

**DIGITAL MEDIA DISTRIBUTION LIMITED  
INVESTMENT AGREEMENT**

Investment type	Equity
Class of share of new investment	Ordinary
Do these rank pari passu with existing shares	Yes
Current Share Price (for this round)	£5-00
Current Number of Shares Issued (assumes option pool of 200,000 shares all issued)	596,897
Total Number of shares to be issued if the minimum amount of £250,000-00 Raised?	50,000
Total Number of shares to be issued if the maximum amount of £1,000,000 Raised?	200,000
Is there a liquidation preference for investors in this round?	No
Is there an exit preference for investors in this round?	No
Do the legal agreements include Tag Along Rights?	Yes - Articles
Do the legal agreements include Drag Along Rights?	Yes - Articles
Do the legal agreements include Pre-emption rights?	Yes - Articles
Do the legal agreements include voting rights?	Yes - Articles
Is there a Shareholders' agreement?	No - Articles
Are there share options	Yes – see below
Share options:  The Company is creating an options pool of 200,000 ordinary shares issuable to the directors and senior management as previously agreed with shareholders at a strike price of £2-75 per share. Of these, 100,000 shares under option have already been allocated and a further 100,000 can be issued subject to either (i) having raised a further £200,000 in funding or (ii) in 3 years time or (iii) on a liquidity event.  The directors are also authorised under the Articles to issue further option shares pursuant to an employee share option scheme up to a maximum of 10% of the Company's enlarged share capital, excluding the options above.	

Investment Amount	Number of Shares
£25,000	5,000
£100,000	20,000
£250,000	50,000

DATED

2019

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**THE INVESTOR**

**and**

**THE COMPANY**

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**SUBSCRIPTION AGREEMENT**

**relating to Digital Media Distribution Limited**

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**DATE**

2019

**PARTIES**

- (1) The person referred to in the definitions section as “**Investor**” and whose name and address is set out in schedule 1 (the “**Investor**”); and
- (2) **DIGITAL MEDIA DISTRIBUTION LIMITED** (company number 08756268 incorporated under the laws of England) whose registered office is at UNW LLP, 3<sup>rd</sup> Floor Citygate, St James Boulevard, Newcastle-upon-Tyne, NE1 4JE (the “**Company**”).

**INTRODUCTION**

- (A) The Company is a company limited by shares, brief particulars of which are set out in schedule 2.
- (B) The Investor is a member of the Envestry platform and wishes to subscribe for shares in the capital of the Company on and subject to the terms of this agreement.

**AGREED TERMS**

**1 Definitions**

In this agreement, except where a different interpretation is necessary in the context, the words and expressions set out below shall have the following meanings:

**"Act"** means the Companies Act 2006;

**"Articles"** means the articles of association of the Company from time to time, the current version of which is attached at the Appendix

**"Board"** means the board of directors of the Company as constituted from time to time;

**"Business Day"** means a day on which the English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

**"Commitment Date"** means the first date on which the Investor becomes legally bound to subscribe for the New Shares pursuant to the Investors terms and conditions.

**"Completion"** means completion by the parties of their respective obligations in accordance with clauses 4.1 and 4.2 (Completion);

**"Completion Date"** means the date specified by the Company upon which Completion occurs, being a date no earlier than 14 days after the Commitment Date

**"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);

“**Investors**” means the investment platform at <https://investors.envestry.com> owned and operated by Envestors Limited (company number 07236828) of which the Investor is a member, subject to its terms and conditions.

"**HMRC**" means HM Revenue & Customs;

"**Investor**" means the person who has viewed the form of this agreement via Envestors and entered into a binding commitment via Envestors for the Shares, and whose names and addresses are set out in schedule 1 and any other person to whom any of them transfer their shares.

"**New Shares**" means the shares subscribed by the Investors pursuant to clause 2.1 at a price of £5.00 per share being ordinary shares of £1 each in the capital of the Company from time to time having the rights set out in the Articles;

“**Options**” means any Share Equivalents (as defined in the Articles) issued or to be issued as referred to in information supplied by the Company to the Investor and/or in the Articles

"**Ordinary Shares**" means ordinary shares of £1 each in the capital of the Company from time to time having the rights set out in the Articles and ranking *pari passu* with all other shares in the capital of the Company at the Commitment Date in all respects;

"**Shareholder**" means any shareholder of the Company from time to time

"**Shares**" means the Ordinary Shares;

"**Warranties**" means the warranties given pursuant to clause 4

### **Interpretation**

- 1.1 The clause and paragraph headings and the table of contents used in this agreement are inserted for ease of reference only and shall not affect construction.
- 1.2 References to persons shall include bodies corporate, unincorporated associations and partnerships, in each case whether or not having a separate legal personality.
- 1.3 Reference to a party or parties is to a party or parties of the agreement.
- 1.4 References to any English statute or other legislation or legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to that which most nearly approximates to the English legal term in that jurisdiction.
- 1.5 References to those of the parties that are individuals include their respective legal personal representatives.
- 1.6 References to "**writing**" or "**written**" includes any non-transitory form of visible reproduction of words.
- 1.7 References to the word "**include**" or "**including**" (or any similar term) are not to be construed as implying any limitation and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things.
- 1.8 Except where the context specifically requires otherwise, words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the

plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof.

- 1.9 References to statutory provisions shall include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision (whether before or after the date of this agreement), to any previous enactment which has been replaced or amended and to any regulation, instrument or order or other subordinate legislation made under such provision, enactment or EC Directive unless any such change imposes upon any party any liabilities or obligations which are more onerous than as at the date of this agreement.

## 2 Subscriptions

- 2.1 The Investor applies for the allotment and issue to them at Completion of the following shares as set out in the table below and the Company accepts such applications:

<b>Investor name</b>	<b>No. of New Shares</b>	<b>Total subscription monies (£)</b>

- 2.2 The Company is irrevocably authorised by the Investor to complete the name and address details for the Investor and to execute the agreement on behalf of the Investor based on the information about the Investor supplied by Investors to the Company
- 2.3 The Shares are subject to the Articles.
- 2.4 The Investor acknowledges the Options and hereby irrevocably waives all rights of pre-emption and other rights under the Articles and at law (including under article 29 of the Articles) in respect of the issue and allotment of any securities pursuant to the Options.

## 3 Completion

- 3.1 At Completion the Investor shall
- 3.1.1 Execute such further originals of this agreement as the Company may require; and
- 3.1.2 pay the sum set out against its name in column 3 of the table in clause 2.1 (being the aggregate subscription price for the New Shares) by electronic funds transfer to the bank account of the Company's collection agent as notified to the Investor by Investors or the Company by any means, or, in default of notification as set out below and payment made in accordance with this clause 3.1 shall constitute a good discharge for the Investor of its obligations under this clause 3:

Bank Account name: Digital Media Distribution Limited  
Bank: Lloyds  
Account Number: 53911768  
Sort code: 30-93-55

- 3.2 Following Completion a meeting of the Board shall be held at which the Company shall:
- 3.2.1 issue the New Shares credited as fully paid to the Investor free of Encumbrances and enter their names in the register of members in respect thereof;
- 3.2.2 execute and deliver certificates for New Shares to the Investor;

- 3.2.3 complete and send to the Investors EIS3 forms as issued and required by HMRC for the Investors who are individuals and qualify for such relief to claim Enterprise Investment Scheme tax relief (or send the same as soon as reasonably practicable after Completion).

#### **4 Warranties**

- 4.1 The Investor gives the representations, warranties, undertakings, covenants and agreements set out in Part I of schedule 4 at the date of this agreement and at Completion
- 4.2 The Company gives the warranties set out in Part II of schedule 4 at the date of this agreement and at Completion.

#### **5 Effect of ceasing to hold Shares**

A party shall cease to be a party to this agreement for the purpose of receiving benefits and enforcing his rights with effect from the date he ceases to hold or beneficially own any Shares (but without prejudice to any benefits and rights accrued prior to such cessation).

#### **6 Waiver**

The express or implied waiver by any party to this agreement of any of its rights or remedies arising under this agreement or by law shall not constitute a continuing waiver of the right or remedy waived or a waiver of any other right or remedy.

#### **7 Entire agreement**

- 7.1 This agreement and the documents referred to or incorporated in it constitute the entire agreement between the parties relating to the subject matter of this agreement and supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, between the parties in relation to the subject matter of this agreement.
- 7.2 Nothing contained in this agreement or in any other document referred to or incorporated in it shall be read or construed as excluding any liability or remedy as a result of fraud.

#### **7.3 No partnership**

Nothing in this agreement is intended to or shall be construed as establishing or implying any partnership of any kind between the parties.

#### **8 Assignment and transfer**

- 8.1 An Investor may not assign the whole or part of any of its rights in this agreement to any person.

#### **9 Conflict between agreements**

Subject to any applicable law, in the event of any ambiguity or conflict between this agreement and the Articles the terms of the Articles shall prevail.

## **10 Counterparts; No originals**

This agreement may be executed in any number of counterparts, each of which shall constitute an original, and all the counterparts shall together constitute one and the same agreement. The exchange of a fully executed version of this agreement (in counterparts or otherwise) by electronic transmission in PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this agreement and no exchange of originals is necessary.

## **11 Notices**

11.1 Any communication and/or information to be given in connection with this agreement shall be in writing in English and shall either be delivered by hand or sent by first class post, or by email or other electronic form:

11.1.1 To the Company at its registered office from time to time with a copy (which shall not constitute notice) to [tkelly@dmdlimited.com](mailto:tkelly@dmdlimited.com) and [dsandelson@dmdlimited.com](mailto:dsandelson@dmdlimited.com)

11.1.2 to the Investor at their email address or physical address set out in Schedule 1,

(or in each such case such other address as the recipient may notify to the other parties for such purpose).

11.2 A communication sent according to clause 11.1 shall be deemed to have been received:

11.2.1 if delivered by hand, at the time of delivery;

11.2.2 if sent by pre-paid first class post, on the second day after posting; or

11.2.3 if sent by fax, email or other electronic form, at the time of completion of transmission by the sender;

except that if a communication is received between 5.30 pm on a Business Day and 9.30 am on the next Business Day, it shall be deemed to have been received at 9:30am on the second of such Business Days.

## **12 Severance**

12.1 If any provision of this agreement is held to be invalid or unenforceable by any judicial or other competent authority, all other provisions of this agreement will remain in full force and effect and will not in any way be impaired.

12.2 If any provision of this agreement is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question will apply with the minimum modifications necessary to make it valid and enforceable.

## **13 Governing law**

This agreement (and any dispute or claim relating to it or its subject matter (including non-contractual claims)) is governed by and is to be construed in accordance with English law.



#### **14 Jurisdiction**

The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any claim, dispute or issue (including non-contractual claims) which may arise out of or in connection with this agreement.

**SCHEDULE 1**

**The Investor**

<b>Name</b>	<b>Physical Address</b>	<b>Email</b>

## **SCHEDULE 2**

### **Particulars of the Company**

Registered number: 8756268

Registered office: UNW LLP, 3<sup>rd</sup> Floor Citygate, St James Boulevard, Newcastle-upon-Tyne, NE1 4JE

Directors: Anthony William Kelly and Daniel Alexander Sandelson

### SCHEDULE 3

**Members of the Company immediately prior to the Completion Date (assuming all share options up to 200,000 shares issued)**

<b>Member</b>	<b>Number of Ordinary Shares held</b>
Anthony William Kelly	185,845
Stephen Paul Riome	45,000
Stuart Gerald Baxter	53,494
Stuart Anthony Bridge Simms	30,000
John Barry McMahon	53,494
Daniel Alexander Sandelson	144,190
Headgear Investments Limited	23,112
Hanant Pension Scheme	11,682
Maurice van Sabben	20,000
Pedro Sastre	30,000

## SCHEDULE 4

### Representations, Warranties and Undertakings

#### Part 1

1. The Investor agrees, represents, warrants, agrees and undertakes as at the date of this Agreement and at the Completion Date as follows:
  - (a) they fall within one or more of the categories of persons in the following provisions of the Financial Services and Markets Act 2000 (Financial Promotion Order 2005/1529 (the "FPO"): Articles 19, 47, 48, 49, 50 and/or 50a, or 51 and
  - (b) being any one of a certified high net worth individual, a certified sophisticated investor, an investment professional, any of the persons referred to in Article 49(2) or Article 51 FPO and their representatives, or a self-certified sophisticated investor (all as defined in the FPO) throughout the period starting from the Investor's first review of any information relating to the Company and ending on the date of payment for the Shares, there is in existence a valid, subsisting and duly executed form of certification as required by law such that the Investor qualifies as falling into the applicable category; and
  - (c) it has received, acknowledged and countersigned such communications, indications and warning notices as are required by law such that any communication to them, and their subscription for Shares is legal, valid and binding, not in breach of any law or regulation, and is not void or voidable.
  - (d) neither the Investor nor its representatives are
    - (i) a "US person" as defined in Regulation S under the Securities Act of 1933 (the "**Securities Act**") and/or located or resident in the United States, its territories and possessions; or
    - (ii) a person or entity for the purposes of the Securities Act in respect of which any offering of Shares would constitute a breach of the Securities Act or would require approval of or registration with the SEC or any securities regulatory authority in any state of the USA;
  - (e) in respect of any other jurisdiction other than the United States or the United Kingdom, the Investor has satisfied itself that it is lawful for it to receive information on the Company and to subscribe for the New Shares;
  - (f) all provisions of the "Wealth Warning & Confidentiality Statement" supplied to the Investor via Envestors in connection with the Company are incorporated in this agreement as a covenant and undertaking given by the Investor to the Company;
  - (g) in considering whether to subscribe for NewShares, and in so subscribing, the Investor
    - (i) has relied on its own investigations and review of all information, statements, projections and other material provided about the Company by any means (including via Envestors) and at any time ("**Information**") and subscribes for Shares entirely at its own risk;

- (ii) (save as set out in Part II of this Schedule below) acknowledges and agrees that neither the Company nor any of its directors, officers, agents, advisors or employees makes or gives any express or implied representation or warranty or undertaking about the truth accuracy or completeness of the Information; and
- (iii) waives to the fullest extent permitted by law any rights to claim in tort, contract or otherwise howsoever against the Company and any of its directors, officers, agents, advisors or employees in respect of any Information, save to the extent resulting from fraud or fraudulent misrepresentation and save to the extent otherwise prohibited by law.

2. The Investor acknowledges and agrees that

- (a) the Shares have not been and will not be registered under the Securities Act, as amended and may not be offered or sold within the United States of America except in certain transactions that are exempt from, or not subject to, the registration requirements of the Securities Act;
- (b) the New Shares have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any securities regulatory authority of any state in the United States of America, and neither the SEC nor any such authority has passed upon the merits, accuracy or adequacy of Evestry or any Information.

## Part II

3. The Company warrants as follows as at the date of this Agreement and as at the Completion Date:

- 3.1 It is duly incorporated and validly existing under the laws of England & Wales;
- 3.2 The table in Schedule 3 is accurate;
- 3.3 subject to being fully paid up, the New Shares are issued free of Encumbrances;
- 3.4 the Company is not subject to any litigation, injunction or restriction that would limit or prevent the performance of its obligations under this agreement and the execution of this agreement has been duly authorised on behalf of the Company in accordance with the Articles; and
- 3.5 the Company has obtained all necessary waivers of pre-emption rights under the Articles in order to issue the New Shares to the Investor.

**EXECUTION PAGE**

**EXECUTED** by THE COMPANY acting by a director

SIGNATURE OF DIRECTOR.....

NAME OF DIRECTOR.....

**EXECUTED** by the Investor )

By..... )

Its.....

(delete if inapplicable)

**Appendix**  
**The Articles**



**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**DIGITAL MEDIA DISTRIBUTION LIMITED**

(Adopted by a special resolution passed on 3<sup>rd</sup> April 2019)

PART 1  
INTERPRETATION AND LIMITATION OF LIABILITY

**1. Defined terms**

1.1. In the articles, unless the context requires otherwise—

- 1.1.1. “**articles**” or “**Articles**” means the company’s articles of association;
- 1.1.2. “**Applicable Shareholder**”: means each of Anthony William Kelly and Daniel Alexander Sandelson and their respective Permitted Transferees
- 1.1.3. “**AS Options**” means options or rights of any kind to be issued or acquire shares over shares granted by the company or any shareholder to any Applicable Shareholder or their nominees at any time referred to in communications with members in connection with any subscriptions for shares prior to the First External 2019 Financing
- 1.1.4. “**AS Services Agreements**” means contracts for services or consulting agreements to be entered into between the company and each AS Director (or their respective personal services companies)
- 1.1.5. “**AS Director**” means a director appointed by any Applicable Shareholder under article 19.1, including the Applicable Shareholder himself
- 1.1.6. “**bankruptcy**” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
- 1.1.7. “**Board**” means the directors operating by a duly constituted directors meeting or written resolution (as the case may be)
- 1.1.8. “**Business Day**” means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);
- 1.1.9. “**chairman**” has the meaning given in article 13.2;
- 1.1.10. “**chairman of the meeting**” has the meaning given in article 49.3;
- 1.1.11. “**Companies Acts**” or “**Act**” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
- 1.1.12. “**CTA**” means the Corporation Tax Act 2010

- 1.1.13. “**Date of Adoption**” means the date on which the resolution including this definition in these articles was passed
- 1.1.14. “**director**” means a director of the company, and includes any person occupying the position of director, by whatever name called;
- 1.1.15. “**distribution recipient**” has the meaning given in article 41.2;
- 1.1.16. “**document**” includes, unless otherwise specified, any document sent or supplied in electronic form;
- 1.1.17. “**electronic form**” has the meaning given in section 1168 of the Companies Act 2006;
- 1.1.18. “**Employee Options**” any share option plan (other than AS Options) approved by the directors which would not if shares were issued under such plan (and to include any shares subsequently issued pursuant to such plan) exceed 10% of the company’s enlarged issued share capital at the time such plan is so approved.
- 1.1.19. “**Fair Value**” is as determined in accordance with Article 33;
- 1.1.20. “**Family Trusts**” means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;
- 1.1.21. “**First 2019 External Financing**” means the first offer of New Securities in 2019 under which a person other than the members on the register prior to the Date of Adoption subscribe for shares, whether or not such members or their nominees also subscribe for shares in that offer;
- 1.1.22. “**fully paid**” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;
- 1.1.23. “**Fundraiser Option**” any option approved by any AS Director and granted after the Date of Adoption to any undertaking that procures or assist the company with the raising of finance by way of the issue of New Securities under the First 2019 External Financing (being debt or equity

securities (or securities convertible into shares)) under which the company is required to issue shares to that undertaking against subscription of amounts paid or payable by way of fees for such raising of finance

1.1.24. "**Group**" means a company, its parent undertaking, its subsidiary undertakings, and subsidiary undertakings of its parent undertaking.

1.1.25. "**hard copy form**" has the meaning given in section 1168 of the Companies Act 2006;

1.1.26. "**holder**" in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

1.1.27. "**instrument**" means a document in hard copy form;

1.1.28. "**ITEPA**" means Income Tax (Earnings and Pensions) Act 2003;

1.1.29. "**New Securities**" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 29.7);

1.1.30. "**ordinary resolution**" has the meaning given in section 282 of the Companies Act 2006;

1.1.31. "**paid**" means paid or credited as paid;

1.1.32. "**participate**", in relation to a directors' meeting, has the meaning given in article 11;

1.1.33. "**Permitted Transferee**" means:

- 1) in relation to a shareholder who is an individual, any of his Privileged Relations or Trustees
- 2) in relation to an Applicable Shareholder, a person entitled to any rights under Article 66; and
- 3) in relation to a shareholder which is an undertaking (as defined in section 1161(1) of the Companies Acts) means its parent undertaking, subsidiary undertaking, or subsidiary undertaking of its parent undertaking whilst they remain such an undertaking;

1.1.34. "**Privileged Relation**" in relation to a shareholder who is an individual member or deceased or former member means a spouse, civil partner, child or grandchild (including step or adopted or illegitimate child and their issue);

1.1.35. "**Proposed Purchaser**" means a proposed purchaser who at the relevant time has made an offer on arm's length terms;

- 1.1.36. "**Proposed Seller**" means any person proposing to transfer any shares in the capital of the company;
- 1.1.37. "**proxy notice**" has the meaning given in article 55;
- 1.1.38. "**Relevant Interest**" means a director's interest that may be authorised pursuant to section 175(5)(a) of the Companies Acts.
- 1.1.39. "**Share Equivalent**" means convertible preferred shares, bonds, loans, options, warrants or other similar instruments issued by the company or any other shares or securities of the company which are convertible into or exchangeable for, or which carry a right to subscribe for or purchase, shares, including any Fundraiser Option, the AS Options and the Employee Options
- 1.1.40. "**shareholder**" means a person who is the holder of a share;
- 1.1.41. "**shares**" means shares in the company;
- 1.1.42. "**special resolution**" has the meaning given in section 283 of the Companies Act 2006;
- 1.1.43. "**subsidiary**" has the meaning given in section 1159 of the Companies Act 2006;
- 1.1.44. "**Transfer Notice**" is defined in article 32;
- 1.1.45. "**Transfer Price**" shall have the meaning given in Article 32.2.3;
- 1.1.46. "**transmittee**" means a person entitled to a share by reason of the death, bankruptcy or insolvency of a shareholder by operation of law
- 1.1.47. "**Trustees**" in relation to a shareholder means the trustee or the trustees of a Family Trust;
- 1.1.48. "**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
2. Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

### **3. Liability of members**

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

## **PART 2 DIRECTORS DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **4. Directors' general authority**

4.1. Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

#### **5. Shareholders' reserve power**

5.1. The shareholders may, by special resolution for which at least one Applicable Shareholder has voted in favour but not otherwise either at a general meeting or by written resolution, direct the directors to take or refrain from taking, specified action.

5.2. No such special resolution invalidates anything which the directors have done before the passing of the resolution.

#### **6. Directors may delegate**

6.1. Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- 6.1.1. to such person or committee;
- 6.1.2. by such means (including by power of attorney);
- 6.1.3. to such an extent;
- 6.1.4. in relation to such matters or territories; and
- 6.1.5. (on such terms and conditions; as they think fit.

6.2. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

6.3. The directors may revoke any delegation in whole or part, or alter its terms and conditions.

#### **7. Committees**

7.1. Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

7.2. The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

### **DECISION-MAKING BY DIRECTORS**

## **8. Directors to take decisions collectively**

8.1. The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 9.

8.2. If

8.2.1. the company only has one director, and

8.2.2. no provision of the articles requires it to have more than one director,

8.2.3. the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

## **9. Other decisions**

9.1. A decision of the directors is taken in accordance with this article when a simple majority of eligible directors indicate to each other by any means that they share a common view on a matter.

9.2. Such a decision may take the form of a resolution in writing, copies of which have been signed by such a majority of eligible directors or to which a simple majority of eligible directors has otherwise indicated agreement in writing.

9.3. References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

9.4. 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.

## **10. Calling a directors' meeting**

10.1. Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

10.2. Notice of any directors' meeting must indicate—

10.2.1. its proposed date and time;

10.2.2. where it is to take place; and

10.2.3. if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

10.3. Notice of a directors' meeting must be given to each director, but need not be in writing.

10.4. Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that

effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **11. Participation in directors' meetings**

- 11.1. Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when
  - 11.1.1. the meeting has been called and takes place in accordance with the articles, and
  - 11.1.2. they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 11.2. In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 11.3. If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **12. Quorum for directors' meetings**

- 12.1. At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.2. Subject to the next sentence, the quorum for directors' meetings shall be two directors who must include at least one AS Director. If a meeting cannot be quorate under these articles without one AS Director being present counted in the quorum and that AS Director may not by law or under the articles be counted in the quorum for the purposes of any business at that director's meeting, the meeting shall be quorate without the need for that AS Director to be present or counted in the quorum provided two directors are present in person or by an alternate.
- 12.3. If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed. In the event that a meeting of the directors is attended by a director who is acting as alternate for one or more other directors, the director or directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one director is physically present.



12.4. If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision

12.4.1. to appoint further directors, or

12.4.2. to call a general meeting so as to enable the shareholders to appoint further directors.

### **13. Chairing of directors' meetings**

13.1. The directors may appoint a director to chair their meetings by majority vote in which at least one AS Director has voted in favour of the appointment.

13.2. The person so appointed for the time being is known as the chairman.

13.3. The directors may terminate the chairman's appointment at any time by majority vote for which at least one AS Director has voted in favour.

13.4. If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

### **14. Casting vote**

14.1. If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

14.2. But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

### **15. Conflicts of interest**

#### ***Permitted types***

15.1. Subject to the provisions of the Act and provided (if these articles so require) that he has declared to the directors in accordance with the provisions of these Articles, the nature and extent of his interest, a director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:

14.1.1 where a director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the company or any other undertaking in which the company is in any way interested;

14.1.2 where a director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the company or in which the company is in any way interested;

- 14.1.3 where a director (or a person connected with him) is a shareholder in the company or a shareholder in, employee, director, member or other officer of, or consultant to, a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the company;
- 14.1.4 where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the company or body corporate in which the company is in any way interested;
- 14.1.5 where a director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the company or any body corporate in which the company is in any way interested;
- 14.1.6 where a director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the company or in which the company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the company or any body corporate promoted by the company or in which the company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- 14.1.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest
- 14.1.8 any AS Options, and the issue and allotment of any shares pursuant to those options
- 14.1.9 the AS Services Agreements on substantially the terms disclosed in outline as part of the First 2019 External Financing; and
- 14.1.10 any other interest authorised by ordinary resolution.

15.2. For the purposes of this article 15, an interest of which a director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

15.3. In any situation permitted by this article 15 (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

#### ***Authorisation of conflict***

15.4. Any authority given in accordance with section 175(5)(a) of the Act in respect of a director ("**Interested Director**") who has proposed that the directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt:

15.4.1. be given on such terms and subject to such conditions or limitations as may be imposed by the authorising directors as they see fit from time to time, including, without limitation:

- 1) restricting the Interested Director from voting on any resolution put to a meeting of the directors or of a committee of the directors in relation to the Relevant Interest; or
- 2) restricting the Interested Director from being counted in the quorum at a meeting of the directors or of a committee of the directors where such Relevant Interest is to be discussed;

provided that

15.4.2. an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising directors pursuant to section 175(5)(a) of the Act and this Article 15;

15.4.3. notwithstanding any other provision of these articles an authorisation that does not permit it to be withdrawn under specific conditions set out in that authorisation may not thereafter be withdrawn by any subsequent act of the directors, or any of them, or the company, or of any members; and

15.4.4. notwithstanding the other provisions of this Article 15, it shall not (save with the consent in writing of an AS Director) be made a condition of any authorisation of a matter in relation to that AS Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 15.5

***Director's duty of confidentiality to a person other than the company***

15.5. Subject to Article 15.6 (and without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under this article 15), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the company, he shall not be required:

14.1.11 to disclose such information to the company or to any director, or to any officer or employee of the company; or

14.1.12 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director.

15.6. Where such duty of confidentiality arises out of a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company, article 15.5 shall apply only if the conflict arises out of a matter which falls within article 15.1 or a permitted cause (as defined in article 15.10) or has been authorised under section 175(5)(a) of the Companies Act.

### ***Quorum in case of conflict of interest***

- 15.7. If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for voting purposes, unless article 15.8 applies.
- 15.8. If article 15.9 applies, a director who is interested in an actual or proposed transaction or arrangement with the company or is in a situation in which he has or can have a direct or indirect interest that conflicts with the company that is not prohibited by law is to be counted as participating in quorum and the decision-making process for quorum and voting purposes.
- 15.9. This article applies when
- 15.9.1. the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
  - 15.9.2. the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - 15.9.3. the director's conflict of interest arises from a "permitted cause" (as defined in article 15.10).
- 15.10. For the purposes of article 15.9, each of the following are permitted causes
- 15.10.1. A Relevant Interest
  - 15.10.2. a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
  - 15.10.3. subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities;
  - 15.10.4. arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors;
  - 15.10.5. any matter or interest referred to in article 15.1;
  - 15.10.6. the company entering into the AS Services Agreements ;
  - 15.10.7. the company granting AS Options, and the issue and allotment of any shares pursuant to those options;
  - 15.10.8. the company granting any Employee Options, and the issue and allotment of any shares or securities pursuant to those options.
- 15.11. For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

15.12. Subject to article 15.13, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

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

## **16. Records of decisions to be kept**

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

## **17. Directors' discretion to make further rules**

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

## APPOINTMENT OF DIRECTORS

### **18. Methods of appointing directors**

18.1. Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

18.1.1. by ordinary resolution for which all Applicable Shareholders have voted in favour, or

18.1.2. by a decision of the directors for which all AS Directors have voted in favour.

18.2. In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

18.3. For the purposes of article 18.2, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

18.4. The maximum number of directors from time to time shall be three (3).

## 19. AS Director appointment right

- 19.1. Notwithstanding anything else in these articles to the contrary, each Applicable Shareholder shall have the right for so long as they hold more than 3% (by number) of the total issued shares to appoint and maintain the appointment of one director each (an “**AS Director**”) and to replace such director with a different appointee from time to time. The other holders of shares shall not vote their shares so as to remove an AS Director from office. For the purposes of this article 19.1 shares held by an Applicable Shareholder’s Permitted Transferees and all shares which could (actually or subject to any contingency) be issued to the Applicable Shareholder and/or its Permitted Transferee resulting from a Share Equivalent held by them or any of their Permitted Transferees shall be counted towards the total held by that Applicable Shareholder.
- 19.2. Each AS Director shall be a member of all committees of the Board and at the request of the appointor may be appointed a director of each subsidiary undertaking of the company in like manner.
- 19.3. The appointment and replacement of an AS Director shall be carried out by notice to the company at its registered office from time to time, signed by the appointor.
- 19.4. The right to appoint and remove an AS Director is transmissible and shall enure to the benefit of the Applicable Shareholder’s successors as permitted under article 66.

## 20. Alternate directors

- 20.1. Notwithstanding any provision of these Articles to the contrary, any person appointed as a director (the “**Appointor**”) may appoint any director or any other person as he thinks fit to be his alternate director to:
- 20.1.1. exercise that director's powers; and
  - 20.1.2. carry out that director's responsibilities in relation to the taking of decisions by the directors in the absence of the alternate's Appointor.
- 20.2. The appointment of an alternate director shall not require approval by a resolution of the directors.
- 20.3. Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the Appointor, or in any other manner approved by the directors.
- 20.4. An alternate director may act as an alternate to more than one director and has the same rights, in relation to any directors’ meeting (including as to notice) or directors’ written resolution, as the alternate’s Appointor.
- 20.5. Except as these articles specify otherwise, alternate directors:

- 20.5.1. are deemed for all purposes to be directors;
  - 20.5.2. are liable for their own acts and omissions;
  - 20.5.3. are subject to the same restrictions as their Appointors; and
  - 20.5.4. are not deemed to be agents of or for their Appointors,
  - 20.5.5. 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.
- 20.6. A person who is an alternate director but not a director:
- 20.6.1. may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
  - 20.6.2. may sign a directors' written resolution.
  - 20.6.3. No alternate may be counted as more than one director for such purposes.
- 20.7. A director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the directors.
- 20.8. An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the company.
- 20.9. An alternate director's appointment as an alternate shall terminate:
- 20.9.1. when the alternate's Appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
  - 20.9.2. on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;
  - 20.9.3. on the death of the alternate's Appointor; or
  - 20.9.4. when the alternate's Appointor's appointment as a director terminates.

## **21. Termination of director's appointment**

- 21.1. A person ceases to be a director as soon as
- 21.1.1. that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
  - 21.1.2. a bankruptcy order is made against that person;
  - 21.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;

- 21.1.4. a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 21.1.5. notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

## **22. Directors' remuneration**

- 22.1. Directors may undertake any services for the company that the directors decide.
- 22.2. Directors (and/or their personal services companies) are entitled to such remuneration as the directors determine
  - 22.2.1. for their services to the company as directors, and
  - 22.2.2. for any other service which they undertake for the company.
- 22.3. Subject to the articles, a director's remuneration may
  - 22.3.1. take any form, and
  - 22.3.2. include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 22.4. Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 22.5. Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

## **23. Directors' expenses**

- 23.1. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
  - 23.1.1. meetings of directors or committees of directors,
  - 23.1.2. general meetings, or
  - 23.1.3. separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

# PART 3 SHARES AND DISTRIBUTIONS SHARES



## **24. All shares to be fully paid up**

- 24.1. No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- 24.2. This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

## **25. Powers to issue different classes of share**

- 25.1. Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 25.2. The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

## **26. Company not bound by less than absolute interests**

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

## **27. Share certificates**

- 27.1. The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 27.2. Every certificate must specify
  - 27.2.1. in respect of how many shares, of what class, it is issued;
  - 27.2.2. the nominal value of those shares;
  - 27.2.3. that the shares are fully paid; and
  - 27.2.4. any distinguishing numbers assigned to them.
- 27.3. No certificate may be issued in respect of shares of more than one class.
- 27.4. If more than one person holds a share, only one certificate may be issued in respect of it.
- 27.5. Certificates must
  - 27.5.1. have affixed to them the company's common seal, or

27.5.2. be otherwise executed in accordance with the Companies Acts.

## **28. Replacement share certificates**

- 28.1. If a certificate issued in respect of a shareholder's shares is—
- 28.1.1. damaged or defaced, or
  - 28.1.2. said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 28.2. A shareholder exercising the right to be issued with such a replacement certificate—
- 28.2.1. may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 28.2.2. must return the certificate which is to be replaced to the company if it is damaged or defaced; and
  - 28.2.3. must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

## **29. Allotment of new shares or other securities: pre-emption**

- 29.1. Subject to the remaining provisions of this article 29, the directors are generally and unconditionally authorised for the purpose of section 551 of the Companies Acts to exercise any power of the company to:
- 29.1.1. allot shares; or
  - 29.1.2. grant rights to subscribe for or convert any securities into shares,
- to any persons, at any times and subject to any terms and conditions as the directors think proper, provided that:
- 1) this authority shall only apply insofar as the company in general meeting (provided all Applicable Shareholders voting in favour of the resolution to waive or revoke it) has not waived or revoked it;
  - 2) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the directors may make an offer or agreement which would or might require shares to be allotted or rights granted to subscribe for or convert any security into shares after the expiry of such authority (and the directors may allot shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired).
- 29.2. In accordance with sections 567(1) and/or 570 of the Companies Acts, sections 561(1) and 562(1) to (5) (inclusive) of the Companies Acts do not apply to an allotment of equity securities made by the company.
- 29.3. Unless otherwise agreed by special resolution passed in general meeting or as a written resolution passed in accordance with part 13 of the

Companies Acts, if the company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the company has in the first instance offered them to all holders of equity shares on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and pro rata basis to the number of shares held by those holders (as nearly as may be without involving fractions), excluding for the purposes of calculation shares which could (actually or subject to any contingency) be issued under any Share Equivalent. The offer:

29.3.1. shall be in writing, give details of the number and subscription price of the New Securities; and

29.3.2. may stipulate that any shareholder who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities ("**Excess Securities**") for which they wish to subscribe.

29.4. Any New Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 29.3 shall be used for satisfying any requests for Excess Securities made pursuant to Article 29.3 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of [the relevant class of] Shares held by the applicants immediately prior to the offer made to Shareholders in accordance with Article 29.3 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) and after that allotment, any Excess Securities remaining shall be offered, subject to Article 29.5, to any other person as the directors may determine at the same price and on the same terms as the offer to the Shareholders.

29.5. If after the allotments have been made pursuant to Articles 29.3 and 29.4 all of the New Securities have not been allotted the Board shall offer the unallotted New Securities to the holders of equity shares pro rata to their holding of equity shares inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) for the maximum number of New Securities for which they wish to subscribe and that offer shall be made *mutatis mutandis* the provisions in Articles 29.3 and 29.4.

29.6. Subject to the provisions of section 551 of the Companies Acts, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

29.7. The provisions of Articles 29.3 to 29.6 shall not apply to:

29.7.1. The issue or allotment of shares under the following options to subscribe for shares:

1) the AS Options

- 2) the Fundraiser Options or
- 3) any Employee Option scheme;

29.7.2. New Securities issued in consideration of the acquisition by the company of any company or business which has been approved in writing by a Ordinary Resolution for which both Applicable Shareholders vote in favour or a written resolution; or

29.7.3. New Securities issued as a result of a bonus issue of shares which has been approved in writing by an Ordinary Resolution for which both Applicable Shareholders vote in favour or a written resolution.

29.8. No shares shall be allotted to any employee, director, prospective employee or prospective director of the company unless where the directors consider it necessary such person has entered into a joint section 431 ITEPA election with the company.

### **30. Transfers of shares – general**

30.1. In articles 30 to 39 inclusive, unless otherwise expressly stated to the contrary or unless the context otherwise requires, reference to the transfer or transmission of a share includes the transfer or assignment of a beneficial or other interest in that share, the transfer of any agreement or instrument or the transfer of any rights under any agreement or instrument (including a Share Equivalent) under which any share may be issued, and the creation of a trust or encumbrance over that share, agreement or instrument, and reference to a share includes a beneficial or other interest in a share.

30.2. No share or Share Equivalent may be transferred unless the transfer is made in accordance with these articles.

30.3. If a shareholder transfers or purports to transfer a share or Share Equivalent otherwise than in accordance with these articles he will be deemed immediately to have served a Transfer Notice in respect of all shares held by him (and in respect of all shares that may be issued under a Share Equivalent).

30.4. Any transfer of a share by way of sale which is required to be made under articles 30 to 39 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

30.5. The directors may refuse to register a transfer if:

30.5.1. it is a transfer of a share to a bankrupt, a minor or a person of unsound mind;

30.5.2. the transfer is to an employee, director or prospective employee or prospective director of the company and such person has not entered in a joint section 431 ITEPA election with the company;

30.5.3. it is a transfer of a share that is not a fully paid share:

- 1) to a person of whom the directors do not approve; or
  - 2) on which share the company has a lien;
- 30.5.4. the transfer is not lodged at the registered office or at such other place as the directors may appoint;
- 30.5.5. the transfer is not accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- 30.5.6. the transfer is in respect of more than one class of shares; or
- 30.5.7. the transfer is in favour of more than four transferees.
- 30.5.8. If the directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 30.6. The directors may, as a condition to the registration of any transfer of shares in the company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the shareholders and the company in any form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this article 30 the transfer may not be registered unless that deed has been executed and delivered to the company's registered office by the transferee.
- 30.7. To enable the directors to determine whether or not there has been any transfer of shares in the capital of the company (or any interest in shares in the capital of the company) in breach of these articles the directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the directors may reasonably believe to have information relevant to that purpose, to furnish to the company that information and evidence the directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the company from time to time registered in the holder's name. If the information or evidence is not provided to enable the directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the directors are reasonably satisfied that a breach has occurred, the directors shall immediately notify the holder of such shares in the capital of the company in writing of that fact and the following shall occur:
- 30.7.1. the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:

1) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the company or at any separate meeting or written resolution of the class in question); or

2) to receive dividends or other distributions otherwise attaching to those shares or to any further shares issued in respect of those shares; and

30.7.2. the holder may be required at any time following receipt of the notice to transfer some or all of its shares to any person(s) at the price that the directors may require by notice in writing to that holder.

The rights referred to in article 30.7.1 shall in any event be reinstated upon the completion of any transfer referred to in 30.7.2 above.

30.8. In any case where the Board requires a Transfer Notice to be given in respect of any shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these articles, the Transfer Notice will be treated as having specified that:

30.8.1. the Transfer Price for the Sale Shares will be as agreed between the Board (any director with whom the Seller is connected (within the meaning of section 252 of the Companies Acts) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

30.8.2. it does not include a Minimum Transfer Condition (as defined in article 32.2.4); and

30.8.3. the Seller wishes to transfer all of the shares held by it.

30.9. Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

30.9.1. the transferor; and

30.9.2. (if any of the shares is partly or nil paid) the transferee.

30.10. No fee may be charged for registering any instrument of transfer or other documents relating to or affecting the title to any shares

30.11. The company may retain any instrument of transfer which is registered

30.12. The transferor remains the holder of any share until the transferee's name is entered on the register of members as holder of it

### 31. Permitted Transfers

- 31.1. A shareholder (the "**Original Shareholder**") may transfer all or any of his or its shares to a Permitted Transferee without restriction as to price or otherwise.
- 31.2. Where under the provision of a deceased shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any shares, whether immediately or contingently, are Permitted Transferees of the deceased shareholder, the legal representative of the deceased shareholder may transfer any share to those Permitted Transferees, in each case without restriction as to price or otherwise. shares previously transferred as permitted by this article 28.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 31.3. If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those shares.
- 31.4. Trustees may (i) transfer shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying company**") or (ii) transfer shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 31.5. No transfer of shares may be made to Trustees unless the Board is satisfied:
- 31.5.1. with the terms of the trust instrument and in particular with the powers of the trustees;
  - 31.5.2. with the identity of the proposed trustees;
  - 31.5.3. the proposed transfer will not result in 50% or more of the aggregate of the company's equity share capital being held by trustees of that and any other trusts; and
  - 31.5.4. that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the company.
- 31.6. If a company to which a share has been transferred under article 31.4 ceases to be a Qualifying company it must within five Business Days of so ceasing, transfer the shares held by it to the Trustees or to a Qualifying

company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such shares.

31.7. If a Permitted Transferee who is a spouse or civil partner of the Original Shareholder ceases to be a spouse or civil partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:

31.7.1. execute and deliver to the company a transfer of the shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

31.7.2. give a Transfer Notice to the company in accordance with article 32.2,

31.7.3. failing which he shall be deemed to have given a Transfer Notice.

31.8. On the death (subject to article 31.2 and 66), bankruptcy, liquidation, administrator or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within 20 Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the company a transfer of the shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt, insolvent or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within 20 Business Days of such period or if the Original Shareholder has died or is bankrupt, insolvent or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

31.9. Any shares may at any time be transferred where there is a sale of the entire issued share capital of the company to a holding company, which has been approved by a majority of the Board, including the consent of an AS Director.

## **32. Transfers of shares subject to pre-emption rights**

32.1. Save to the extent the provisions of articles 31, 35 and 36 otherwise apply, any transfer of shares by a shareholder shall be subject to the pre-emption rights contained in this article 32.

32.2. A shareholder who wishes to transfer shares (a "**Seller**") shall, except as otherwise provided in these articles, before transferring or agreeing to transfer any shares give notice in writing (a "**Transfer Notice**") to the company specifying:



- 32.2.1. the number of shares which he wishes to transfer (the "**Sale Shares**");
  - 32.2.2. the name of the proposed transferee and all the terms (including any related or dependent transaction or arrangement with any person) under which the transferee is to accept a transfer of the Sale Shares (the "**Offer Terms**");
  - 32.2.3. the price (which must be in cash) offered by the proposed transferee to purchase the Sale Shares (the "**Transfer Price**"); and
  - 32.2.4. whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to shareholders ( a "**Minimum Transfer Condition**").
- 32.3. Except with the written consent of all directors no Transfer Notice once given or deemed to have been given under these articles may be withdrawn.
- 32.4. A Transfer Notice constitutes the company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 32.5. As soon as practicable following the later of:
- 32.5.1. receipt of a Transfer Notice; and
  - 32.5.2. in the circumstances where article 33 applies, the determination of the Transfer Price under article 33,
- the Board shall offer the Sale Shares for sale to the shareholders in the manner set out in articles 32.6 to 32.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 32.6. ***Transfers: First Offer***
- 32.6.1. The Board shall offer the Sale Shares to all shareholders specified in the offer other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy.
  - 32.6.2. If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under articles 32.6 and 32.7 will be conditional on the fulfilment of the Minimum Transfer Condition.
  - 32.6.3. If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares but 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.

32.6.4. If not all Sale Shares are allocated in accordance with article 32.6.3 but there are applications for Sale Shares that have not been satisfied those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in article 32.6.3.

32.6.5. If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with article 32.7.

### 32.7. *Transfers: Second Offer*

32.7.1. At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy.

32.7.2. If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of shares bears to the total number of shares (including Sale Shares) held by those Continuing Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

32.7.3. If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Second Surplus Shares**") will be offered to any other person as the Board determines.

### 32.8. *Completion of transfer of Sale Shares*

32.8.1. If the Transfer Notice includes a Minimum Transfer Condition and the total number of shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under articles 32.6 and 32.7 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

32.8.2. If:

- 1) the Transfer Notice does not include a Minimum Transfer Condition;  
and
- 2) allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under articles 32.6 and 32.7, give written notice of allocation (an "**Allocation Notice**") to the Seller and each shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

32.8.3. Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

32.8.4. If the Seller fails to comply with the provisions of article 32.8.3:

- 1) the chairman of the company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may 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
  - 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
- 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 to the company his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).

32.8.5. If an Allocation Notice does not relate to all the Sale Shares then, subject to article 32.8.6, the Seller may, within eight weeks after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price and on the Offer Terms provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Conditions.

32.8.6. The right of the Seller to transfer shares under article 32.8.5 does not apply if the Board is of the opinion on reasonable grounds that:

- 1) the transferee is a person (or a nominee for a person) who the directors determine in their absolute discretion is a direct or indirect competitor

with the business of the company or with a subsidiary undertaking of the company;

- 2) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- 3) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

### 32.9. *Waiver of restrictions*

32.9.1. The restrictions imposed by this article 32 may be waived in relation to any proposed transfer of shares with the consent of the Board

### 32.10. *Share Equivalents*

32.10.1. In article 32 references to “share” include references to any rights under any transferable or assignable Share Equivalent and to any shares issued or to be issued pursuant to a Share Equivalent, including the Fundraiser Option, deeming for this purpose shares to have been issued under it in accordance with its terms and to be Sale Shares (but nothing in these articles require or allow any acceleration of any rights of the holder of the Share Equivalent to require the issue of any shares).

32.10.2. If the holder of a relevant Share Equivalent does not comply with article 32, the Applicable Share Equivalent shall lapse and be of no further effect and the company shall have no obligation under it, whether to issue and allot shares or pay any consideration or compensation or otherwise and the Transfer Price shall be zero in respect of any shares to be issued under that Applicable Share Equivalent. This article 32.11 includes the Fundraiser Option.

## 33. Valuation of shares

33.1. If a Transfer Notice does not specify a Transfer Price, or does not specify a Transfer Price in cash or, subject to article 30.8, if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either:

33.1.1. appoint expert valuers in accordance with article 33.2 (the "**Expert Valuers**") to certify the Fair Value of the Sale Shares; or (if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks)

33.1.2. specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

- 33.2. The Expert Valuers will be either:
- 33.2.1. the Auditors; or (if so specified in the relevant Transfer Notice)
  - 33.2.2. an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.
- 33.3. The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:
- 33.3.1. valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
  - 33.3.2. if the company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 33.3.3. that the Sale Shares are capable of being transferred without restriction;
  - 33.3.4. valuing the Sale Shares as a rateable proportion of the total value of all the issued shares without any premium or discount being attributable to the percentage of the issued share capital of the company which they represent; and
  - 33.3.5. reflect any other factors which the Expert Valuers reasonably believe should be taken into account.
- 33.4. If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 33.5. The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 33.6. The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 33.7. The Board will give the Expert Valuers access to all accounting records or other relevant documents of the company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 33.8. The Expert Valuers shall deliver their certificate to the company. As soon as the company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the company within 15 Business Days of the service on him of the copy certificate, cancel the company's authority to sell the Sale Shares.

33.9. The cost of obtaining the certificate shall be paid by the company unless:

33.9.1. the Seller cancels the company's authority to sell; or

33.9.2. the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any) offered by the directors to the Seller for the Sale share before Expert Valuer was instructed,

in which case the Seller shall bear the cost.

#### **34. Compulsory transfers – general**

34.1. A person

34.1.1. who is a transmittee or other person entitled to a share in consequence of the bankruptcy or insolvency of a shareholder; or

34.1.2. whose shares are the subject of a stop order

(save to the extent article 31.8 applies) shall be deemed to have given a Transfer Notice in respect of that share or shares at a time determined by the directors.

34.2. If a share remains registered in the name of a deceased shareholder for longer than one year after the date of his death the directors may require the legal personal representatives of that deceased shareholder either:

34.2.1. to effect a Permitted Transfer of such shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or

34.2.2. to show to the satisfaction of the directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased shareholder.

34.2.3. If either requirement in this article 34.2 shall not be fulfilled to the satisfaction of the directors a Transfer Notice shall be deemed to have been given in respect of each such share save to the extent that, the directors may otherwise determine.

34.3. If a shareholder which is a company, either suffers or resolves for the appointment of a liquidator, receiver, manager, administrator or administrative receiver over it or any material part of its assets, the relevant shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant shareholder and its Permitted Transferees save to the extent that, and at a time, the directors may determine.

34.4. If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any shareholder which is a company, it shall be bound at

any time, if and when required in writing by the directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those shares back to the original shareholder from whom it received its shares or to any other Permitted Transferee before being required to serve a Transfer Notice.

### **35. Mandatory Offer on a Change of Control**

- 35.1. Except in the case of Permitted Transfers and transfers pursuant to article 34, after going through the pre-emption procedure in article 32, the provisions of article 35.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any shares and/or transferable Share Equivalents (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the company (including any shares which may be issued pursuant to any such transferable Share Equivalent). In this article "**Controlling Interest**" means an interest in shares giving to the holder or holders control of the company within the meaning of section 1124 of the CTA 2010.
- 35.2. A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to any shareholders who have not taken up their pre-emptive rights under article 32, and (subject to article 35.8) to all holders of Share Equivalents issued by the company referred to in article 35.8 ("**Relevant Share Equivalents**"), to acquire all of the company's shares and Relevant Share Equivalents for a consideration per share (treating each Share Equivalent as converted into shares in accordance with its terms) the value of which is at least equal to the Specified Price (as defined in article 35.7).
- 35.3. The Offer must be given by written notice to the company (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**") addressed to the Board and the Board shall forthwith transmit the terms of the Offer to all members and holder of Relevant Share Equivalents. 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**").
- 35.4. 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.
- 35.5. If the Offer is accepted by any shareholder and holder of a Relevant Shareholder Equivalent (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 and Relevant Share Equivalents held by Accepting Shareholders (subject to article 35.8).

35.6. The Proposed Transfer is subject to the pre-emption provisions of article 32 but the purchase of the Accepting Shareholders' shares shall not be subject to article 32.

35.7. For the purpose of this article:

35.7.1. the expression "**Acting in Concert**" has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

35.7.2. 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;

35.7.3. the expression "**Specified Price**" shall mean in respect of each share a sum in cash equal to the highest price per share offered or paid by the Proposed Purchaser in the Proposed Transfer plus an amount equal to the Relevant Sum, as defined in article 35.7.4, of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, 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 shares;

35.7.4. **Relevant Sum** =  $C \div A$

where:

A = number of equity shares being sold in connection with the relevant Proposed Transfer;

C = the Supplemental Consideration

35.8. In order to determine to which Share Equivalents the Offer must be made, the Proposed Seller may rely on any register or record of the company which contains details of Share Equivalents maintained under article 62 which shall be definitive for the purposes of this article, and the Offer shall not be invalidated if it is not made to any Share Equivalent not recorded in that register.

### **36. Drag-along**

36.1. If the holders of at least 50% of the issued shares including all shares held by the Applicable Shareholders and treating any shares to be issued under any Share Equivalent held by any Applicable Shareholder or their Permitted Transferees as if issued, allotted and held by the Applicable Shareholder) (the "**Selling Shareholders**") wish to transfer all their interest in shares (the "**Sellers' Shares**") to a Proposed Purchaser, the Selling



Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of shares and Applicable Share Equivalents (the "**Called Shareholders**") to sell and transfer all their shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this article on the same terms and for the same consideration (by amount and type) per share as the Selling Shareholders.

- 36.2. The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the company which the company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall be sent to the Board at the company's registered office and shall specify that the Called Shareholders are required to transfer all their shares (the "**Called Shares**") under this article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article) and the proposed date of transfer.
- 36.3. Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 36.4. No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this article. No Called Shareholder shall be required to give any covenant, warranty or indemnity to the Proposed Purchaser in relation to the Called Shares or the company other than that they are able to transfer the Called Shares with full title guarantee.
- 36.5. Within five Business Days of the Proposed Purchaser serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their shares in such form as the Proposed Purchaser may reasonably require in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the company. On the expiration of that five Business Day period the company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to article 36.1 to the extent the Proposed Purchaser has put the company in the requisite funds. The company's receipt for the amounts due pursuant to article 36.1 shall be a good discharge to the Purchaser. The company shall hold the amounts due to the Called Shareholders pursuant to article 36.1 in trust for the Called Shareholders without any obligation to pay interest.
- 36.6. To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the company in funds to pay the amounts due pursuant to article 36.1, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity)

for the relevant shares and the Called Shareholders shall have no further rights or obligations under this article 33 in respect of their shares.

- 36.7. If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its shares to the company upon the expiration of that five Business Day period, the directors shall, if requested by the Proposed Purchaser, authorise any director to transfer the Called Shareholder's shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the company in funds to pay the amounts due pursuant to article 33.1 for the Called Shareholder's shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his shares (or provide a suitable indemnity) to the company. On surrender, he shall be entitled to the amount due to him pursuant to article 36.1.
- 36.8. Any transfer of shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of article 32.
- 36.9. On any person, following the issue of a Drag Along Notice, becoming a shareholder of the company pursuant to the exercise of rights under an Applicable Share Equivalent or a pre-existing option to acquire shares in the company or pursuant to the conversion of any convertible security of the company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice, and that person shall then be bound to sell and transfer all shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.
- 36.10. In this article 36, an "**Applicable Share Equivalent**" is a Share Equivalent in respect of shares to be issued by the company where share remain to be issued and allotted under it (actually or contingently) as at the date of the Drag Along Notice being served on the company under these articles.
- 36.11. If the holder of an Applicable Share Equivalent does not comply with the provisions of this Article 36 and with the terms of the Applicable Share Equivalent in relation to the Drag Along Option, the Applicable Share Equivalent shall lapse and be of no further effect and the company shall have no obligation under it, whether to issue and allot shares or pay and consideration or compensation or otherwise, and if the right to have shares issued under such Applicable Share Equivalent has crystallised, the price payable to the New Shareholder for shares issued under the Applicable Share Equivalent which are subject to the deemed Drag Along Notice shall be £0.01-00 per share. This article 36.11 includes the Fundraiser Option.

### **37. Transmission of shares**

- 37.1. If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 37.2. A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
- 37.2.1. may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
- 37.2.2. subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 37.3. But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares
- 37.4. This article 37 does not affect or limit article 66.

### **38. Exercise of transmittees' rights**

- 38.1. Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 38.2. If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 38.3. Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **39. Transmittees bound by prior notices**

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

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **40. Procedure for declaring dividends**

- 40.1. The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 40.2. A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 40.3. No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

- 40.4. Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 40.5. If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 40.6. The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 40.7. If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

#### **41. Payment of dividends and other distributions**

- 41.1. Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means
- 41.1.1. transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - 41.1.2. sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - 41.1.3. sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
  - 41.1.4. any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 41.2. In the articles, "**the distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable
- 41.2.1. the holder of the share; or
  - 41.2.2. if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - 41.2.3. if the holder is no longer entitled to the share by reason of death or bankruptcy, or
  - 41.2.4. otherwise by operation of law, the transmittee.

#### **42. No interest on distributions**

- 42.1. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by
- 42.1.1. the terms on which the share was issued, or
  - 42.1.2. the provisions of another agreement between the holder of that share and the company.

### **43. Unclaimed distributions**

- 43.1. All dividends or other sums which are
- 43.1.1. payable in respect of shares, and
  - 43.1.2. unclaimed after having been declared or become payable,  
may be invested or otherwise made use of by the directors for the benefit of the company until claimed.
- 43.2. The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 43.3. If
- 43.3.1. twelve years have passed from the date on which a dividend or other sum became due for payment, and
  - 43.3.2. the distribution recipient has not claimed it,
- the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

### **44. Non-cash distributions**

- 44.1. Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 44.2. For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution
- 44.2.1. fixing the value of any assets;
  - 44.2.2. paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - 44.2.3. vesting any assets in trustees.

### **45. Waiver of distributions**

45.1. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if

45.1.1. the share has more than one holder, or

45.1.2. more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

## CAPITALISATION OF PROFITS

### 46. Authority to capitalise and appropriation of capitalised sums

46.1. Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

46.1.1. decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

46.1.2. appropriate any sum which they so decide to capitalise (a “**capitalised sum**”) to the persons who would have been entitled to it if it were distributed by way of dividend (the “persons entitled”) and in the same proportions.

46.2. Capitalised sums must be applied—

46.2.1. on behalf of the persons entitled, and

46.2.2. in the same proportions as a dividend would have been distributed to them.

46.3. Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

46.4. A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

46.5. Subject to the articles the directors may—

46.5.1. apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

- 46.5.2. make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- 46.5.3. authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## PART 4 DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS

### **47. Attendance and speaking at general meetings**

- 47.1. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 47.2. A person is able to exercise the right to vote at a general meeting when
  - 47.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 47.2.2. that person's vote can be taken into account in determining whether or not such
  - 47.2.3. resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 47.3. The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 47.4. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 47.5. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

### **48. Quorum for general meetings**

- 48.1. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

### **49. Chairing general meetings**

- 49.1. If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 49.2. If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- 49.2.1. the directors present, or
  - 49.2.2. if no directors are present), the meeting,
  - 49.2.3. must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 49.3. The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

## **50. Attendance and speaking by directors and non-shareholders**

- 50.1. directors may attend and speak at general meetings, whether or not they are shareholders.
- 50.2. The chairman of the meeting may permit other persons who are not
- 50.2.1. shareholders of the company, or
  - 50.2.2. otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting.

## **51. Adjournment**

- 51.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- 51.2. The chairman of the meeting may adjourn a general meeting at which a quorum is present if
- 51.2.1. the meeting consents to an adjournment, or
  - 51.2.2. it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 51.3. The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 51.4. When adjourning a general meeting, the chairman of the meeting must



- 51.4.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - 51.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 51.5. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
- 51.5.1. to the same persons to whom notice of the company's general meetings is required to be given, and
  - 51.5.2. containing the same information which such notice is required to contain.
- 51.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## VOTING AT GENERAL MEETINGS

### **52. Voting: general**

- 52.1. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.
- 52.2. None of the following matters may be carried out by the company (or any subsidiary of the company) without the affirmative vote in general meeting (or by written resolution) of both
  - 1) those shareholders holding at least 75% in number (rounding down the number of shares if necessary) of the issued equity shares, and
  - 2) all AS Shareholder holding no less than 3% of the company's issued share capital at the date the vote is proposed to be held:
- 52.2.2. pass any resolution for the winding up or liquidation of the company;
- 52.2.3. create or grant any debenture, mortgage or charge (whether fixed or floating) over, or any other security over, the whole or any material part of its assets;
- 52.2.4. guarantee the material indebtedness of any person, firm or corporation;
- 52.2.5. materially change the nature or scope of its business from a media and communications business;

- 52.2.6. have as its accounting period any period other than a period of 12 months and have as the date of the end of any accounting period any date other than the accounting period as at the Date of Adoption;
  - 52.2.7. approve a merger, consolidation, reorganisation, or recapitalisation involving the company;
  - 52.2.8. adversely affect the rights attaching to the right to distributions, voting, return of capital or under Articles 29 to 39 inclusive in relation to any class of share;
  - 52.2.9. enter into any contract or transaction with a director or shareholder or any of their Privileged Relations otherwise than in the ordinary course of business on arm's length terms;
  - 52.2.10. engage any person as (i) employee or (ii) director at a remuneration or payment for services rendered as director (as the case may be) of more than £80,000-00 per annum; or
  - 52.2.11. other than the AS Options and Employee Options, create or implement any employee incentive plan consisting of shares in the company for the benefit of any employee.
- 52.3. For the purposes of article 52.2 shares held by an Applicable Shareholder's Permitted Transferees and all shares which could (actually or subject to any contingency) be issued to the Applicable Shareholder and/or its Permitted Transferee resulting from a Share Equivalent held by them or any of their Permitted Transferees shall be counted towards the total held by that Applicable Shareholder.

### **53. Errors and disputes**

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

### **54. Poll votes**

- 54.1. A poll on a resolution may be demanded—
  - 54.1.1. in advance of the general meeting where it is to be put to the vote, or
  - 54.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 54.2. A poll may be demanded by—
  - 54.2.1. the chairman of the meeting;
  - 54.2.2. the directors;

- 54.2.3. two or more persons having the right to vote on the resolution; or
- 54.2.4. a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- 54.3. A demand for a poll may be withdrawn if—
  - 54.3.1. the poll has not yet been taken, and
  - 54.3.2. the chairman of the meeting consents to the withdrawal.
- 54.4. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## **55. Content of proxy notices**

- 55.1. Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
  - 55.1.1. states the name and address of the shareholder appointing the proxy;
  - 55.1.2. identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
  - 55.1.3. is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - 55.1.4. is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 55.2. The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 55.3. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 55.4. Unless a proxy notice indicates otherwise, it must be treated as
  - 55.4.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - 55.4.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **56. Delivery of proxy notices**

- 56.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- 56.2. An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

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

56.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

### **57. General proxy – AS Shareholder**

57.1. Daniel Alexander Sandelson (or his Permitted Transferees if he transfers all his shares to a single Permitted Transferee) or his executors, legal personal representatives, attorneys under a lasting power of attorney, or legatees (as the case may be) shall be treated as holding a general proxy in respect of the voting of shares held by Headgear Investments Limited (whether in general meeting or by written resolution) and such proxy shall be recognized by the company and all shareholders notwithstanding any provision of these articles to the contrary.

### **58. Amendments to resolutions**

58.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

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

58.1.2. the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

58.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

58.2.1. the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

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

58.3. If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **59. Means of communication to be used**

59.1. Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies

Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

59.2. Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

59.3. A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **60. Company seals**

60.1. Any common seal may only be used by the authority of the directors.

60.2. The directors may decide by what means and in what form any common seal is to be used.

60.3. Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

60.4. For the purposes of this article, an authorised person is—

60.4.1. any director of the company;

60.4.2. the company secretary (if any); or

60.4.3. any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **61. No right to inspect accounts and other records**

61.1. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder, provided that any member may inspect the register kept under article 62 upon reasonable notice to the company secretary.

## **62. Share Equivalents register**

62.1. The directors shall cause the company secretary to maintain a register of Share Equivalents in respect of shares that are or may be issued by the company under Share Equivalents granted by the company. This register need not contain details of any Share Equivalents granted by any person other than the company to the beneficiary of the Share Equivalent, including any security under which a holder of that security (not being the company) grants

any person a right to subscribe for shares in the company which the holder of that security may hold or convert any other right or security or asset into shares in the company whether issued or unissued.

### **63. Provision for employees on cessation of business**

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

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **64. Indemnity**

64.1. Subject to article 64.2, a relevant director of the company or an associated company may be indemnified out of the company's assets against—

64.1.1. any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,

64.1.2. any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

64.1.3. any other liability incurred by that director as an officer of the company or an associated company.

64.2. 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.

64.3. In this article—

64.3.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

64.3.2. a "relevant director" means any director or former director of the company or an associated company.

### **65. Insurance**

65.1. The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

65.2. In this article

- 65.2.1. a “relevant director” means any director or former director of the company or an associated company,
- 65.2.2. a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company, and
- 65.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## **66. Transmission of rights**

- 66.1. Any rights under these articles and/or under any shareholders agreement affecting some or all shares of the company or its business or management, and any voting rights (including any express or implied veto right) held by any Applicable Shareholder (i) may be transferred to a Permitted Transferee (and any subsequent Permitted Transferee) who is a transferee of all the Applicable Shareholder’s shares and (ii) shall on that Applicable Shareholder’s death, incapacity or unsoundness of mind, or bankruptcy, pass automatically to and may be exercised by the affected Applicable Shareholder’s executor, trustee, attorney under a lasting power of attorney or similar instrument or trustee in bankruptcy or equivalent officer (as the case may be) (“**Applicable Officer**”) and thereafter may be transferred in accordance with the instrument governing the disposition of property by the Applicable Officer (including any will). The Applicable Officer shall supply such reasonable proof as the company secretary may require of their appointment as Applicable Officer. If no such Applicable Officer exists these rights may be exercised by the Applicable Shareholder’s spouse, or if none, the Applicable Shareholder’s elder child (if any).

## **67. Amendments**

- 67.1. No amendment or variation to these articles which would expressly or by implication
- 67.1.1. adversely affect the rights of any shareholder under these articles in relation to voting, distributions, return of capital or under articles 29 to 39 inclusive;
- 67.1.2. amend or vary any director or shareholder’s right to appoint or remove a director or to exercise any proxy; or
- 67.1.3. amend, vary, overturn or contradict (expressly or by implication) the provisions of articles 4 to 23 inclusive, article 52, article 57 or this article;

shall be valid or binding unless a special resolution is passed for which the Applicable Shareholders vote in favour, or written resolution signed by all shareholders is passed in accordance with this article.

67.2. This article is a provision for entrenchment as defined in section 22(1) of the Companies Act 2006.