

Company Number: 10397141

The Companies Act 2006

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

MARTHA FLORA UK LIMITED

THURSDAY



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06/10/2016

#16

COMPANIES HOUSE

Circulated on 28 September 2016 (the Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that resolution 1 is passed as an ordinary resolution and resolution 2 is passed as a special resolution (the Resolutions)

ORDINARY RESOLUTION

- 1 THAT the directors of the Company be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the **2006 Act**) to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £300 00, such authority to be limited to the allotment and issue of
 - a up to an aggregate nominal amount of £100 00 of ordinary A shares of £1 00 each,
 - b up to an aggregate nominal amount of £100 00 of ordinary B shares of £1 00 each,
 - c up to an aggregate nominal amount of £100 00 of ordinary C shares of £1 00 each,

provided that this authority shall, unless renewed, varied or revoked by the Company, expire 5 years from the date of this resolution and that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights granted to subscribe for or to convert any security into shares in the Company after such expiry and the directors may allot shares or grant rights to subscribe for or to convert any security into shares in the Company in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the directors of the Company in accordance with section 551 of the 2006 Act

SPECIAL RESOLUTION

- 2 THAT the Articles of Association contained in the document attached to these resolutions and marked "A" be and the same are approved and adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company

AGREEMENT

Please read the attached notes before signifying your agreement to the Resolutions

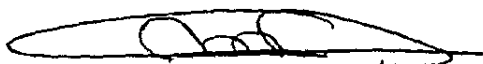
We the undersigned, being the only members of the Company entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agree to the Resolutions



**DIRECTOR FOR AND ON BEHALF OF
CASTLEOAK HOLDINGS LIMITED**

28 Sept 2016

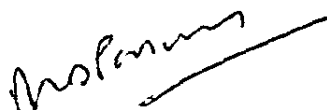
DATE



**DIRECTOR FOR AND ON BEHALF OF
MARTHA FLORA BEHEER B.V**

28 Sept 2016

DATE



MICHAEL DENNIS PARSONS

28 3 16

DATE

Company Number: 10397141

The Companies Act 2006

Private Company Limited by Shares

Articles of Association

of

Martha Flora UK Limited

(the Company)

(As adopted by Members' Written Resolution passed on *28 September* 2016)

BLAKE 
MORGAN

Blake Morgan LLP
New Kings Court
Tollgate
Chandler's Ford
Eastleigh SO53 3LG
www.blakemorgan.co.uk
Ref MCW 596518 1

CONTENTS

1	Preliminary	1
2	Share Capital	6
3	Rights Attaching to Shares	6
4	Directors' expenses	8
5	Further Issues of Shares Authority	8
6	Lien on Shares	9
7	Transfer of Shares	10
8	Mandatory Transfers	15
9	Permitted Transfers	17
10	Information About Shareholdings And Transfers	18
11	Registration of Transfers	19
12	Tag Along Rights	19
13	Drag Along Rights	20
14	Proceedings at General Meetings	22
15	General Meeting on Members' Requisition	22
16	Directors Number and Appointment of Directors	23
17	Alternate Directors	23
18	Remuneration of Directors	24
19	Powers of Directors	24
20	Proceedings of the Directors	24
21	Transactions or other arrangements with the Company	25
22	Directors' Interests	26
23	Notices	27
24	Indemnity and Insurance	28

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

MARTHA FLORA UK LIMITED

(the Company)

(As adopted by Members' Written Resolution passed on 28 September 2016)

1 PRELIMINARY

1.1 In these Articles, if not inconsistent with the context, the following expressions have the following meanings

Act means the Companies Act 2006 including any statutory re-enactment or modification thereof from time to time in force,

Adoption Date means the date of the passing of a resolution adopting these Articles,

Articles means these articles of association and **Article** shall be construed accordingly,

A Shares means the A ordinary shares of £1.00 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles (and **A Shareholder** means a person who is for the time being registered as a holder of A Shares),

Associate means any person who is

- a Family Member or a trustee of a Family Trust,
- if the Shareholder is a company, any subsidiary or holding company of that Shareholder, any other subsidiary of any such holding company and any other company controlled by the same ultimate beneficial owner as such Shareholder, or
- any person aged 18 or over with whom the Shareholder or any Associate of the Shareholder is connected (determined for this purpose in accordance with section 1122 of the Corporation Tax Act 2010),

Auditors means the auditors for the time being of the Company or, if the Company does not have an auditor, such firm of chartered accountants as the Board may nominate,

Available Profits means in respect of any financial period, the profits earned or accrued during that period and available for distribution within the meaning of the Act,

Bankruptcy means any of the following

- (a) a bankruptcy order being made for the Shareholder's bankruptcy, or
- (b) an arrangement or composition with the Shareholder's creditors being made, or
- (c) the Shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally, or
- (d) the Shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986, or
- (e) a receiver being appointed over or in relation to all of the Shareholder's assets, or
- (f) the happening in relation to a Shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets,

Board means the board of directors of the Company from time to time,

B Shares means the B ordinary shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles (and **B Shareholder** means a person who is for the time being registered as a holder of B Shares),

Buyer has the meaning set out in Article 7 13,

C Shares means the C ordinary shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles (and **C Shareholder** means a person who is for the time being registered as a holder of C Shares),

Defaulting Shareholder has the meaning set out in Article 13 5,

Departing Shareholder means a Shareholder who has served or is deemed to have served a Transfer Notice pursuant to Article 8,

Drag Along Completion has the meaning set out in Article 13 2,

Drag Along Notice has the meaning set out in Article 13 3,

Drag Along Shares has the meaning set out in Article 13 3,

electronic communication has the meaning given to it in the Electronic Communications Act 2000,

Employee Trust means a trust approved by the Board and whose beneficiaries are genuine employees of a Group Company,

Exit means a Sale, Listing or a return of assets on liquidation, reduction of capital or otherwise (other than a redemption of Shares or the purchase by the Company of Shares),

Fair Value means the value of the entire issued share capital of the Company divided by the number of Shares in issue, valuing the Company on the basis of an arm's-length sale between a willing seller and a willing buyer using, *inter alia*, the following assumptions (i) if

the Company is then carrying on business as a going concern, that it will continue to do so and that no clients, customers or suppliers of the Company will cease dealing with it as a result of the sale, save where any such person or entity has already ceased or will cease to deal with the Company as a consequence of a Seller or Departing Shareholder (as the case may be) leaving the Company, (ii) that the then current directors and staff (other than the Seller or Departing Shareholder) will remain employed by the Company on their then current terms, (iii) that all the Shares are capable of being transferred without restriction, (iv) that all Shareholders are willing vendors and would join in giving customary warranties and indemnities, subject to all relevant disclosures, (v) taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding, and (vi) without having regard to any premium or discount being attributable to the percentage of the issued share capital of the Company which the Shares in question represent,

Family Member means the spouse (or widow or widower), civil partner, child or grandchild (including any step and adopted child and its issue) of any Shareholder who is, in each case, aged 18 or over,

Family Trust means a trust established by a Shareholder (being an individual) which only permits such Shareholder and his Family Members to be beneficiaries,

Founders means the holders of the Shares as at the date of adoption of these Articles,

Founder Consent means the prior written approval of each of the Founders excluding any Founder who has or will have any direct or indirect interest in the matter requiring consent,

FSMA means the Financial Services and Markets Act 2000,

Group means the Company and its Subsidiaries (if any) for the time being and **Group Company** means any of them,

in writing means written, or produced by any visible substitute for writing, which is in or capable of being converted into non-transitory form or partly one and partly another,

Listing means

- (a) the admission of any part of the Company's share capital to the Official List of the UKLA and the grant of permission for the same to be traded on the Main Market of London Stock Exchange plc, or the grant of permission for the same to be traded on AIM (being the market operated under that name by London Stock Exchange plc) or on any other recognised investment exchange (as defined by section 285 of FSMA), or
- (b) the transfer of all or a majority of the issued Shares on terms open to all Shareholders to a company (**Listco**) the share capital of which is listed on a recognised investment exchange where all or part of the consideration received by those shareholders is an issue of new shares in the capital of Listco whether by way of scheme of amalgamation, arrangement, reverse take-over or other transaction,

Mandatory Transfer Event has the meaning set out in Articles 8 1 and 8 2,

member has the meaning given in section 112 of the Act,

Model Articles means the model articles prescribed by Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and annexed to these Articles,

Non-selling Party has the meaning set out in Article 12 1,

Offer has the meaning set out in Article 7 9,

Offer Period has the meaning set out in Article 7 10,

Permitted Transfer means a transfer made in accordance with Article 9,

Permitted Transferee means a person to whom Shares are transferred pursuant to Article 9,

Proposed Buyer has the meaning set out in Article 13 2,

Proposing Seller has the meaning set out in Article 12 1,

Sale means either

- (a) the completion of an agreement for the sale and purchase of all the Shares to the extent not already owned by the buyer or persons connected to or acting in concert with the buyer, or the acceptance of an offer as a result of which the offeror becomes entitled or bound to acquire the remainder of such Shares in accordance with the Act or these Articles, or
- (b) the sale of all or a substantial part of the businesses carried on by the Group,

Sale Notice has the meaning set out in Article 13 2,

Sale Price has the meaning set out in Article 7 6,

Sale Shares has the meaning set out in Article 7 4 1,

Seller has the meaning set out in Article 7 4,

Selling Shareholder has the meaning set out in Article 13 1,

Shares means the A Shares, the B Shares, the C Shares and any other class of shares in the capital of the Company (and **Shareholder** means a person who is for the time being registered as a holder of Shares),

Shareholders' Agreement means any subscription and shareholders' agreement entered into between the Company and the Shareholders, as amended and adhered to from time to time and capitalised terms used but not defined in these Articles shall bear the meanings given in such agreement,

Subsidiary means a subsidiary undertaking for the purposes of the Act and Subsidiaries shall be construed accordingly,

Tag Along Offer has the meaning set out in Article 12 1,

Third Party Buyer has the meaning set out in Article 12 1,

Transfer Entitlement has the meaning set out in Article 7 9,

Transfer Notice has the meaning set out in Article 7 4 (and includes any deemed Transfer Notice pursuant to Article 8), and

UKLA means the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA

1 2 In these Articles

1 2 1 use of the singular includes the plural and vice versa,

1 2 2 use of any gender includes the other genders,

1 2 3 any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts, and

1 2 4 headings are included for convenience only and do not affect the interpretation of these Articles

1 3 Save as aforesaid any words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles became binding on the Company

1 4 Words or expressions defined in the Model Articles and words or expressions defined in the Act shall bear the same meaning in these Articles unless the context otherwise requires A reference in these Articles to a **Model Article** is a reference to the relevant article of the Model Articles

1 5 The Model Articles shall, except in so far as they are excluded or modified by these Articles, apply to the Company and together with these Articles shall constitute the articles of the Company

1 6 Model Articles 6(2), 7(2), 11(2) and (3), 13, 16, 21(1) and 21(2), 26(5), 27 to 29 (inclusive), 42, 44(2), 52 and 53 shall not apply to the Company

1 7 The object of the Company is to carry on business as a general commercial company

1 8 Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount pursuant to these Articles, will be referred immediately to the Auditors for final determination If the Auditors decline to act in respect of any such referral, the matter will be determined by an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement

within 10 days after the Auditors have declined to act, appointed by the incumbent President of the Institute of Chartered Accountants in England and Wales. The Auditors or independent accountants (as the case may be) will act as expert and not as arbitrator and their costs will be borne as directed by the Article in question or, if the Article is silent on the point, as directed by the Auditors/independent accountants. In the absence of any such direction, such costs will be borne equally between the parties concerned. The written certificate of the Auditors/independent accountants (as the case may be) will be conclusive and binding on the Company and the Shareholders (except in the case of fraud or manifest error).

2 SHARE CAPITAL

2.1 The issued share capital of the Company at or shortly after the date of adoption of these Articles is £300 divided into 100 A Shares, 100 B Shares and 100 C Shares.

2.2 The A Shares, the B Shares and the C Shares constitute different classes of shares but, except as expressly provided in these Articles, rank *pari passu*.

3 RIGHTS ATTACHING TO SHARES

Income

3.1 Subject to Article 8, if in respect of any financial year or period and subject to the terms of any Shareholders' Agreement, the Board determines to distribute any sum by way of dividend or interim dividend to the holders of the Shares, such sum shall be distributed amongst the holders of the Shares *pari passu* as if the same are one and the same class of share, *pro rata* to the number of Shares respectively held by them.

Capital

3.2 On an Exit, the net proceeds remaining after the deduction of professional and other costs and expenses incurred in relation thereto (whether by way of dividend or distribution of sale proceeds or otherwise) and repayment of all outstanding loans and indebtedness owed by the Company to the Shareholders shall (to the extent that the Company is lawfully able to do so) be applied and distributed in the following order of priority:

3.2.1 first, payment to the A Shareholders, the B Shareholders and the C Shareholders *pro rata* pursuant to the number of A Shares, B Shares and C Shares held by them (as if they constituted one and the same class) of an amount equal to the nominal value of each such Share held by them or, if the surplus is insufficient to permit this, in proportion to the number of such Shares held by each of them,

3.2.2 second, payment to the holders of other classes of Shares (if any) of an amount equal to the nominal value of each Share held by those holders, or if the surplus is insufficient to permit this, in proportion to the number of such Shares held by each of them, and

3.2.3 finally, payment of the balance to the Shareholders *pro rata* pursuant to the number of A Shares, B Shares, C Shares and other classes of Shares (if any) held by them as if they constituted one and the same class.

Voting Rights Attaching to Shares

- 3 3 Unless expressly set out in these Articles to the contrary, each Share shall confer on the holder the right to receive notice of and to attend, speak and vote at all general meetings of the Company in person or by proxy or by a duly authorised representative shall be entitled on a show of hands to one vote and on a poll to one vote for each Share held

Consolidation of Shares

- 3 4 This Article applies where

3 4 1 there has been a consolidation or division of Shares, and

3 4 2 as a result, members are entitled to fractions of Shares

- 3 5 The directors may

3 5 1 sell the Shares representing the fractions to any person including the Company for the best price reasonably obtainable,

3 5 2 authorise any person to execute an instrument of transfer of the Shares representing the fractions to the purchaser or a person nominated by the purchaser, and

3 5 3 distribute the net proceeds of sale in due proportion among the holders of the Shares representing the fractions

- 3 6 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales

- 3 7 The person to whom the Shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions

- 3 8 The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale

Appointment of Directors

- 3 9 The A Shareholders may appoint (by a majority in number of voting A Shares held from time to time) one person as an A Director, the B Shareholders may appoint (by a majority of voting B Shares held from time to time) one person as a B Director and the C Shareholders may appoint (by a majority of voting C Shares held from time to time) one person as a C Director. In respect of the appointment of a relevant director by each of the A Shareholders (as a class), the B Shareholders (as a class) and the C Shareholders (as a class), all votes shall be counted in accordance with the voting rights attached to the applicable class of Shares in issue from time to time

- 3 10 A director appointed under Article 3 9 may be removed from office and replaced by the Shareholder(s) who appointed him

3 11 An appointment and removal of a director under Articles 3 9 and 3 10 above, shall be effected by notice in writing signed by or on behalf of the relevant Shareholder(s) and will take effect upon lodgement of such notice at the registered office of the Company or on delivery to a meeting of the Board

3 12 A director appointed under Article 3 9 may not be removed from office except in accordance with the Act or by the Shareholder(s) appointing him

Termination of director's appointment

3 13 A person ceases to be a director in accordance with Model Article 18

4 DIRECTORS' EXPENSES

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"

5 FURTHER ISSUES OF SHARES' AUTHORITY

5 1 Save to the extent authorised by these Articles or authorised from time to time by an ordinary resolution of the Shareholders (and in either case subject to the terms of any Shareholders' Agreement), 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

5 2 Subject to the remaining provisions of this Article 5 or to any special resolution of the Company to disapply this Article 5 2, all Shares or rights to subscribe for or to convert any security into Shares which the directors propose to issue or grant (as applicable) shall be dealt with in accordance with the following provisions (and for these purposes, any reference to the issue or proposed issue of a Share shall be deemed to include the grant or proposed grant of a right to subscribe for or to convert a security into a Share)

5 2 1 any Shares proposed to be issued shall first be offered to the members in proportion to the number of existing Shares held by them,

5 2 2 each such offer shall be made by notice specifying the total number of Shares being offered to the eligible members as a whole, the proportionate entitlement of the member to whom the offer is made and the price per Share (which shall be the same for each Share) and shall require each eligible member to state in writing within a period (not being less than fourteen days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said Shares he is willing to take (up to his proportionate entitlement),

5 2 3 an offer, if not accepted within the period specified in the notice as regards any Shares, will be deemed to be declined as regards those Shares After the expiration of such period, any Shares so declined (or actually declined) by the holders of Shares shall be offered in the proportion aforesaid to the eligible holders of Shares who have, within the said period, accepted all the Shares offered to them,

5 2 4 any Shares not accepted pursuant to such offer and further offer made in accordance with this Article 5 2 or not capable of being offered as aforesaid except by way of fractions shall not be issued, and

5 2 5 any Shares released from the provisions of this Article 5 2 by special resolution or written consent in accordance with this Article 5 2 shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit

5 3 Notwithstanding Article 5 2 but subject to Article 5 1, the directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to

5 3 1 offer or allot,

5 3 2 grant rights to subscribe for or to convert any security into,

5 3 3 otherwise deal in, or dispose of,

any relevant securities, at any time and subject to any terms and conditions as the directors think proper

5 4 The authority referred to in Article 5 3

5 4 1 shall be limited to the allotment and issue of 99 A Shares, 99 B Shares and 99 C Shares pursuant to the terms of any Shareholders' Agreement,

5 4 2 shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution, and

5 4 3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require relevant securities to be allotted after the expiry of such authority, and the directors may allot relevant securities in pursuance of such an offer or agreement as if its authority had not expired

6 LIEN ON SHARES

The Company shall have a first and paramount lien on every Share registered in the name of any Shareholder (whether solely or jointly with others and whether or not it is a fully paid Share) for all monies (whether presently payable or not and whether by way of nominal value or premium) due to the Company from him or his estate, whether solely or jointly with any person (whether a Shareholder or not) The directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article The Company's lien on a Share shall extend to all dividends and other monies payable thereon

7 TRANSFER OF SHARES

Registration of transfers and prohibition on transfers

- 7 1 The transferor of a Share shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of members of the Company in respect thereof
- 7 2 The directors shall refuse to register any instrument of transfer of Shares which has not been entered into in accordance with the provisions of these Articles or which purports to be made to a minor, a bankrupt or a person of unsound mind
- 7 3 No Shareholder may transfer any Shares or any interest in any Shares or grant any rights or options over or in respect of any Shares to any person at any time prior to the fifth anniversary of the date of adoption of these Articles other than pursuant to Article 8 (*Mandatory Transfers*) and Article 9 (*Permitted Transfers*)

Pre-emption rights

Transfer notices

- 7 4 Subject to Article 8 (*Mandatory Transfers*) and Article 9 (*Permitted Transfers*), any Shareholder who wishes at any time on or after the fifth anniversary of the date of adoption of these Articles to transfer any Shares or any interest in Shares, or grant any rights or options over or in respect of any Shares (the **Seller**) shall give to the Company notice thereof in writing (the **Transfer Notice**) and such notice shall specify
- 7 4 1 the number of Shares the Seller wishes to transfer (the **Sale Shares**), which may be all or part only of the Shares then held by the Seller, and
- 7 4 2 whether or not the Seller has received an offer from a third party for the Sale Shares and, if so, the identity, and details of the business activities, of the third party and the price (including all relevant terms) offered for the Sale Shares,

and shall be accompanied by the share certificate(s) for the Sale Shares or a suitable indemnity in lieu. Except as otherwise expressly provided in these Articles, a Transfer Notice shall be irrevocable without the consent of all the directors, who may impose such conditions to any consent as they think fit

- 7 5 A Transfer Notice may (unless it is served or is deemed to have been served as a consequence of a Mandatory Transfer Event) specify that unless acceptances are received for all the Sale Shares then none of the Sale Shares shall be sold (an **All or Nothing provision**)

Sale price

- 7 6 A Transfer Notice shall constitute the Company as the Seller's agent for the sale of the Sale Shares at a price per Share (the **Sale Price**) specified in the Transfer Notice relating to the Sale Shares or (if no such price is specified) agreed upon by the Seller and the Board. In the absence of such agreement within 30 days after service (or deemed service) of the Transfer Notice, the Sale Price shall be the price which the Auditors or, if the Seller so elects, an independent valuer appointed by the directors for the purpose (acting as experts and not as

arbitrators) shall certify to be in their opinion the Fair Value per Share as at the date of the Transfer Notice

- 7 7 The Auditors' or valuer's certificate (as the case may be) shall (in the absence of manifest error) be final and binding for all purposes. The cost of obtaining the certificate shall be borne by the Company (unless the Sale Price as so certified by the Auditors or valuer is the same as, or lower than that (if any) which the Board had notified to the Seller as being in their opinion the Fair Value per Share, in which case the cost shall be borne by the Seller)
- 7 8 If the Auditors or valuers are asked to certify the Sale Price pursuant to Article 7 6, the Company shall within seven days of issue of the certificate furnish a copy of it to the Seller and the Seller shall (save to the extent the Transfer Notice is deemed given pursuant to Article 8) be entitled, by notice in writing given to the Company within 21 days of the same being served on him, to withdraw the Transfer Notice

Offer and allocation of the Sale Shares

- 7 9 Subject to Article 7 17, upon the Sale Price being fixed in accordance with Article 7 6, and provided that the Seller does not validly withdraw the Transfer Notice, the directors shall offer the Sale Shares to Shareholders other than the Seller by notice in writing (the **Offer**) and each number of Shares so offered shall be a **Transfer Entitlement**. The Transfer Entitlements of eligible Shareholders shall be determined so far as practicable by allocating the Sale Shares among eligible Shareholders pro rata to the number of Shares held by each such Shareholder but not so as to exceed the maximum which such Shareholder shall have expressed a willingness to buy. The Offer shall specify, in addition to the Transfer Entitlement of each eligible Shareholder, the total number of Sale Shares being offered and shall state that each such Shareholder may be entitled to buy less or more than their Transfer Entitlement
- 7 10 The Offer shall be open for the period specified by the directors (the **Offer Period**), being not less than 7 nor more than 28 days from the date upon which the relevant Offer is made, during which time each eligible Shareholder must state in writing to the Company the number of Sale Shares (if any) he would like to buy, being equal to or more or less than that Shareholder's Transfer Entitlement, and so that any such Shareholder who fails to do so shall be deemed to have rejected the Offer made to him
- 7 11 If, on the expiry of the Offer Period
- 7 11 1 the directors shall have received valid acceptances in respect of all the Sale Shares in accordance with the allocations set out in Article 7 8, the directors shall allocate the Sale Shares amongst the eligible Shareholders as follows
- (a) to each such Shareholder who has agreed to purchase Shares, his Transfer Entitlement or such lesser number of Sale Shares for which he may have applied, and
 - (b) if any such Shareholder has applied for less than his Transfer Entitlement, the excess shall be allocated to those other eligible Shareholders who have applied for more than their Transfer Entitlement in proportion to the number of Shares then held by each of them

respectively (but without allocating to any such Shareholder an aggregate number of Sale Shares greater than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this Article 7 10 1(b), disregarding any Shareholder whose application has already been satisfied in full, or

7 11 2 the directors shall not have received valid acceptances in respect of all the Sale Shares in accordance with the allocations set out in Article 7 8, the directors shall, unless the Transfer Notice contained an All or Nothing provision, allocate the Sale Shares amongst the eligible Shareholders as follows

- (a) to each such Shareholder who has agreed to purchase Shares, his Transfer Entitlement or such lesser number of Sale Shares for which he may have applied, and
- (b) if any such Shareholder has applied for less than his Transfer Entitlement, the excess shall be allocated to those other eligible Shareholders who have applied for more than their Transfer Entitlement in proportion to the number of Shares then held by each of them respectively (but without allocating to any such Shareholder an aggregate number of Sale Shares greater than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this Article 7 10 2(b), disregarding any Shareholder whose application has already been satisfied in full

7 12 If any of the Sale Shares shall not be capable of being offered under this Article 7 without involving fractions, such Sale Shares shall be allocated amongst the eligible Shareholders in such proportions as the directors (acting reasonably) shall think fit

Completing the sale of the Sale Shares

7 13 If the Transfer Notice did not contain an All or Nothing provision or the Transfer Notice did contain an All or Nothing Provision and valid acceptances have been received in respect of all the Sale Shares then within 7 days of the conclusion of the Offer Period, the Company shall notify the Seller of the number of Sale Shares taken up in the Offer and shall notify each offeree who has accepted the Offer (a **Buyer**) in writing that a contract has been concluded for the sale and purchase of the Sale Shares allocated to the Buyer, whereupon

7 13 1 the Seller and each respective Buyer shall be bound to give effect to such contracts and shall within 14 days of notice being given in accordance with this Article 7 13 execute proper transfers of the Sale Shares and effect payment of the Sale Price for the respective Sale Shares, and

7 13 2 the Seller shall sell the Sale Shares to each Buyer with full title guarantee, free from all charges, liens and encumbrances and with the benefit of all rights attaching to them (including all dividends and distributions) as at the date of the relevant contract

7 14 If the Seller shall fail to comply with its obligations under Article 7 13 the Company

7 14 1 may receive the purchase price and the directors may appoint a person to execute instruments of transfer of the Sale Shares in favour of each Buyer,

7 14 2 shall, subject to the relevant transfer being submitted by each such Buyer duly stamped, cause the names of each Buyer to be entered in the register of members of the Company as the holders of the Sale Shares, and

7 14 3 shall hold the purchase price in trust for the Seller

The receipt of the Company shall be a good discharge to each Buyer and, after their names have been entered in the register of members of the Company under this Article, the validity of the transactions shall not be questioned by any person

Partial acceptance of Offer

7 15 If

7 15 1 an All or Nothing provision is included in the Transfer Notice then upon completion of the Offer, if acceptances have not been received in respect of all of the Sale Shares, the Company shall forthwith in writing notify the Seller whereupon the Seller shall be entitled, by notice in writing

(a) to withdraw the Transfer Notice (in which event neither the Seller nor any Buyer will have any further obligations in respect of any offer made for the Sale Shares and the Company shall forthwith notify each Buyer accordingly), or

(b) at any time within two months of notification, to transfer

(i) all of the Shares comprised in the Transfer Notice (in which event neither the Seller nor any Buyer will have any further obligations in respect of any Offer made for the Sale Shares and the Company shall forthwith notify each Buyer accordingly), or

(ii) the balance of any Sale Shares not the subject of an accepted Offer (in which event the sale of Sale Shares already the subject of an accepted Offer shall proceed forthwith in accordance with Article 7 13),

to any person on a bona fide arm's length sale at any price being not less than the Sale Price or, as the case may be, to any person otherwise entitled to shares on the death or bankruptcy of the Seller provided, in either case, that no Shares may be transferred without the prior written consent of the Board with Founder Consent to any person or entity whose business may reasonably be regarded as being in competition with that carried on by the Company,

7 15 2 an All or Nothing provision is not included in the Transfer Notice then upon completion of the Offer, if acceptances have not been received in respect of all of

the Sale Shares the sale of the Sale Shares already the subject of an accepted Offer shall proceed forthwith in accordance with Article 7 13 and the Company shall forthwith in writing notify the Seller whereupon the Seller shall be entitled, by notice in writing at any time within two months of notification, to transfer the balance of any Sale Shares not the subject of an accepted Offer to any person on a bona fide arm's length sale at any price being not less than the Sale Price or, as the case may be, to any person otherwise entitled to shares on the death or bankruptcy of the Seller provided, in either case, that no Shares may be transferred without the prior written consent of the Board with Founder Consent to any person or entity whose business may reasonably be regarded as being in competition with that carried on by the Company

Failure to complete through no fault of the Seller

- 7 16 Where through no default of the Seller any purchase of Sale Shares is not duly completed, the directors shall notify each Buyer of Sale Shares in respect of which there has been default in completion and if within seven days of such notice being given each such Buyer shall not have fully completed the purchase of the respective Sale Shares, the Seller shall be entitled to sell such Sale Shares to any person on the terms mentioned in Article 7 15

Preliminary offer to the Company

- 7 17 If a Transfer Notice is deemed to have been served as a consequence of a Mandatory Transfer Event then, before the provisions of Articles 7 9 to 7 15 shall apply, the Board may determine, with Founder Consent, that the Sale Shares which are the subject of the deemed Transfer Notice shall be allocated at the Sale Price to

7 17 1 the Company, subject to the Company being legally able to do so in accordance with the Act,

7 17 2 one or more persons replacing the Departing Shareholder in question as an employee or director of a Group Company, provided that such replacement is found within three months of the date of the deemed Transfer Notice,

7 17 3 a suitable nominee (pending allocation to a person under Article 7 17 2), or

7 17 4 an Employee Trust

- 7 18 Such determination shall be made within 28 days of the date of the deemed Transfer Notice and shall be communicated in writing to the Departing Shareholder. If no such determination is made within this period, or if a determination is made and no replacement is found within the period specified in Article 7 17 2, the Sale Shares shall be offered in accordance with the provisions of Articles 7 9 to 7 15

- 7 19 If the Board, so determines, any Shares allocated to an Employee Trust under Article 7 17 4 may be transferred to any person who is an employee or director of any Group Company provided such transfer is made in accordance with the rules of the Employee Trust

8 MANDATORY TRANSFERS

Individual Shareholders

- 8 1 Unless the Board with Founder Consent otherwise agrees, a Shareholder is deemed to have served a Transfer Notice in respect of all Shares then registered in his name and any such Shares as are then held by his Associates and by the trustees of any Family Trust of which he was the settlor or is a beneficiary (together the **Relevant Shares**) immediately before any of the following events
- 8 1 1 his Bankruptcy, or
 - 8 1 2 his death, or
 - 8 1 3 the Shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986, or
 - 8 1 4 the Shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding,
 - 8 1 5 the Shareholder committing a material or persistent breach of any Shareholders' Agreement which if capable of remedy has not been so remedied within 20 Business Days of the other Shareholders requiring such remedy,

(each a **Mandatory Transfer Event**)

Corporate Shareholders

- 8 2 Unless the Board with Founder Consent otherwise agrees, a Shareholder is deemed to have served a Transfer Notice in respect of all Shares then registered in its name and any such Shares as are then held by its Associates (also together **Relevant Shares**) immediately before any of the following events
- 8 2 1 the passing of a resolution for the liquidation of the Shareholder or any of its Associates other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the Shareholder's group in which a new company assumes (and is capable of assuming) all the obligations of the Shareholder or any of its Associates, provided that such reconstruction or amalgamation does not result in a transfer of the Shareholder's Shares to any person other than a Permitted Transferee, or
 - 8 2 2 the presentation at court by any competent person of a petition for the winding up of the Shareholder or any of its Associates and which has not been withdrawn or dismissed within seven days of such presentation, or
 - 8 2 3 a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the Shareholder, although in the case of a Permitted Transferee that ceases to be an Associate of the original Shareholder, it shall transfer the relevant Shares back to the original Shareholder from whom it received those Shares or to another Permitted Transferee of such original Shareholder rather than being deemed to have served a Transfer Notice under this Article, or

- 8 2 4 the issue at court by any competent person of a notice of intention to appoint an administrator to the Shareholder or any of its Associates, a notice of appointment of an administrator to the Shareholder or any of its Associates or an application for an administration order in respect of the Shareholder or any of its Associates, or
- 8 2 5 any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the Shareholder or any of its Associates, or
- 8 2 6 the Shareholder or any of its Associates being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986, or
- 8 2 7 the Shareholder or any of its Associates entering into a composition or arrangement with any of its creditors, or
- 8 2 8 any chargor taking any step to enforcing any charge created over any shares held by the Shareholder (other than by the appointment of a receiver, administrative receiver or manager), or
- 8 2 9 a process having been instituted that could lead to the Shareholder being dissolved and its assets being distributed among the Shareholder's creditors, shareholders or other contributors, or
- 8 2 10 the Shareholder ceasing to carry on its business or substantially all of its business, or
- 8 2 11 in the case of the events set out in Articles 8 2 1, 8 2 2, 8 2 4 or 8 2 5 above, any competent person taking any analogous step in any jurisdiction in which the Shareholder carries on business, or
- 8 2 12 the Shareholder committing a material or persistent breach of any Shareholders' Agreement which if capable of remedy has not been so remedied within 20 Business Days of the other Shareholders requiring such remedy,

(also each a **Mandatory Transfer Event**)

Effect of Mandatory Transfer

- 8 3 Shares which are the subject of a Mandatory Transfer Event shall, as from the date when the Transfer Notice is deemed by the Board to have been given, no longer confer any right to vote on any resolution, or attend, speak or vote at any general or class meeting of the Company, or be entitled to income pursuant to Article 3 until the date of completion of the transfer of the Relevant Shares or, if no such transfer occurs pursuant to the Transfer Notice, until such time as all of the Shareholders (other than the Departing Shareholder, Permitted Transferees, Associates or the trustees of any Family Trust of which the Departing Shareholder was a settler or is a beneficiary) shall at their sole discretion think fit

Existing Transfer Notices

- 8 4 Once a Transfer Notice is deemed to have been given by virtue of Article 8 1 or Article 8 2 all prior outstanding Transfer Notices in respect of the Relevant Shares (or any of them) shall be

immediately cancelled and no further Transfer Notices may be served in respect of any of the Relevant Shares until the Company has notified the Seller in accordance with Article 7 13 that not all of the Sale Shares have been sold in accordance with the provisions of Article 7

Sale Price

- 8 5 The deemed Transfer Notice given under this Article 8 has the same effect as a Transfer Notice given under Article 7 4, except that the deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer nor state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Auditors or valuers in accordance with Article 7 6, save that if the Seller is deemed to have given a Transfer Notice as a result of Articles 8 1 5, 8 2 3 or 8 2 12, the price for the Sale Shares shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and 85% of the aggregate Fair Value of such Sale Shares
- 8 6 If the Departing Shareholder or Seller fails to complete a transfer of Sale Shares as required under this Article 8, the continuing Shareholders are irrevocably authorised to appoint any person they nominate for the purpose as agent to transfer the Sale Shares on the Departing Shareholder's or Seller's behalf and to do anything else that the continuing Shareholders may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Departing Shareholder or Seller (without any obligation to pay interest), giving a receipt that shall discharge the continuing Shareholders

9 PERMITTED TRANSFERS

- 9 1 The restrictions on transfers contained in Article 7 (*Transfer of Shares*) and Article 11 (Registration of Transfers) shall not apply to
- 9 1 1 any transfer of Shares by a Shareholder to an Associate, provided that if any such transferee ceases to be an Associate of the original Shareholder it shall forthwith transfer the relevant Shares to the original Shareholder or to another Associate of the original Shareholder,
- 9 1 2 any transfer of Shares by a Shareholder to trustees of a Family Trust on its establishment by that Shareholder,
- 9 1 3 any transfer of Shares pursuant to an offer made at any time after the fifth anniversary of the date of adoption of these Articles in accordance with Article 12 (*Tag Along*) or 13 (*Drag Along*),
- 9 1 4 any transfer of Shares by trustees of a Family Trust in their capacity as such on a change of trustees to the new trustees of that Family Trust, or
- 9 1 5 any transfer of Shares by trustees of a Family Trust in their capacity as trustees of that Family Trust to a person aged 18 or over who has an immediate beneficial interest under the Family Trust,

provided that the maximum number of Shares that may be transferred by a Shareholder who is a director or an employee of any Group Company pursuant to Articles 9 1 1 and 9 1 2 may

not (unless the Board, with Founder Consent, otherwise agrees) be made to more than one Permitted Transferee nor exceed in the aggregate 50 per cent of the total number of Shares that have from time to time been allotted to or acquired by that Shareholder

9 2 If a Family Trust as constituted whose assets include Shares ceases to be a Family Trust, the trustees shall without delay notify the Company that such event has occurred and give a Transfer Notice in respect of those Shares. If the trustees fail to so notify the Company or to give a Transfer Notice, they shall forthwith be deemed to have served the Company with a Transfer Notice in respect of those Shares

9 3 Any Share registered in the name of a deceased Shareholder may at any time be

9 3 1 transferred to and registered in the names of the executors, personal representatives or trustees for the time being of his will, or

9 3 2 transferred by his executors, personal representatives or trustees to any persons who are shown to the satisfaction of the directors to be the new trustees of that will or a Permitted Transferee of such deceased member,

and the restrictions on transfers contained in Article 7 (*Transfers of Shares*) and Article 11 (*Registration of Transfers*) shall consequently not apply to such transfers provided that those restrictions and provisions shall apply should any transfer be required to any other person

9 4 No Shares may be transferred under this Article 9 if they are the subject of a Transfer Notice given or deemed to be given pursuant to Articles 7 4, 8 1 or 8 2

10 INFORMATION ABOUT SHAREHOLDINGS AND TRANSFERS

10 1 For the purpose of ensuring that a transfer of Shares is duly authorised under these Articles or that no circumstances have arisen whereby a Transfer Notice is required to be given, the directors may from time to time require

10 1 1 any Shareholder,

10 1 2 the legal personal representatives of any deceased Shareholder,

10 1 3 any person named as transferee in any transfer lodged for registration, or

10 1 4 any person who was, is or may be an Associate of any of the foregoing,

to provide the Company with such information and evidence as the directors may think fit including (but not limited to) the names, addresses and interests of all persons having interests in the Shares from time to time registered in the Shareholder's name

10 2 If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares, the directors may by notice in writing require that a Transfer Notice be given in respect of the Shares concerned

10 3 If such information or evidence is not provided to the satisfaction of the directors within 14 days after request, the directors

10 3 1 shall refuse to register the transfer in question or (if there is no transfer in question) require by notice in writing to the holder of the relevant Shares that a Transfer Notice be given in respect of the Shares concerned, and

10 3 2 may serve a notice on the Shareholder or other person entitled or claiming to be entitled to be registered as the holder of the Shares stating that the Shareholder or such other person may not

(a) attend or vote (personally or by proxy) at any general meeting or by way of written resolution, or

(b) receive dividends on his Shares,

until the evidence or information has been provided to the directors' satisfaction

11 REGISTRATION OF TRANSFERS

11 1 The directors shall refuse to register a proposed transfer of any Share not made under in accordance with these Articles unless all the holders of Shares consent to such proposed transfer

11 2 The directors may refuse to register a transfer of a Share on which the Company has a lien

11 3 The directors shall refuse to register an allottee or transferee of Shares or a person entitled to Shares by transmission if he is required by any Shareholders' Agreement to execute a deed of adherence (under which he undertakes to adhere to and be bound by the provisions of such agreement as if he were an original party to it) until the allottee or transferee has executed and delivered such deed

12 TAG ALONG RIGHTS

12 1 If, at any time on or after the fifth anniversary of the Adoption Date, any Shareholder, on his own or acting in concert (within the meaning of the edition of the City Code on Take-overs and Mergers current at the relevant time) with one or more other Shareholders (the **Proposing Seller**), proposes to sell or transfer, in one or a series of related transactions, Shares equal to or greater than 50% (fifty per cent) of all the Shares in issue at the time of the proposed sale or transfer to any person other than another Shareholder or a Permitted Transferee (the **Third Party Buyer**), the Proposing Seller shall procure, before the sale or transfer, that each proposed purchaser makes a bona fide written offer (a **Tag Along Offer**) to each of the other Shareholders (each a **Non-selling Party**) to buy that proportion of each Non-selling Party's Shares which is equal to the proportion represented by the number of Shares which the Proposing Seller is proposing to sell as against all the Shares held by the Proposing Seller at the time of the proposed sale or transfer for the same price per Share (or where the price includes any non-cash consideration a cash equivalent amount calculated in accordance with Article 13 6) and otherwise on substantially the same terms and conditions as those applying to the proposed sale or transfer by the Proposing Seller of his Shares

12 2 Each Tag Along Offer shall specify

- 12 2 1 the price for the relevant Shares and any other principal terms and conditions of the proposed sale or transfer, and
- 12 2 2 the period (being not less than 25 days from service of the Tag Along Offer) for acceptance by each Non-selling Party
- 12 3 If, within the period specified in each Tag Along Offer, any Non-selling Party accepts the offer in writing, then the Proposing Seller shall procure that the sale by that Non-selling Party of his relevant Shares shall proceed on the same financial terms (including price per Share) and at the same time as the sale of the Proposing Seller's Shares
- 12 4 Any acceptance by a Non-selling Party of a Tag Along Offer shall be irrevocable, but no sale of that Non-selling Party's Shares pursuant to its acceptance shall take place unless and until the sale of the Proposing Seller's Shares is completed
- 13 DRAG ALONG RIGHTS**
- 13 1 If, at any time on or after the fifth anniversary of the Adoption Date, any Shareholder (on his own or acting in concert with one or more other Shareholders (each a **Selling Shareholder**) proposes, to sell or transfer Shares (the **Sale Shares**) that in aggregate constitute 50% (fifty per cent) or more of all the Shares in issue at the time of the proposed sale or transfer as part of a bona fide arm's length transaction to any person other than another Shareholder or a Permitted Transferee
- 13 2 The Selling Shareholder may (but shall not, subject to Article 12, be obliged to) give to the Company not less than 21 days' prior written notice of that proposed sale or transfer That notice (the **Sale Notice**) will include details of the Sale Shares and the proposed price per Sale Share to be paid by the proposed buyer (the **Proposed Buyer**), details of the Proposed Buyer and the place, date and time for completion of the proposed purchase being a date not less than 25 days from service of the Sale Notice (the **Drag Along Completion**) Any Sale Notice received by the Company less than 25 days before the proposed date of the Drag Along Completion shall be ineffective
- 13 3 As soon as practicable upon receipt of a Sale Notice, the Company shall give notice in writing (**Drag Along Notice**) to each of the Shareholders (other than the Selling Shareholder) giving the details contained in the Sale Notice and requiring each of them to sell to the Proposed Buyer at the Drag Along Completion all Shares held by them (and any of their Permitted Transferees) or which may be issued to them on or as a result of Drag Along Completion (as defined below) pursuant to share options or similar rights existing at the time of the proposed sale or transfer) (together **Drag Along Shares**), provided that the Selling Shareholder may withdraw a Sale Notice at any time prior to the Drag Along Completion by written notice to the Company to that effect and, on service of that notice, each Drag Along Notice shall no longer be binding and shall cease to have any effect
- 13 4 Each Shareholder who is given a Drag Along Notice shall, in the event of the proposed sale or transfer proceeding, sell (or procure the sale of) all the Shares referred to in his Drag Along Notice to the Proposed Buyer on the Drag Along Completion at, in the case of Shares, the highest price per Sale Share proposed by the Proposed Buyer or, if higher, at which Shares have been purchased by the Proposed Buyer or any person acting in concert with the Proposed Buyer during the period of six months prior to the date of the Sale Notice (or where

the price includes any non-cash consideration a cash equivalent amount calculated in accordance with Article 13 6) and otherwise on terms no less favourable than those applicable to the sale of Shares by the Selling Shareholder

13 5 If any of the Shareholders or their Permitted Transferees (each a **Defaulting Shareholder**) shall fail to comply with the terms of Article 13 4 in any respect

13 5 1 the Company shall be constituted the agent of each Defaulting Shareholder for the sale of his Shares (together with all rights then attached to those Shares) referred to in his Drag Along Notice in accordance with that notice,

13 5 2 the Board may authorise a director to execute and deliver on behalf of each Defaulting Shareholder the necessary transfers,

13 5 3 the Company may receive the purchase money in trust for each Defaulting Shareholder and cause the Proposed Buyer to be registered as the holder of such Shares,

13 5 4 the receipt by the Company of the purchase money pursuant to those transfers shall constitute a good and valid discharge to the Proposed Buyer (who shall not be bound to see to the application of those monies),

13 5 5 after the Proposed Buyer has been registered in purported exercise of the powers in this Article 13 5, the validity of the proceedings shall not be questioned by any person, and

13 5 6 the Company shall not pay the purchase monies to a Defaulting Shareholder until he shall, in respect of the Shares subject to the Drag Along Notice, have delivered a share certificate (or a suitable indemnity in lieu) and the necessary transfers to the Company

13 6 The expressions **price per Share** and **price per Sale Share** used in Articles 12 and 13 shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question 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 specified Shares and, in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales or failing him the next most senior officer) whose decision shall, in the absence of fraud or manifest error, be final and binding

13 7 On any person, following the issue of a Drag Along Notice, becoming the holder of any Share pursuant to the exercise of a pre-existing option to acquire any Share or pursuant to the conversion of any convertible security of the Company, a Drag Along Notice shall be deemed to have been served on such Shareholder in respect of such Share on the same terms as the previous Drag Along Notice and such Shareholder shall then be bound to sell and transfer all Shares so acquired to the Proposed Buyer or as it shall direct in accordance with the provisions of Articles 13 4 and 13 5, and the provisions of this Article 13 shall apply otherwise

with the necessary changes to such Shareholder in respect of such Share except that completion of the sale of such Share shall take place immediately on the Drag Along Notice being deemed served on such Shareholder

14 PROCEEDINGS AT GENERAL MEETINGS

- 14 1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the Chairman or by any Shareholder present in person or by proxy Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution The demand for a poll may be withdrawn
- 14 2 If and for so long as the Company has only one member that member present in person or by proxy or, where that member is a corporation, its duly authorised representative shall be a quorum at any general meeting of the Company Model Article 38 shall be modified accordingly

15 GENERAL MEETING ON MEMBERS' REQUISITION

- 15 1 In addition to any relevant provisions of the Act, the directors shall forthwith proceed to convene a general meeting of the Company on the requisition of holders of not less than 30% (thirty per cent) in nominal value of the Shares in issue at the date of deposit of the requisition, such meeting to be convened for such date as is specified in the requisition or as soon thereafter as the Act permits
- 15 2 The requisition must state the objects of the meeting, and must be signed by or on behalf of the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by or on behalf of one or more requisitionists
- 15 3 If the directors do not within 7 days from the date of deposit of the requisition proceed to convene a meeting in accordance with this Article 15, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date
- 15 4 A meeting convened under this Article by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors
- 15 5 Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors to convene a meeting in accordance with this Article shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the directors as were in default

16 DIRECTORS: NUMBER AND APPOINTMENT OF DIRECTORS

- 16 1 The directors shall not be required to retire by rotation. Subject to any ordinary resolution of the Company and the terms of any Shareholders' Agreement, the number of directors (other than alternate directors) shall be three provided that if and for so long as there is a sole director, he may exercise all the powers and authorities vested in the directors by these Articles or the Model Articles. No shareholding qualification for directors or alternate directors shall be required, but nevertheless they shall be entitled to attend and speak at any general meeting of the Company.
- 16 2 A person may be appointed a director notwithstanding that he shall have attained the age of 70 years and no director shall be liable to vacate office by reason of his attaining that or any other age.
- 16 3 If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chairman or other director chairing the meeting shall not have a second or casting vote.

17 ALTERNATE DIRECTORS

- 17 1 Each director (other than an alternate director) shall have the power at any time to appoint as an alternate director either another director or any other person approved for that purpose by a resolution of the directors and, at any time, to terminate such appointment. Every appointment and removal of an alternate director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the directors agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.
- 17 2 An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to directors. An alternate director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.
- 17 3 An alternate director shall (subject to his giving to the Company an address at which notice may be served upon him) be entitled to receive notices of all meetings of the directors and of any committee of the directors of which his appointor is a member and to attend and to vote as a director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties of his appointor as a director and to receive notice of all general meetings.
- 17 4 The appointment of an alternate director shall automatically determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor shall cease for any reason to be a director otherwise than by retiring and being re-appointed at the same meeting.
- 17 5 A director or any other person may act as alternate director to represent more than one director and an alternate director shall be entitled at meetings of the directors or of any committee of the directors to one vote for every director whom he represents in addition to

his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present

18 REMUNERATION OF DIRECTORS

Each of the directors shall be entitled to fees for his services at such rate as may from time to time and subject to the terms of any Shareholders' Agreement be determined by the directors or by a committee authorised by the directors. The directors shall also be entitled to be repaid by the Company all such reasonable expenses (including travelling, hotel and incidental expenses) as they may incur in attending meetings of the directors, or of committees of the directors, or general meetings or which they may otherwise properly incur in or about the business of the Company

19 POWERS OF DIRECTORS

The directors may (by establishment or maintenance of schemes or otherwise) pay or procure the payment of pensions, annuities, allowances, gratuities and superannuation or other benefits to or for the benefit of past or present directors or employees who are or were at any time employed by or in the service of the Company or held any place of profit with the Company or any of its Subsidiaries or any company associated with, or any business acquired by, any of them or to or for the benefit of persons who are or were related to or dependants of any such directors or employees and may make contributions to any fund and pay premiums for the purchase or payment of any such pension, annuity, allowance, gratuity, superannuation or other benefit or make payments for or towards the insurance of any such person

20 PROCEEDINGS OF THE DIRECTORS

- 20 1 Subject to the provisions of any Shareholders' Agreement, the directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. A meeting of the directors at which a quorum is present shall be competent to exercise all powers, authorities and discretions for the time being vested in or exercisable by the directors. Questions arising at any meeting shall be determined by a majority of votes. A director may, and the company secretary (if any) on the requisition of a director shall, call a meeting of the directors. Notice of any meeting of the directors shall be in writing (which shall, for the avoidance of doubt, include email if validly transmitted and received) and shall be given to all directors, whether within or outside the UK, at the address specified by such directors for the service of such notice, not less than seven days before the proposed date of the meeting. A director may waive notice of any meeting either before or after the meeting.
- 20 2 Subject to any provisions to the contrary in any Shareholders' Agreement, decisions of the Board shall be decided by simple majority vote. An A Director, B Director and C Director shall have one vote each. The Chairman of the meeting shall not have a casting vote.
- 20 3 If a quorum is not present within half an hour from the time set for a meeting of the Board or if during the meeting a quorum ceases to be present, the Company shall immediately give notice by facsimile transmission or email to the Shareholders and the Directors and the meeting shall be adjourned to the next Business Day after the date set for the meeting at the same time and place or such other date, time and place as agreed by the Directors. If at the adjourned meeting a quorum is not present within half an hour from the time set for the

meeting, any two of the A Director, the B Director or the C Director present will constitute a quorum for this meeting unless the business of such meeting includes

20 3 1 one or more of the matters set out in Schedule 4 of the Shareholders' Agreement in which case the A Director present and any other Director (other than the A Director) present will constitute a quorum for such meeting, and/or

20 3 2 one or more of the matters set out in Schedule 3 of the Shareholders' Agreement in which case the quorum for the transaction of business at meetings of the Board shall be one A Director, one B Director and one C Director

20 4 The consent of the A Shareholder shall be required before the Company or any member of the Group takes any steps in relation to, arising out of or in connection with any of the matters set out in Schedule 4 of the Shareholders' Agreement

20 5 Mutual Consent or the consent of the one A Director, one B Director and one C Director shall be required before the Company or any member of the Group takes any steps in relation to, arising out of or in connection with any of the matters set out in Schedule 3 of the Shareholders' Agreement

20 6 Any or all of the directors may take part in a meeting of the directors by way of a conference telephone or similar equipment that allows all persons participating in the meeting to hear and speak to each other. Each director taking part in this way shall be counted as being present at the meeting. Meetings shall be treated as taking place where most of the participants are or, if there is no such place, where the chairman of the meeting is

20 7 All acts done by any meeting of the directors, or of a committee or sub-committee of the directors, or by any person acting as a director or by an alternate director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any director, alternate director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a director or, as the case may be, an alternate director and had been entitled to vote

21 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

21 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

21 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

21 1 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,

- 21 1 3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- 21 1 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- 21 1 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
- 21 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him, as defined in section 252 of the Act) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

22 DIRECTORS' INTERESTS

- 22 1 For the purposes of section 175 of the Act, the directors shall have the power to authorise, on such terms and subject to such conditions as they may determine (a **Conflict Authorisation**) any matter proposed to them in accordance with these Articles which otherwise might give rise to a situation (a **Conflict Situation**) in which a director (an **Interested Director**) would have a direct or indirect interest which conflicts, or may conflict, with the interests of the Company (including in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised
- 22 2 Where the directors give a Conflict Authorisation
 - 22 2 1 it shall be recorded in writing (but the authorisation shall be effective whether or not it is recorded), and
 - 22 2 2 the directors may revoke or vary the authority at any time but this will not affect anything done by the Interested Director in accordance with the authorisation before the revocation or variation
- 22 3 A Conflict Authorisation will be only effective if
 - 22 3 1 at the meeting of the directors at which the Conflict Situation is considered, any requirement as to quorum is met without counting the Interested Director, and
 - 22 3 2 it has previously been the subject of the prior written consent of the Investor without any Interested Director voting or would have been agreed to if the votes of any Interested Director had not been counted

- 22 4 Subject to Article 22 3 and the provisions of the Act, any matter proposed to the directors and any authorisation by the directors in relation to a Conflict Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the directors
- 22 5 For the purposes of Article 22 1, a conflict of interest includes a conflict of interest and duty and a conflict of duties
- 22 6 An Interested Director shall be obliged
- 22 6 1 to disclose to the other directors, as soon as reasonably practicable, the nature and extent of his interest in any Conflict Situation, and
- 22 6 2 to act in accordance with any conditions determined by the directors under Article 22 1
- 22 7 Any conditions to which a Conflict Authorisation is made subject (**Conflict Authorisation Terms**) may include (without limitation to Article 22 1) provision that
- 22 7 1 where the Interested Director obtains (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party,
- 22 7 2 the Interested Director may (but shall be under no obligation to) absent himself from the discussion of, or the making of decisions relating to, the relevant matter (whether at any meeting of the directors or otherwise) and be excused from reviewing documents and information prepared by or for the directors to the extent that they relate to that matter, and
- 22 7 3 the Interested Director be excluded from the receipt of documents and information, the participation in discussion or the making of decisions (whether at directors' meetings or otherwise) related to the relevant matter,
- and anything done (or omitted to be done) by the Interested Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 22 1) will not constitute a breach by him of his duties under sections 172 to 174 of the Act

23 NOTICES

- 23 1 Every director and every alternate director shall, upon supplying the Company with an address for the giving of notices, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any director or alternate director shall not invalidate the proceedings at the meeting convened by such notice

23 2 A notice may be given

23 2 1 by the Company to any Shareholder or director either personally or by sending it by first class post (airmail if abroad) or by fax or other means of electronic communications to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him, or

23 2 2 to the Company for the purpose of these Articles by like method at its registered office for the time being

23 3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted. A notice contained in an electronic communication shall be deemed to be effected at the time the electronic communication was sent

24 INDEMNITY AND INSURANCE

24 1 Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company (other than any person, whether an officer or not, engaged by the Company as Auditor) shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, including any liability incurred by him in defending any proceedings in relation thereto but this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act

24 2 Without prejudice to the provisions of Article 24 1 the directors shall have power to purchase and maintain for or for the benefit of any such persons as are indemnified or entitled to indemnification under that Article insurance against any losses or liabilities to which that Article applies

Annex

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

INDEX TO THE ARTICLES

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

- 1 Defined terms
- 2 Liability of members

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

- 3 Directors' general authority
- 4 Shareholders' reserve power
- 5 Directors may delegate
- 6 Committees

DECISION-MAKING BY DIRECTORS

- 7 Directors to take decisions collectively
- 8 Unanimous decisions
- 9 Calling a directors' meeting
- 10 Participation in directors' meetings
- 11 Quorum for directors' meetings
- 12 Chairing of directors' meetings
- 13 Casting vote
- 14 Conflicts of interest
- 15 Records of decisions to be kept
- 16 Directors' discretion to make further rules

APPOINTMENT OF DIRECTORS

- 17 Methods of appointing directors
- 18 Termination of director's appointment
- 19 Directors' remuneration
- 20 Directors' expenses

PART 3

SHARES AND DISTRIBUTIONS SHARES

- 21 All shares to be fully paid up
- 22 Powers to issue different classes of share
- 23 Company not bound by less than absolute interests
- 24 Share certificates
- 25 Replacement share certificates
- 26 Share transfers
- 27 Transmission of shares
- 28 Exercise of transmitters' rights
- 29 Transmitters bound by prior notices

DIVIDENDS AND OTHER DISTRIBUTIONS

- 30 Procedure for declaring dividends
- 31 Payment of dividends and other distributions
- 32 No interest on distributions
- 33 Unclaimed distributions
- 34 Non-cash distributions
- 35 Waiver of distributions

CAPITALISATION OF PROFITS

- 36 Authority to capitalise and appropriation of capitalised sums

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

- 37 Attendance and speaking at general meetings
- 38 Quorum for general meetings
- 39 Chairing general meetings
- 40 Attendance and speaking by directors and non-shareholders
- 41 Adjournment

VOTING AT GENERAL MEETINGS

- 42 Voting general
- 43 Errors and disputes
- 44 Poll votes
- 45 Content of proxy notices
- 46 Delivery of proxy notices
- 47 Amendments to resolutions

PART 5

ADMINISTRATIVE ARRANGEMENTS

- 48 Means of communication to be used
- 49 Company seals
- 50 No right to inspect accounts and other records
- 51 Provision for employees on cessation of business

DIRECTORS' INDEMNITY AND INSURANCE

52	Indemnity
53	Insurance

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

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

“articles” means the company’s articles of association,

“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,

“chairman” has the meaning given in article 12,

“chairman of the meeting” has the meaning given in article 39,

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company,

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called,

“distribution recipient” has the meaning given in article 31,

“document” includes, unless otherwise specified, any document sent or supplied in electronic form,

“electronic form” has the meaning given in section 1168 of the Companies Act 2006,

“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,

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006,

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

“instrument” means a document in hard copy form,

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006,

“paid” means paid or credited as paid,

“participate”, in relation to a directors’ meeting, has the meaning given in article 10,

“proxy notice” has the meaning given in article 45,

“shareholder” means a person who is the holder of a share,

“shares” means shares in the company,

“special resolution” has the meaning given in section 283 of the Companies Act 2006,

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006,

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and

“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

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

Liability of members

2. 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

Directors' general authority

3. 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

Shareholders' reserve power

4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution

Directors may delegate

5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- (a) to such person or committee,
- (b) by such means (including by power of attorney),
- (c) to such an extent,
- (d) in relation to such matters or territories, and
- (e) on such terms and conditions,

as they think fit

(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

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions

Committees

6.—(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

(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

Directors to take decisions collectively

7.—(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 8

(2) If—

- (a) the company only has one director, and
- (b) no provision of the articles requires it to have more than one director, 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

Unanimous decisions

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing

(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

(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

Calling a directors' meeting

9.—(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

(2) Notice of any directors' meeting must indicate—

- (a) its proposed date and time,
- (b) where it is to take place, and
- (c) 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

(3) Notice of a directors' meeting must be given to each director, but need not be in writing

(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

Participation in directors' meetings

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

(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

(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

Quorum for directors' meetings

11.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two

(3) 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—

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors

Chairing of directors' meetings

12.—(1) The directors may appoint a director to chair their meetings

(2) The person so appointed for the time being is known as the chairman

(3) The directors may terminate the chairman's appointment at any time

(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

Casting vote

13.—(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

(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

Conflicts of interest

14.—(1) 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 quorum or voting purposes

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes

(3) This paragraph applies when—

- (a)** the company by ordinary resolution disapples the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,
- (b)** the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (c)** the director's conflict of interest arises from a permitted cause

(4) For the purposes of this article, the following are permitted causes—

- (a)** 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,
- (b)** 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, and
- (c)** 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

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting

(6) Subject to paragraph (7), 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

(7) 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

Records of decisions to be kept

15. 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

Directors' discretion to make further rules

16. 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

Methods of appointing directors

17.—(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—

- (a) by ordinary resolution, or
- (b) by a decision of the directors

(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

(3) For the purposes of paragraph (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

Termination of director's appointment

18. A person ceases to be a director as soon as—

- (a) 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,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) 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,
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

- (f) 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

Directors' remuneration

19.—(1) Directors may undertake any services for the company that the directors decide

(2) Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) or any other service which they undertake for the company

(3) Subject to the articles, a director's remuneration may—

- (a) take any form, and
- (b) 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

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day

(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

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) 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

All shares to be fully paid up

21.—(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

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

Powers to issue different classes of share

22.—(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

(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

Company not bound by less than absolute interests

23 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

Share certificates

24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued,
- (b) the nominal value of those shares,
- (c) that the shares are fully paid, and
- (d) any distinguishing numbers assigned to them

(3) No certificate may be issued in respect of shares of more than one class

(4) If more than one person holds a share, only one certificate may be issued in respect of it

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts

Replacement share certificates

25.—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or

- (b) said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

Share transfers

26.—(1) 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 the transferor

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share

(3) The company may retain any instrument of transfer which is registered

(4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it

(5) The directors may refuse to register the transfer of a share, and if they do so, 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

Transmission of shares

27.—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
- (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had

(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

Exercise of transmittees' rights

28.—(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

(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

(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

Transmittees bound by prior notices

29. 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

Procedure for declaring dividends

30 —(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

(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

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights

(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

(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

(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

(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

Payment of dividends and other distributions

31.—(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—

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (b) 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,
- (c) 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
- (d) 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

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share, or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

No interest on distributions

32. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company

Unclaimed distributions

33.—(1) All dividends or other sums which are—

- (a) payable in respect of shares, and
- (b) 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

(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

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) 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

Non-cash distributions

34.—(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)

(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—

- (a) fixing the value of any assets,
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
- (c) vesting any assets in trustees

Waiver of distributions

35. 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—

- (a) the share has more than one holder, or
- (b) 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

Authority to capitalise and appropriation of capitalised sums

36.—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) 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
- (b) 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

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them

(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

(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

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
- (b) 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
- (c) 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

Attendance and speaking at general meetings

37.—(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

(2) A person is able to exercise the right to vote at a general meeting when—

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting

(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

(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

(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

Quorum for general meetings

38. 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

Chairing general meetings

39.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so

(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—

- (a) the directors present, or
- (b) (if no directors are present), the meeting, 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

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”

Attendance and speaking by directors and non-shareholders

40.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders

(2) The chairman of the meeting may permit other persons who are not—

- (a) shareholders of the company, or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting

Adjournment

41.—(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

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

- (a) the meeting consents to an adjournment, or
- (b) 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

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

(4) When adjourning a general meeting, the chairman of the meeting must—

- (a) 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
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting

(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)—

- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain

(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

Voting: general

42. 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

Errors and disputes

43.—(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

(2) Any such objection must be referred to the chairman of the meeting, whose decision is final

Poll votes

44.—(1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) 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

(2) A poll may be demanded by—

- (a) the chairman of the meeting,
- (b) the directors,
- (c) two or more persons having the right to vote on the resolution, or
- (d) 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

(3) A demand for a poll may be withdrawn if—

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs

Content of proxy notices

45.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

- (a) states the name and address of the shareholder appointing the proxy,
- (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed,
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
- (d) 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

(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

(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

(4) Unless a proxy notice indicates otherwise, it must be treated as—

- (a) 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
- (b) 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

Delivery of proxy notices

46.—(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

(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

(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

(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

Amendments to resolutions

47 —(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) 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
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

(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

Means of communication to be used

48.—(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

(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

(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

Company seals

49.—(1) Any common seal may only be used by the authority of the directors

(2) The directors may decide by what means and in what form any common seal is to be used

(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

(4) For the purposes of this article, an authorised person is—

- (a) any director of the company,
- (b) the company secretary (if any), or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

No right to inspect accounts and other records

50 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

Provision for employees on cessation of business

51. 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

Indemnity

52.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) 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,
- (b) 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),
- (c) any other liability incurred by that director as an officer of the company or an associated company

(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

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company

Insurance

53.—(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

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) 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
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate