

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**  
**OF**  
**RAGLAN HOUSE HOLDINGS LIMITED**

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Ref: 373365.58

## TABLE OF CONTENTS

1.	APPLICATION OF MODEL ARTICLES	3
2.	INTERPRETATION	3
3.	DIRECTORS AND THEIR POWERS	6
4.	PROCEEDINGS OF DIRECTORS	6
5.	TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY	7
6.	ACTUAL OR POTENTIAL CONFLICTS	7
7.	ALTERNATE DIRECTORS	9
8.	ALLOTMENT OF SHARES	10
9.	TRANSFER AND TRANSMISSION OF SHARES	10
10.	TAG ALONG	11
11.	DRAG ALONG	11
12.	PARTLY PAID UP SHARES, LIENS, CALLS AND FORFEITURE	13
13.	WRITTEN RESOLUTIONS	14
14.	GENERAL MEETINGS	14
15.	POLL VOTES	14
16.	PROXY NOTICES	15
17.	SHAREHOLDERS' NOMINATION RIGHTS	15
18.	DIVIDENDS	16
19.	MISCELLANEOUS	16
20.	COMMUNICATIONS	16
21.	INDEMNITY & INSURANCE	17

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**ARTICLES OF ASSOCIATION**  
**OF**  
**RAGLAN HOUSE HOLDINGS LIMITED**  
**(registered number: 11639220)**  
**("the company")**

(as adopted by written resolution on 18 December 2018)

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**1. APPLICATION OF MODEL ARTICLES**

- 1.1 The model articles of association for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended at the date of adoption of these articles ("**the Model Articles**") shall apply to the company save in so far as they are excluded or modified by these articles.
- 1.2 Notwithstanding that the company is a private company, certain articles contained in the model articles of association for public companies contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended at the date of adoption of these articles ("**the Model PLC Articles**") shall apply to the company, but only where expressly incorporated into these articles. Where so expressly incorporated, any reference in a Model PLC Article to a "**member**" shall in these articles be deemed to be a reference to a "**shareholder**".

**2. INTERPRETATION**

- 2.1 Without prejudice to any other definitions contained elsewhere in these articles, the following words and expressions shall in these articles have the meanings set out or referred to opposite each respectively (unless the context otherwise requires):

"the Act"	means the Companies Act 2006;
"an Adjourned Meeting"	has the meaning given in article 4.2;
"acting in concert"	shall bear the meaning ascribed to it in the City Code on Take-overs and Mergers (as amended from time to time);
"appointor"	has the meaning given in article 7.1;
"business day"	means a day (other than a Saturday, Sunday or a public holiday) when clearing banks in the City of London are open for the transaction of normal banking business;

<b>"clear days"</b>	in relation to a period of a notice means that period excluding the day on which the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>"Conflicting Situation"</b>	has the meaning given in article 6;
<b>"Conflicting Transaction"</b>	has the meaning given in article 5;
<b>"Connected"</b>	has the meaning given to such word by section 1122 of the Corporation Tax Act 2010;
<b>"the Drag Along Notice"</b>	has the meaning given in article 11.2;
<b>"the Drag Along Right"</b>	has the meaning given in article 11.1;
<b>"the Dragged Shareholders"</b>	has the meaning given in article 11.1;
<b>"the Dragging Majority"</b>	has the meaning given in article 11.1;
<b>"eligible director"</b>	means a director who would be entitled to vote on the matter concerned at a meeting of directors, but excluding any director whose vote is not to be counted in respect of the matter concerned;
<b>"Member of the same Group"</b>	as regards any company, means a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;
<b>"Model Articles"</b>	has the meaning given in article 1.1;
<b>"Model PLC Articles"</b>	has the meaning given in article 1.2;
<b>"a New Shareholder"</b>	has the meaning given in article 11.6;
<b>"Nominee"</b>	has the meaning given in article 17;
<b>"the Offer Price"</b>	has the meaning given in article 10.2.2;
<b>"the Offeror"</b>	has the meaning given in article 11.1;
<b>"Ordinary Shares"</b>	means the ordinary shares of £0.10 each in the capital of the company;
<b>"Price"</b>	has the meaning given in article 11.2.3;
<b>"Proposed Transferee"</b>	has the meaning given in article 10.1;
<b>"Qualifying Persons"</b>	has the meaning given in section 318(3) of the Act;
<b>"Relevant Interest"</b>	means an interest in more than 75% of the issued share capital of the company for the time being; and
<b>"Relevant Transaction"</b>	has the meaning given in article 10.1.

- 2.2 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act (including **"holding company"**, **"parent undertaking"**, **"subsidiary"** and **"subsidiary undertaking"**) shall have the same meanings in these articles.

- 2.3 Any reference in these articles to any provision of any statute or to any other legislative provision shall be deemed to include a reference to any statutory or other legislative modification or re-enactment of that provision from time to time in force.
- 2.4 In these articles, where the context so permits, words importing the singular number shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter and vice versa; words importing persons shall include bodies corporate, unincorporated associations and partnerships.
- 2.5 The headings to each of the articles are inserted for ease of reference only and shall not affect the construction or interpretation of these articles.
- 2.6 A reference in these articles to an "**article**" followed by a particular number is a reference to the relevant article of these articles bearing that number. A reference in these articles to a "**Model Article**" followed by a particular number is a reference to the relevant article of the Model Articles bearing that number. A reference in these articles to a "**Model PLC Article**" followed by a particular number is a reference to the relevant article of the Model PLC Articles bearing that number.
- 2.7 Where provisions of the Model PLC Articles are expressly incorporated into these articles, words and expressions ascribed a particular meaning by the Model PLC Articles shall have the same meanings in these articles.
- 2.8 A reference in these articles to any transfer of any share shall mean the transfer of either or both of the legal and beneficial ownership in such share and/or the grant of an option to acquire either or both of such legal and beneficial ownership, and the following shall be deemed (but without limitation) to be a transfer of a share:
- 2.8.1 any direction by way of renunciation, nomination or otherwise by a person entitled to an allotment of shares to the effect that such shares or any of them be allotted to some other person; and
- 2.8.2 any sale or other disposition of any legal or equitable interest (including without limitation any voting right attached thereto) in any share.
- 2.9 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.10 A person shall be deemed to be "**Mentally Incapable**" when, by reason of that person's mental health:
- 2.10.1 he or she is admitted to hospital in pursuance of an application under the Mental Health Act 1983; the Mental Health (Care and Treatment) (Scotland) Act 2003; or the Mental Health (Northern Ireland) Order 1986 or any equivalent legislation in force in any jurisdiction outside the United Kingdom; or
- 2.10.2 he or she has a court of competent jurisdiction (whether or not in the United Kingdom) in matters concerning mental disorder make an order in respect of that person, which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have.
- 2.11 For the purposes of the articles but subject to the provisions of the Act, references in these articles (and in the provisions of the Model Articles and Model PLC Articles incorporated into these articles) to any matter to be done by, or in relation to, a "**shareholder**" or "**shareholders**" shall be deemed to include reference to any Nominee nominated in accordance with article 17 (and such reference shall, until such nomination is revoked in accordance with article 17, exclude the shareholder who made the nomination).

### 3. DIRECTORS AND THEIR POWERS

- 3.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall be not less than one.
- 3.2 Model Article 17(1) shall not apply to the company. 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:
- 3.2.1 by ordinary resolution, or
- 3.2.2 by a decision of the directors.
- 3.3 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have had a bankruptcy order made against him or her (as the case may be) have the right, by notice in writing, to appoint a person who is willing to act and is permitted by law to do so to be a director. Model Article 17(2) shall not apply to the company and the reference in Model Article 17(3) shall be deemed to be a reference to this article.
- 3.4 The directors may resolve to change the name of the company.
- 3.5 Model Article 5(1)(c) shall be amended by the insertion of the words "(including collaterally with or to the exclusion of their own powers)" at the end of that Model Article.
- 3.6 No alteration of the articles invalidates anything which the directors have done which would have been valid had that alteration not been made.

### 4. PROCEEDINGS OF DIRECTORS

- 4.1 Subject to article 4.2 and article 4.3, the quorum for directors' meetings shall be two eligible directors. Model Article 11(2) shall not apply to the company. A person who holds office only as an alternate shall, if his appointor is not present, be counted in the quorum.
- 4.2 If a quorum for any directors meeting is not present within half an hour from the time appointed for the meeting, or if during a meeting such a 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 to such time and place as the attending directors may determine ("**an Adjourned Meeting**"). If any director fails to attend the Adjourned Meeting then at the following Adjourned Meeting his or her presence shall not be required for the meeting to be quorate and article 4.1.
- 4.3 In relation to any proposal to authorise a Conflicting Situation pursuant to article 6 (Actual or Potential Conflicts) if, other than the director(s) to which the Conflicting Situation relates, there is only one director in office, the quorum shall be one eligible director.
- 4.4 Reasonable notice must be given of director's meetings. Model Article 9(3) shall be amended accordingly. Directors may waive their entitlement to notice of a director's meeting at any time and in Model Article 9(4)) the words "not more than 7 days after the date on which the meeting is held" shall be deleted and replaced with the words "at any time".
- 4.5 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- 4.6 Article 4.5 shall not apply in respect of a meeting (or part of a meeting) at which, for the purposes of that meeting (or part of a meeting), the chairman or other director is not an eligible director. Model Article 13 shall not apply to the company.
- 4.7 Model Article 8(3) shall not apply to the Company and references in Model Article 8 to "eligible directors" shall be to such term as defined in article 2.

## 5. TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY

5.1 In accordance with sections 177 and 182 of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company ("**a Conflicting Transaction**") must declare the nature and extent of that interest to the other directors. However, a director need not declare an interest in a Conflicting Transaction:

5.1.1 if it cannot reasonably be regarded as giving rise to a conflict of interest;

5.1.2 if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or

5.1.3 if, or to the extent that, it concerns the terms of his or her service contract that have been or are to be considered by a meeting of the directors or by a committee of the directors appointed for that purpose; or

5.1.4 if, or to the extent that, he or she is not aware of the Conflicting Transaction or his or her interest in it.

5.2 Model Articles 14(1) to 14(5) (inclusive) shall not apply to the company. Subject to the Act and provided he or she has declared to the other eligible directors the nature and extent of any interest of his or hers, a director who is in any way, whether directly or indirectly, interested in a Conflicting Transaction:

5.2.1 may continue to be interested in or party to such Conflicting Transaction;

5.2.2 shall be entitled to vote at any meeting of the directors or of any committee of the directors of which he or she is a member notwithstanding that it in any way concerns or relates to such Conflicting Transaction and shall therefore be an eligible director for such purposes;

5.2.3 shall, whether or not he or she votes, be taken into account in calculating the quorum present at any meeting at which such Conflicting Transaction is to be considered;

5.2.4 may be interested in or party to that Conflicting Transaction by virtue of being a director or other officer of, or employed by, or party to a transaction or arrangement with or otherwise interested in, any holding company or parent undertaking from time to time of the company, or any subsidiary or subsidiary undertaking from time to time of the company or of such other company or undertaking, or any other company which, in relation to the company or such a company or undertaking, is from time to time an "associated company" (as defined in section 25 of the Corporation Tax Act 2010); and

5.2.5 shall not be accountable to the company for any benefit which he or she (or a person Connected with him or her) derives from such Conflicting Transaction and such Conflicting Transaction shall not be liable to be voided or set aside on the grounds of the director's interest nor shall the receipt of any remuneration, profit or other benefit arising from such Conflicting Transaction constitute a breach by the director of his or her duty under section 176 of the Act.

## 6. ACTUAL OR POTENTIAL CONFLICTS

6.1 Subject to article 6.2, the directors may authorise, subject to such terms and conditions as they think fit (including as regards duration and revocation), to the fullest extent permitted by law, any matter or situation which would or might otherwise result in a director infringing his or her duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or a conflict of duties) including the director accepting or continuing in any office, employment or position in addition to his or her office as a director of the company ("**a Conflicting Situation**").

- 6.2 Any authorisation of a Conflicting Situation pursuant to article 6.1 to be given by the directors at a meeting of the directors will be effective only if:
- 6.2.1 the meeting of the directors is duly convened in accordance with the articles;
  - 6.2.2 at such meeting any requirement as to quorum is met without counting the director or directors to whom the authorisation relates; and
  - 6.2.3 the authorisation was agreed to without any such director or directors voting, or would have been agreed to if the votes of all such directors had not been counted.
- 6.3 Where authorisation of a Conflicting Situation pursuant to article 6.1 is to be given by way of a unanimous decision of the directors in accordance with Model Article 8, the director or directors to whom the authorisation relates shall not be considered eligible directors.
- 6.4 Any Conflicting Situation which has been authorised in accordance with article 6.1 shall (unless stated otherwise in the terms of such authorisation) be given on the basis that:
- 6.4.1 the authorisation may be revoked by the directors at any time by giving the director concerned notice in writing;
  - 6.4.2 the director concerned shall not be required to disclose any confidential information relating to such Conflicting Situation to the company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed to him or her in relation to or in connection with that Conflicting Situation;
  - 6.4.3 the director concerned may (and shall if required by the directors) absent himself or herself from meetings or discussions of the directors at which anything relating to that Conflicting Situation will or may be discussed;
  - 6.4.4 the director concerned may (and shall if required by the directors) decline to review information provided by the company which will or may relate to or be connected to that Conflicting Situation; and
  - 6.4.5 such authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of such Conflicting Situation so authorised.
- 6.5 Where a Conflicting Situation has been authorised by the directors pursuant to article 6.1:
- 6.5.1 the director concerned shall not, as a result of such Conflicting Situation, be accountable to the company for any remuneration, profit or other benefit for which he or she (or a person Connected with him or her) derives from such Conflicting Situation;
  - 6.5.2 any transaction to which the company is a party shall not be liable to be voided or set aside on the grounds of the Conflicting Situation; and
  - 6.5.3 the director concerned shall not, as a result of such Conflicting Situation, breach any of the duties he or she owes to the Company by virtue of sections 171 to 176 of the Act;  
  
provided such director acts in accordance with any terms, limits and conditions as the directors impose in respect of such authorisation (or which are implied by these articles).
- 6.6 The fact that a Conflicting Situation has been authorised by the directors does not negate the requirement for directors to declare the nature and extent of their interest in any excising or proposed transaction or arrangement with company in accordance with the Act and these articles.
- 6.7 In accordance with section 180(4)(b) of the Act, a director shall not be in breach of his or her general duties to the company:



6.7.1 by virtue of the fact that he or she is a director or other officer or an employee of a company which is a Member of the same Group as the company; or

6.7.2 if or to the extent that he or she acts in accordance with the instructions of any holding company or parent undertaking of the company.

## 7. **ALTERNATE DIRECTORS**

7.1 Any director (other than an alternate director) (an "**appointor**") may appoint any other director or any other person approved by resolution of the directors and willing to act to be an alternate director and may remove from office an alternate director so appointed. Every appointment and removal of an alternate director shall be effected by notice to the company in writing signed by the appointor and subject to any approval required shall, unless the directors otherwise agree, take effect only upon receipt of such written appointment or removal at the company's registered office.

7.2 An alternate director shall not be entitled merely by virtue of being an alternate director to receive any remuneration from the company except that he or she may be paid by the company such part (if any) of the remuneration otherwise payable to his or her appointor as such appointor may by notice in writing to the company from time to time direct.

7.3 Except as otherwise provided in these articles, alternate directors are deemed for all purposes to be directors; are alone responsible for their own acts and defaults; are subject to the same restrictions as their appointors; and are not deemed to be agents of or for their appointors. In particular, an alternate director is entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his or her appointor is a member, to attend and vote at any such meeting at which his or her appointor is not personally present, and generally to perform all the functions of his or her appointor as a director in his or her appointor's absence and to receive notice of all general meetings.

7.4 A person who is an alternate director but not a director, and whose appointor is an eligible director in respect of any decision to be taken by the directors, but such appointor is not participating in the making such decision:

7.4.1 may be counted as participating in any meeting of the directors for the purpose of determining whether a quorum is present; and

7.4.2 shall be required to participate in any unanimous decision of the directors.

7.5 A person who is an alternate director and also a director in his or her own right is entitled, in the absence of his or her appointor, to a separate vote on behalf of his or her appointor, in addition to his or her own vote, on any decision of the directors (unless his or her appointor would not be an eligible director in respect of such decision) and shall, for the purposes of determining whether:

7.5.1 a quorum is present; or

7.5.2 a decisions of the directors has been made unanimously;

count as more than one director (one director in his or her own right and one director for each appointment he or she holds as an alternate director).

7.6 Any person may act as alternate director for more than one director.

7.7 An alternate director shall cease to be an alternate director immediately upon:

7.7.1 the alternate director's appointor ceasing to be a director;

7.7.2 the alternate director's appointor revoking his or her appointment;

7.7.3 the happening of any event which, if the alternate director were a director, would cause him or her to be required to vacate such office.

7.8 The company may pay any reasonable expenses which alternate directors properly incur and Model Article 20 shall be amended by the addition of the words "(including alternate directors)" immediately following the words "reasonable expenses which the directors".

## **8. ALLOTMENT OF SHARES**

8.1 Save to the extent authorised by these articles, or by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company (including the power granted by section 550 of the Act).

8.2 Notwithstanding any other provision of these articles, no share shall be issued to any infant or bankrupt or to any person who is Mentally Incapable, but shares may be issued to trustees for any infant or person who is Mentally Incapable.

8.3 Model Article 22 shall be amended by the deletion of the words "and the directors may determine the terms, conditions and manner of redemption of any such shares." and their replacement with the words "and the terms, conditions and manner of redemption shall be set out in the articles."

## **9. TRANSFER AND TRANSMISSION OF SHARES**

9.1 Notwithstanding any other provision of these articles, no share shall be transferred to any infant or bankrupt or to any person who is Mentally Incapable.

9.2 The directors may, but shall not be obliged to, refuse to register a transfer of a share if:

9.2.1 the share is not fully paid;

9.2.2 the transfer is not lodged at the company's registered office or at such other place as the directors have appointed;

9.2.3 the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;

9.2.4 the transfer is in favour of a person or persons who is/are a minor;

9.2.5 the transfer is in respect of more than one class of share; or

9.2.6 the transfer is in favour of more than four transferees.

9.3 Subject to these articles including articles 9.1 and 9.2, the directors shall be obliged to register any transfer made in accordance with these articles unless the proposed transferee is or in the reasonable opinion of the directors is likely to become a competitor of the company or any Relevant Company (as defined in article 21) from time to time.

9.4 If the directors refuse to register the transfer of a share, 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. Model Article 26(5) shall not apply to the company.

9.5 Transfers of partly paid shares shall be signed by both the transferor and the transferee and Model Article 26(1) shall be amended by the insertion of the words "and (unless the shares to which the transfer relates are fully paid up) the transferee" at the end of that Model Article.

9.6 Model Article 27(3) shall be amended by the insertion of the words "subject to article 3.4" immediately after the word "But".

9.7 Model Article 29 shall be amended by the insertion of the words ", or the name of the person to whom the shares are to be transferred in accordance with Model Article 28," immediately after the words "given to the shareholder before the transmittee's name".

## 10. TAG ALONG

10.1 Subject to the provisions of article 11.7, no sale or transfer of any shares (a "**Relevant Transaction**") may be made or validly registered if as a result of such sale or transfer a Relevant Interest would be obtained by a person (or persons acting in concert) where such person(s) did not have a Relevant Interest immediately prior to the Relevant Transaction, unless the transferor shall have procured a written offer complying with the provisions of article 10.2 to have been made by the proposed transferee (or any person or persons acting in concert with it) ("**the Proposed Transferee**") to all the other shareholders to acquire their entire holdings of shares.

10.2 The offer referred to in article 10.1 shall be on terms that:

10.2.1 it will be open for acceptance for a period of at least 28 days following the making of the offer;

10.2.2 each shareholder to whom it is made shall be entitled to receive for each of the shares held by him or her, a sum equal to the aggregate consideration offered by the Proposed Transferee for all the issued shares (excluding any consideration attributable to accruals or arrears of dividends), divided by the number of shares in issue ("**the Offer Price**");

10.2.3 the purchase of any shares in respect of which such offer is accepted shall be completed at the same time as the Relevant Transaction;

and otherwise on the same terms for all shareholders (including, but without limitation, as to the form and time of satisfaction of the consideration).

10.3 Any offer made pursuant to article 10.2 shall be deemed to be rejected by any shareholder who does not accept it in accordance with its terms within the 28 day period specified.

10.4 For the purposes of article 10.2, the aggregate consideration offered by the Proposed Transferee for all the issued shares shall be deemed to include any consideration, in cash or otherwise which, having regard to the substance of the transaction as a whole, may reasonably be regarded as part of such consideration.

10.5 For the purposes of this article 10, the certificate of the auditors of the company for the time being as to the value attributable to any part of the consideration offered by the Proposed Transferee which is proposed to be satisfied other than in cash and/or as to the Offer Price shall be final and binding and in so certifying such auditors shall be considered to be acting as experts and not as arbitrators and accordingly the Arbitration Act 1996 shall not apply.

## 11. DRAG ALONG

11.1 If one or more shareholders holding between them not less than 75% of the total number of shares ("**the Dragging Majority**") propose to sell the legal or beneficial interest in their entire holdings of shares at an arm's length price to a person (or persons acting in concert) with whom none of them is Connected (the "**Offeror**"), the Dragging Majority shall have the option to require all the other shareholders ("**the Dragged Shareholders**") to sell and transfer their entire holdings of shares to the Offeror (or as the Offeror shall direct) with full title guarantee in accordance with this article 11 ("**the Drag Along Right**").

- 11.2 The Dragging Majority may exercise the Drag Along Right by giving written notice ("**the Drag Along Notice**") to that effect at any time before the transfer of the Dragging Majority's shares to the Offeror. The Drag Along Notice shall specify:
- 11.2.1 that the Dragged Shareholders are required to sell and transfer their entire holdings of shares ("**the Dragged Shares**") pursuant to this article 11;
- 11.2.2 the person to whom they are to be sold and transferred (and the Offeror, if different);
- 11.2.3 the consideration for which each of the Dragged Shares is to be transferred, which shall not be less than the aggregate consideration offered by the Offeror for the Dragging Majority's shares, divided by the number of the Dragging Majority's shares (and for this purpose the provisions of articles 10.4 and 10.5 shall apply mutatis mutandis) and shall take the same form and shall be satisfied at the same time or otherwise on the same terms as the consideration offered by the Offeror for the Dragging Majority's shares ("**Price**"); and
- 11.2.4 the proposed date of transfer (which shall not be less than 2 days after the date of service of the Drag Along Notice).
- 11.3 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Dragging Majority do not transfer their entire holdings of shares to the Offeror or the Offeror's nominee not later than the date specified as the date for completion of the sale and purchase of shares pursuant to acceptance of the Drag Along Right, unless the holders of at least 50% in number of the Dragged Shares and the Dragging Majority agree otherwise. The Dragging Majority may serve further Drag Along Notices if any particular Drag Along Notice lapses.
- 11.4 Subject to article 11.3, each of the Dragged Shareholders shall be bound to transfer his or her entire holding of shares in accordance with the provisions of the Drag Along Notice.
- 11.5 If any Dragged Shareholder fails to complete the sale of any of his or her shares pursuant to the Drag Along Notice or otherwise fails to take any action required of him or her under the terms of the Drag Along Right, the directors (or any of them) may authorise any person to undertake on his or her behalf any other action required under the terms of the Drag Along Right. In particular (but without limitation), the Dragged Shareholder shall be deemed to have appointed each of the directors and the secretary jointly and severally as his or her attorney to sign a transfer of all or any of the Dragged Shares to an Offeror, should he or she fail to do so forthwith upon receipt of the Price in respect thereof, and to execute an appropriate form of indemnity should he or she fail to deliver to the Company either the relevant share certificate or certificates or such an indemnity duly executed upon payment to him or her of the Price in respect thereof. The receipt of any director or of the secretary for the purchase money shall be a good discharge to the Offeror (in circumstances where it is paid to the Dragged Shareholder by the company on his or her behalf), and, after his or her name has been entered in the register of members in purported exercise of this power, the validity of the proceedings shall not be questioned by any person. The Offeror or (in circumstances where it is to be paid by the company on his behalf) the company may pay the purchase money by posting a cheque (which shall be at the risk of the Dragged Shareholder) to the Dragged Shareholder at his or her address as shown in the register of members.
- 11.6 If any person after the giving of a Drag Along Notice becomes a shareholder pursuant to the exercise of a pre-existing option or other right to subscribe for or otherwise acquire shares ("**a New Shareholder**"), provided that it has not lapsed, the Drag Along Notice shall be deemed also to have been served upon the New Shareholder forthwith upon him or her becoming a shareholder and the New Shareholder shall thereupon be bound to sell and transfer all such shares acquired by him or her to the Offeror or as the Offeror may direct and the provisions of this article shall apply mutatis mutandis to the New Shareholder save that, if the shares in question are acquired after the sale of the Dragged Shares has been completed, completion of the sale of the New Shareholder's shares shall take place immediately upon him or her acquiring the shares.

- 11.7 If the Dragging Majority exercise the Drag Along Right, it shall not be necessary for the Dragging Majority first to have complied with the provisions of article 10 (Tag Along).

## 12. **PARTLY PAID UP SHARES, LIENS, CALLS AND FORFEITURE**

- 12.1 Model Article 21 shall not apply to the company. Subject to the articles the company may issue shares which are nil paid, partly paid or fully paid up.
- 12.2 The company has a lien ("**the company's lien**") over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future.
- 12.3 The company's lien over a share takes priority over any third party's interest in that share and extends to any dividend or other money payable by the company in respect of that share, and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- 12.4 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.
- 12.5 Model PLC Article 53 shall apply to the company and shall govern the enforcement of the company's lien, save that:
- 12.5.1 in Model Article 53(2)(c) the word "clear" shall be inserted between the words "14" and "days"; and
- 12.5.2 in Model Article 53(4)(b) the words "a suitable indemnity" shall be deleted and replaced by the words "an indemnity in a form reasonably satisfactory to the directors" and the words "over the shares before the sale for any money payable in respect of the shares" shall be deleted and replaced by the words "for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders)".
- 12.6 Model PLC Article 54 shall apply to the company and shall govern the serving of call notices, save that in Model PLC Article 54 (2)(a) the words "sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the company by way of a premium)" shall be deleted and replaced by the words "amount of his indebtedness or liability to the company".
- 12.7 Model PLC Article 55 shall apply to the company and shall govern shareholders' liability to pay calls.
- 12.8 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share on allotment; on the occurrence of a particular event; or on a date fixed by or in accordance with the terms of issue. But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.
- 12.9 Model PLC Article 57 shall apply to the company and shall govern the automatic consequences of failure to comply with a call notice.
- 12.10 A notice of intended forfeiture:
- 12.10.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

- 12.10.2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder;
- 12.10.3 must require payment of the call and any accrued interest and all expenses that may have been incurred by the company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice;
- 12.10.4 must state how the payment is to be made; and
- 12.10.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.
- 12.11 Model PLC Articles 59 to 62 shall apply to the company.

### 13. **WRITTEN RESOLUTIONS**

- 13.1 Written resolutions of the company may be proposed by the directors in accordance with section 291 of the Act. The shareholders may require the company to circulate a written resolution in accordance with section 292 to 295 of the Act.
- 13.2 For the purposes of section 297 of the Act, a written resolution will lapse if it is not passed before the end of such period as the directors may determine (provided such period is detailed on the copy of the resolution circulated pursuant to section 291 of the Act), but in the absence of such determination the period shall be 28 days beginning with the circulation date of the resolution.
- 13.3 In the case of a shareholder which is a body corporate, the signature of a director or the secretary and, in the case of joint holders of a share, the signature of any one of such joint holders, shall be sufficient for the purpose of signifying a shareholder's agreement to a written resolution.

### 14. **GENERAL MEETINGS**

- 14.1 In accordance with the Act, the company is not required to hold an annual general meeting.
- 14.2 The quorum for general meetings shall be one Qualifying Persons and/or Nominees granted the right to attend and vote at a general meeting provided that:
  - 14.2.1 where a person is a Qualifying Person only because he or she is authorised under section 323 of the Act to act as the representative of a corporation in relation to the meeting, and another Qualifying Person attending the meeting is also so authorised to act as a representative of the same corporation; or
  - 14.2.2 where a person is a Qualifying Person only because he or she is appointed as a proxy of a shareholder in relation to the meeting, and another Qualifying Person attending the meeting is also so appointed as a proxy of the same shareholder;
- that person shall not count toward the quorum but shall otherwise be permitted to take part in the meeting for all purposes.
- 14.3 Model Article 41(5) shall be amended by the insertion of the words "but otherwise it shall not be necessary to give any notice of the meeting." at the end of that Model Article.

### 15. **POLL VOTES**

- 15.1 A poll may be demanded by any Qualifying Person present and entitled to vote at the meeting and by any Nominee who has been delegated a shareholder's right to demand a poll and who is present and entitled to vote at the meeting. Model Article 44(2) shall not apply to the company.

- 15.2 Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made." at the end of that Model Article.

16. **PROXY NOTICES**

- 16.1 Proxies may only validly be appointed by a proxy notice which is delivered to the company not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting to which they relate, in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate. Model Article 45(1) shall be amended accordingly.
- 16.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes. If the company does specify a particular form of proxy notice it shall set out the form of such proxy notice in the notice convening the meeting to which the proxy notice relates. Model Article 45(2) shall be amended accordingly.
- 16.3 Model Article 46(4) shall be amended by the insertion of the words "satisfactory to the directors" immediately after the words "it must be accompanied by written evidence".

17. **SHAREHOLDERS' NOMINATION RIGHTS**

- 17.1 Subject to the Companies Acts and to this article 17, any shareholder (or, where any share is held jointly, whichever of them is first named in the register) shall be entitled from time to time to nominate any one other person or persons ("**a Nominee**") to exercise some or all of such shareholder's rights as a shareholder of the company and at any time to revoke such nomination.
- 17.2 Any nomination under article 17.1 shall:
- 17.2.1 be given by notice in writing addressed to the company;
- 17.2.2 specify the full name and address for notices of the Nominee;
- 17.2.3 be countersigned by or on behalf of the Nominee to indicate his or her acceptance of such nomination; and
- 17.2.4 take effect upon receipt (or deemed receipt) of such a notice by the company.
- 17.3 A notice of nomination given under article 17.2 may:
- 17.3.1 specify which rights, in relation to which shares, of that shareholder are to be enjoyed, or may be exercised, by the Nominee (and any limitations on such enjoyment or exercise) or, in the absence of such provision, such notice shall be deemed to grant the Nominee the right to exercise all of the relevant shareholder's rights as a shareholder of the company, to the fullest extent, subject only to the provisions of the Companies Acts; and
- 17.3.2 specify when the nomination is to cease to have effect.
- 17.4 Revocation of a nomination previously made under article 17.1 shall be given by notice in writing addressed to the company and shall take effect upon receipt (or deemed receipt) of such notice by the company.
- 17.5 At all times from receipt (or deemed receipt) by the company of such a notice of nomination, until receipt (or deemed receipt) of a valid notice of revocation of such a nomination, the Nominee shall enjoy and be entitled to exercise the rights of the shareholder that appointed them, to the extent, if any, specified in such notice of nomination, to the exclusion of that shareholder's rights (to that extent). The revocation of a nomination in accordance with article 17.4 shall not invalidate anything done (or omitted

to be done) by the Nominee at any time prior to the date such revocation takes effect in accordance with article 17.4.

**18. DIVIDENDS**

If a share is subject to the company's lien and the directors are entitled to issue a lien enforcement notice in respect of it, they may, instead of issuing a lien enforcement notice, deduct from any dividend or the sum payable in respect of the share any sum of money which is payable to the company to the extent that they are entitled to require payment under a lien enforcement notice. Money so deducted must be used to pay any of the sums payable in respect of that share. The company must notify the distribution recipient in writing of the fact and amount of any such deduction; any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and how the money deducted has been applied.

**19. MISCELLANEOUS**

- 19.1 Except as provided by law or authorised by the directors or an ordinary resolution of the company or by these articles, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder. Model Article 50 shall not apply to the company.
- 19.2 Model PLC Article 44 shall apply to the company and shall govern the payment of commissions on subscriptions for shares.
- 19.3 Model PLC Article 51 shall apply to the company and shall govern the issue of share warrants.
- 19.4 Model PLC Article 69 shall apply to the company and shall govern the procedure of disposing of fractions of shares.
- 19.5 Model Article 24(2)(c) shall be amended by the deletion of the words "that the shares are fully paid; and" and their replacement with the words "the amount or respective amounts paid up on those shares; and".
- 19.6 Model Article 25(2)(c) shall be amended by the insertion of the words "and all reasonable expenses" immediately following the words "payment of a reasonable fee".
- 19.7 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying any amounts unpaid on existing shares held by the persons entitled; or 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. Model Article 36(4) shall be amended accordingly.

**20. COMMUNICATIONS**

- 20.1 Subject to the Act, a document or information may be sent or supplied by the company to a person by being made available on a website.
- 20.2 If any share is registered in the name of joint holders the company may send any notice, document or other communication to the joint holder whose name stands first in the register of members in respect of the joint holding and the company is not required to serve any notice, document or other communication on any of the other joint holders.
- 20.3 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 20.3.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international



overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- 20.3.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 20.3.3 if properly addressed and sent or supplied by electronic means, 24 hours after the document or information was sent or supplied; and
- 20.3.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

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

## 21. **INDEMNITY & INSURANCE**

- 21.1 Subject to the Act, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- 21.1.1 each Relevant Officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a Relevant Officer in the actual or purported execution and/or discharge of his or her duties; or in relation to them and in relation to any Relevant Company's activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act); including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to any Relevant Company's affairs; and

- 21.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in article 21.1.1 and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure.

- 21.2 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

- 21.3 Model Article 52 (save for Model Article 52(2)) and Model Article 53 shall not apply to the company.

- 21.4 In this article 21:

**"Relevant Company"**

means the company, any holding company or parent undertaking from time to time of the company or in which the company or any such holding company or parent undertaking or any of the predecessors of the company or of any such holding company or parent undertaking has or had at any time any interest, whether direct or indirect, or which is or was at any time in any way allied to or associated with the company or any subsidiary or subsidiary undertaking of the company or of such other company or

undertaking;

**"Relevant Loss"**

means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to any Relevant Company or any pension fund or employees' share scheme of any Relevant Company; and

**"Relevant Officer"**

means any director or other officer or former director or other officer of any Relevant Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Relevant Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.