26.1.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.
- 26.2 This Article 26 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 26.3 The Board 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.
- 26.4 In this Article 26:
  - 26.4.1 **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 (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company).
  - 26.4.2 **Relevant Officer** means any director or other officer or former director or other officer of any Group Company, but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.