

Companies Act 2006

Private Company Limited By Shares

Company Number 06933649

ARTICLES OF ASSOCIATION
OF
ACCRUE CAPITAL LIMITED

Incorporated 15th June 2009



THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

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of

ACCRUE CAPITAL LIMITED

(company number) 06933649

(Adopted by Special Resolution 29th March 2023)

1 PRELIMINARY

- 1.1 The regulations referred to in regulation 2, and set out in schedule 1, of The Companies (Model Articles) Regulations 2008 (the "**Model Articles**") apply to the Company except to the extent that they are excluded and modified by these articles (the "**Articles**"), and are to the exclusion of all other regulations and articles.
- 1.2 The registered office of the Company will be situated in England and Wales.

2 INTERPRETATION

- 2.1 In these Articles the following words and expressions shall (except where the context otherwise requires) have the following meanings:

"**A Ordinary Share**" means the ordinary A shares of £0.001 in the capital of the Company

"**A Ordinary Shareholder**" means a holder of A Ordinary Shares from time to time

"**Act**" means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force

"**Approved Offer**" means an arms length offer in writing for all the Shares in issue (including any Shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into Shares in existence at the date of such offer) on equal terms (unless in the case of a particular member less favourable terms are agreed in writing with that member) and which:

- (a) is stipulated to be open for acceptance for at least 21 days; and

- (b) includes an undertaking by the offeror that neither it nor any person acting by agreement or understanding with it have entered into more favourable terms or have agreed more favourable terms with any other member for the purchase of Shares

"B Ordinary Share" means the ordinary B shares of £0.001 in the capital of the Company

"B Ordinary Shareholder" means a holder of B Ordinary Shares from time to time

"Bad Leaver" means a member who:-

- (1) is dismissed from employment by a Group Company for:-

- (c) committing any act of gross misconduct or gross incompetence; or
- (d) being convicted of any criminal offence (other than motoring offences not involving a term of imprisonment) which in the reasonable opinion of the board of the relevant company is incompatible with his position or his suitability for his job

provided that such dismissal is not found to be unfair by an industrial tribunal or, if appealed, the final appellate body from such industrial tribunal; or

- (2) resigns his employment from a Group Company in circumstances where the relevant Group Company would have been entitled to dismiss him for:-

- (e) committing any act of gross misconduct or gross incompetence; or
- (f) being convicted of any criminal offence (other than motoring offences not involving a term of imprisonment) which in the reasonable opinion of the board of the relevant company is incompatible with his position or his suitability for his job;

provided that such dismissal would not have been found to be unfair by an industrial tribunal; or

- (3) is an employee of a Group Company who ceases to be an employee of a Group Company unless:-

- (g) he is immediately employed by another Group Company; or
- (h) such cessation is as a result of:-
 - (i) his death; or
 - (ii) his permanent incapacity through ill health; or
 - (iii) his redundancy; or
 - (iv) a requirement to cease work in order to care for a spouse or child who because of ill health requires constant care and attention; or
 - (v) his dismissal from employment and such dismissal is found to be unfair by an industrial tribunal or, if appealed, the final appellate body from such industrial tribunal; or

(vi) the Company terminating his employment on notice

(4) is declared bankrupt

"Beneficial Owner" means the beneficial owner of any Shares

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

"Business Day" means a day (other than Saturday or Sunday) on which banks are generally open in London for normal business

"C Ordinary Share" means the ordinary C shares of £0.001 each in the capital of the Company

"C Ordinary Shareholder" means a holder of C Shares from time to time

"Connected Persons" has the meaning ascribed to such expression in section 1122 Corporation Tax Act 2010

"Controlling Interest" means the holding of Shares (or the right to exercise the votes attaching to Shares) which confer in aggregate 50 per cent or more of the total voting rights conferred by all the Shares for the relevant time being in issue

"D Ordinary Share" means the ordinary D shares of £0.001 each in the capital of the Company

"D Ordinary Shareholder" means a holder of D Shares from time to time

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

"E Ordinary Share" means the ordinary E shares of £0.001 each in the capital of the Company

"E Ordinary Shareholder" means a holder of E Shares from time to time

"Fair Value" in relation to Shares, as determined in accordance with Article 21

"Family Trust" means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on an intestacy) under which the only person(s) being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his Privileged Relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his Privileged Relations

"F Ordinary Share" means the ordinary F shares of £0.001 each in the capital of the Company

"F Ordinary Shareholder" means a holder of F Shares from time to time

"Good Leaver" means a member who ceases to be employed by the Company (unless he is immediately employed by a Group Company) and is not a Bad Leaver.

"G Ordinary Share" means the ordinary G shares of £0.001 each in the capital of the Company

"G Ordinary Shareholder" means a holder of G Shares from time to time

"Group Company" means the Company or a Subsidiary or a Holding Company or a Subsidiary of the Holding Company of the Company)

"Group" means the Company and any Subsidiaries it may have from time to time and references to a "member of the Group" or a "Group Company" shall be construed accordingly

"holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares

"Independent Expert" means an independent accountant (acting as expert and not as an 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

"Issue Price" means in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;

"Leaver" means a shareholder who ceases to be a director or employee of the Company (or any other Group Company) and does not continue as, or become, a director or employee of any other Group Company

"Leaver Shares" means Shares held by a Leaver and any Shares that (at the date such person becomes a Leaver) have been transferred by that Leaver or his permitted transferees pursuant to Article 18

"Ordinary Shareholder" means a holder of "A", "B", "C", "D", "E", and "G" Ordinary Shares from time to time;

"Ordinary Shares" means "A", "B", "C", "D", "E" and "G" ordinary shares of £0.001 in the capital of the Company

"Permitted Transfer" means a transfer of Shares pursuant to Article 18

"Permitted Transferee" means, in relation to a holder, a person to whom Shares have been transferred and are held pursuant to one or more Permitted Transfers (but not pursuant to any other form of transfer of such Shares)

"Privileged Relation" means in relation to a member, a spouse of that member and all lineal descendants of that member (including for this purpose any stepchild, adopted child or illegitimate child of any such member or his lineal descendants)

"Shares" means shares in the capital of the Company

"Shareholder" means a registered holder of any Share

"Special Shareholder Approval" means the written approval of members holding 75% or more of the Ordinary Shares

"Subsidiary" and **"Holding Company"** have the meanings ascribed to such expressions by section 1159 of the Act

"Transfer Notice" means a notice in writing to the Company notifying a wish to transfer Shares under these Articles

"Transfer Notice Date" means (as appropriate) the date on which the Company receives a Transfer Notice or the date on which the Company receives notice of the events giving rise to the deemed issue of a Transfer Notice

"Valuers" an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 20 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);

- 1.1 Words incorporating the masculine gender only include the feminine and neuter genders and words incorporating the singular number only include the plural and vice versa.
- 1.2 Clause headings are for ease of reference only and do not affect the construction or interpretation of these Articles.
- 1.3 References to persons shall include bodies corporate unincorporated associations and partnerships.
- 1.4 Words and expressions defined in or for the purpose of the Act shall have the same meanings in these Articles unless the context otherwise requires.

3 DIRECTORS' MEETINGS

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with Article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 Meetings of the directors shall take place at least four times each year, with a period of not more than 12 weeks between any two meetings.
- 3.4 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall only be passed if Stephen Webster votes in favour of such resolution.

4 WRITTEN DECISIONS OF DIRECTORS

- 4.1 At any meeting of the directors each director (or his Alternate appointed in accordance with Article 11) (other than Stephen Webster (or his Alternate appointed in accordance with Article 11)) present at the meeting shall be entitled to one vote. Stephen Webster (or his Alternate appointed in

accordance with Article 11) shall be entitled to such number of votes as is equal to the sum of the number of directors at the relevant time plus one.

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

4.3 Such a decision may take the form of a resolution in writing, where the requisite numbers of Eligible Directors have signed one or more copies of it, or to which the requisite numbers of Eligible Directors have otherwise indicated agreement in writing.

4.4 A decision may not be taken in accordance with this article if the Eligible Directors indicating their agreement would not have formed a quorum at a directors' meeting to vote on the matter in accordance with Article 6.

5 QUORUM FOR DIRECTORS' MEETINGS

5.1 The number of directors shall not be less than two, at least one of whom must be Stephen Webster for so long as he is a director.

6 CASTING VOTE

If the numbers of votes for and against a proposal are equal, the chairman shall have a casting vote and regulation 13 of the Model Articles shall not apply.

7 DIRECTORS' WRITTEN RESOLUTION

7.1 Any director may propose a directors' written resolution.

7.2 The directors, or the company secretary (if one is appointed), must propose a Directors' written resolution if a director so requests.

7.3 A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.

7.4 Notice of proposed directors' written resolution must indicate:

7.4.1 the proposed resolution, and

7.4.2 the time by which it is proposed that the directors should adopt it.

7.5 Notice of a proposed directors' written resolution must be given in writing to each Director.

7.6 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

7.7 A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.

7.8 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.

- 7.9 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles.
- 7.10 The directors, or the company secretary (if any), must ensure that the Company keeps a record, in Writing, of all directors' written resolution for at least 10 years from the date of their adoption.

8 DIRECTORS' CONFLICTS OF INTEREST

- 8.1 Regulation 14 of the Model Articles does not apply.
- 8.2 This Article 8 contains provisions for dealing with directors' conflicts of interest, so that the general duties of directors set out in sections 171 to 177 of the Act (the "**general duties**") are not infringed by anything done (or omitted) by a director in accordance with this article. So far as is lawful, the general duties have effect subject to any authority given by or under this Article 8.
- 8.3 The authorisations in this Article 8 are subject to any more restrictive provisions contained in any contract between a director and the Company, in any applicable policy or code adopted by the Company or in any conditions imposed in any authorisation under this Article 8. If any such provisions require disclosure or prior approval of any conflict of interest or benefit otherwise authorised by this article, or impose conditions on any such authorisation (which may include conditions permitted by Article 8.9), the authorisations in this article apply only to the extent that those requirements or conditions are complied with; provided that the directors may excuse any non-compliance either before or after it occurs.
- 8.4 A director may be an officer or employee of, engaged in any other capacity in, or have a direct or indirect interest in:
- 8.4.1 any connected company;
 - 8.4.2 if he is a director appointed by another company which has, under these articles or any contract between members of the Company, a right to appoint a director of the Company, his appointing company or any member of the same group as his appointing company;
 - 8.4.3 any company which does not compete to a material extent with the business of the Company;
 - 8.4.4 any company whose securities are dealt with on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or on AIM or Plus (or any successors to such markets), provided the director's interest is limited to a direct or indirect holding of securities not amounting to more than 5% of the equity share capital of that company;
 - 8.4.5 any trust or scheme whose primary purpose is the provision of pensions, life assurance or employee benefits or any employees' share scheme;
- and may do anything in the ordinary course of acting in that character which is not calculated directly to harm the interests of the Company.
- 8.5 A director may enter into any transaction in or relating to securities of the Company or may have any interest arising as holder of securities of the Company or in any transaction in his character as holder of such securities.

- 8.6 A director may exploit any property, information or opportunity wholly outside the scope of the Company's business or that of its connected companies. This Article 8.6 does not authorise a director to exploit property of the Company or confidential information of the Company or information received by the Company under a duty of confidentiality.
- 8.7 The directors may authorise any matter proposed to them which otherwise would or might infringe the duty of a director to avoid conflicts of interest. Provided that he has declared the nature and extent of his interest as if the matter were a transaction or arrangement with the Company in which he was interested, a director may vote and be counted in the quorum on any resolution to authorise a conflict of interest of his and section 175(6) of the Act shall not apply.
- 8.8 The directors may:
- 8.8.1 give any such authorisation subject to such conditions as they think fit;
 - 8.8.2 vary or terminate the authorisation or waive, vary or terminate any such conditions at any time or excuse any non-compliance with such conditions either before or after it occurs, but any termination or variation will not affect anything done or committed to be done by the director prior to such termination or variation.
- 8.9 The conditions may include that the director:
- 8.9.1 is to be excluded from discussions, whether at meetings of directors or otherwise, relating to matters in respect of which he has the conflict of interest;
 - 8.9.2 is not to be given documents or information relating to matters in respect of which he has the conflict of interest;
 - 8.9.3 may not vote, or count in the quorum at any future meeting of directors in relation to any resolution relating to matters in respect of which he has the conflict of interest.
- 8.10 A director who holds a position outside the Company or its connected companies which does not give rise to a conflict of interest or which is authorised by or under this Article 9 who in that character obtains any information in respect of which he owes a duty of confidentiality to another person (other than a connected company or a director of the Company) is under no obligation to disclose such information to the Company or to use or apply any such confidential information for the purpose of or in connection with the performance of his duties as a director if to do so would amount to a breach of that confidence.
- 8.11 Any authorisation of a conflict of interest authorised by or under this Article 8 shall (unless the contrary intention appears) extend to any conflict of interest which may reasonably be expected to arise out of the matter authorised either at the time of giving the authority or subsequently.
- 8.12 A director is not required to account to the Company for any remuneration, profit or other benefit which he gains from any matter in respect of which he has a conflict of interest which has been authorised by or under this Article 8, no contract, arrangement or transaction shall be avoided on the grounds of any conflict of interest so authorised, and the receipt of such remuneration, profit or benefit shall not constitute a breach of the director's duty not to accept benefits from third parties.

- 8.13 The Company may by ordinary resolution authorise or ratify any contract, transaction, arrangement, conflict of interest, acceptance of a benefit or other proposal which might otherwise infringe or may have infringed the general duties, including any contravention of any provision of this Article 8. When shareholders ratify a conflict of interest the vote of any shareholder who is also an interested director will not be counted.
- 8.14 A director may accept from third parties and retain the benefit of:
- 8.14.1 entertainment of a character and extent that can reasonably be regarded as intended to foster relationships between the Company and such person and not to exercise improper influence over the decisions of the director and in any event not exceeding (in the reasonable estimation of the director) a cost of £1,000 on any occasion or £5,000 from any one company or person in any financial year of the Company;
 - 8.14.2 training, travel, meals, accommodation or other services or facilities in the ordinary course of the director's functions on behalf of the Company;
 - 8.14.3 small gifts with a cost (in the reasonable estimation of the director) not exceeding £250 from any one company or person in any financial year of the Company;
 - 8.14.4 frequent flyer or similar incentives for use of travel or accommodation, or incentives for the use of personal credit or debit cards for Company expenses, provided openly under a published scheme, where the value of the incentives (in the director's reasonable estimation) does not exceed 2% of the expenditure on the item; and
 - 8.14.5 anything which would be permitted by Article 8.14.1 or Article 8.14.3 but for any financial limit, if the directors resolve to waive the financial limit in relation to that particular thing.
- 8.15 The directors may authorise the receipt and retention by a director or any specific benefit from a third party which has been disclosed to the directors which is not authorised by Article 8.14.

9 NUMBER OF DIRECTORS

- 9.1 The number of directors shall not be less than 2 and no more than 6.

10 ALTERNATE DIRECTORS

- 10.1 Any director (the "**Appointor**") may appoint as an alternate any other director, or any other person (an "**Alternate**") approved by resolution of the directors, to:
- 10.1.1 exercise that director's powers, and
 - 10.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors in the absence of the Alternate's Appointor.
- 10.2 Any appointment or removal of an Alternate must be effected by notice in writing to the Company's signed by the Appointor, or in any other manner approved by the directors.
- 10.3 The notice must:

- 10.3.1 identify the proposed Alternate, and
- 10.3.2 in the case of a notice of appointment, contain a statement signed by the proposed Alternate that the proposed Alternate is willing to act as the Alternate of the director giving the notice.

11 RIGHTS OF ALTERNATE DIRECTORS

- 11.1 An Alternate has the same rights, in relation to any directors' meeting or directors' written resolution, as the Alternate's Appointor.
- 11.2 Except as the articles specify otherwise, Alternate Directors:
 - 11.2.1 are deemed for all purposes to be directors;
 - 11.2.2 are liable for their own acts and omissions;
 - 11.2.3 are subject to the same restrictions as their Appointors; and
 - 11.2.4 are not deemed to be agents of or for their Appointors.
- 11.3 A person who is an Alternate Director but not a director:
 - 11.3.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating), and
 - 11.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's Appointor).

No Alternate may be counted as more than 1 director for such purposes.

- 11.4 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the Alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.
- 11.5 An Alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of directors of which his Appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his Appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an Alternate Director. But it shall not be necessary to give notice of such a meeting to an Alternate Director who is absent from the United Kingdom.

12 TERMINATION OF ALTERNATE DIRECTORSHIP

- 12.1 An Alternate Director's appointment as an Alternate terminates:
 - 12.1.1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

12.1.2 on the occurrence in relation to the Alternate of any event which, if it occurred in relation to the Alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;

12.1.3 on the death of the Alternate's Appointor; or

12.1.4 when the Alternate's Appointor's appointment as a Director terminates.

13 ASSOCIATE DIRECTOR

The Directors may at any time and from time to time appoint any person to be an associate director with a title including the word "director". An associate director is not a Director of the Company and is not a member of the Board. The Directors may define and limit the powers and duties of any associate and may be in addition to their remuneration as managers or employees of the Company.

14 SHARE RIGHTS

14.1 The Shares shall rank *pari passu* in all respects except as specifically set out in these Articles.

14.2 No Share nor any right to subscribe for or to convert any security into a Share shall be allotted or granted otherwise than to the holder of a Share of that same class.

14.3 On the transfer of any Share as permitted by these Articles:

14.3.1 a Share transferred to a non-shareholder shall remain of the same class as before the transfer; and

14.3.2 a Share transferred to a shareholder shall automatically be re-designated on transfer as a share of the same class as those shares already held by the shareholder.

If no Shares of a class remain in issue following a re-designation under this Article 14, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.

14.4 No variation of the rights attaching to any class of Shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of Shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of Shares, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

14.5 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:

14.5.1 any alteration in the Articles;

- 14.5.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and
 - 14.5.3 any resolution to put the Company into liquidation.
- 14.6 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.
- 14.7 The profits of the company which are resolved to be divided amongst the Members in any year shall be applied in paying to the holders of the respective classes of shares dividends at such respective rates (if any) as the Company in General Meeting shall determine and so that a dividend or dividends may be declared on one or several classes of shares to the exclusion of any class or classes and that dividends at different rates may be declared on the respective classes of shares. The Directors may pay an interim dividend or dividends on one or several classes of shares to the exclusion of any class or classes and may pay interim dividends at different rates on the respective classes of shares
- 14.8 Shares shall carry votes as follows:
 - 14.8.1 the Ordinary Shares shall confer on each Ordinary Shareholder the right to receive notice of and to attend (either in person or by proxy), speak and vote at all general meetings of the Company, and each Ordinary Share shall carry one vote;
 - 14.8.2 the F Ordinary Shares shall not carry any voting rights and each F Ordinary Shareholder shall therefore not have the right to receive notice of or to attend, speak or vote at any general meeting of the Company.
- 14.9 On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any Shares), the surplus assets of the Company remaining after payment of its liabilities shall be applied first, to the Shareholders in respect of each Share held, the Issue Price and, if there is a shortfall of assets to satisfy such payments in full, the assets shall be distributed to the Ordinary Shareholders pro rata to the aggregate amounts due under this Article 14.9.1 to each such Ordinary Share held.

15 SHARE CERTIFICATES

Sub-paragraph (d) of regulation 24(2) of the Model Articles shall not apply.

16 ALLOTMENT OF SHARES

- 16.1 Shares may be allotted only in accordance with the provisions of this Article 16.
- 16.2 Any Shares shall, before they are allotted, be offered to the Ordinary Shareholders in proportion as nearly as may be to the number of shares held by them unless Special Shareholder Approval is obtained to allot them otherwise. Such offer shall be made by notice in writing specifying the number and class of shares and price and limiting the time in which the offer if not accepted will lapse and determine, such time limit to be not less than 30 days or greater than 40 days (the "**Lapse Date**"). Offers not accepted by the Lapse Date shall be deemed declined.
- 16.3 If the offer to a shareholder lapses and determines without any of the shares the subject of the offer having been accepted or if shareholders accept some but not all of the shares offered by the Lapse Date, then the Company shall make a second offer in the manner specified above of the shares

unaccepted on the first offer to those shareholders who did accept all the shares offered to them in the first offer.

- 16.4 First and second offers shall be deemed to be accepted upon receipt of a letter of acceptance by the Company.
- 16.5 If any shares offered have not been accepted in the second offer (due to the expiration of such time limit or on receipt of a written intimation from the person to whom the offer was made that he declines to accept any or all of the shares comprising in the second offer) or if any shares are released from the provisions of Article 16.2 by special resolution of the Company in general meeting then the Board may allot or grant options over such shares in such manner to such persons on such terms as they think most beneficial to the Company.
- 16.6 The Board may also dispose in such manner to such persons on such terms as they think most beneficial to the Company any shares which cannot be offered except by way of fractions.
- 16.7 Any shares accepted in the first offer shall be paid for within 21 days of the date on which the offer lapsed. Where shares were accepted on the second offer then they shall be paid for within 21 days of the date on which the second offer lapsed. Payment shall be deemed to be made on the day the Company receives a cheque, credit transfer or banker's draft for the appropriate sum. Failure to pay within the time specified will enable the Company to re-offer the shares unpaid for as if they had been offered to and unaccepted by the defaulting shareholder.
- 16.8 Section 561 of the Act does not apply to the allotment by the Company of any equity security.

17 PERMITTED TRANSFERS

- 17.1 Subject to having obtained Special Shareholder Approval in writing, any Shares may be transferred by a Beneficial Owner who is an individual to a Privileged Relation of such Beneficial Owner or to trustees to be held upon Family Trusts.
- 17.2 Where any Shares have been transferred to Privileged Relations or trustees pursuant to Article 17.1 the Privileged Relation or the trustees as the case may be may transfer any such Shares to a person or persons shown to the satisfaction of the Board to be:
- 17.2.1 the trustees for the time being (on a change of trustee) of the Family Trusts in questions and/or;
- 17.2.2 subject to having obtained Special Shareholder Approval in writing, the Beneficial Owner or any Privileged Relation of the Beneficial Owner.
- 17.3 In any case where a member proposing to transfer Shares under Article 17.1 (the "**Proposing Transferor**") holds those Shares as a result of an earlier transfer authorised under Article 17.1 from the first holder of those Shares (the "**Original Member**"), subject to having obtained Special Shareholder Approval the Proposing Transferor may only transfer those Shares to a person to whom the Original Member could have transferred such Shares under Article 17.1 and must obtain.
- 17.4 Where Shares are held by trustees of a Family Trust and any such Shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under Article 17.2.2) the trustees shall forthwith transfer such Shares to a transferee permitted under Article 17.2.2 and in

default thereof the trustees shall be deemed to have given a Transfer Notice in respect of the Shares in question provided that the price shall be the issue price (including any premium).

- 17.5 Any Shares held by an undertaking ("**Original Undertaking**") may be transferred to any other company ("**Transferee Undertaking**") which is a holding company or subsidiary of the Original Undertaking or a subsidiary of a holding company of the Original Undertaking (a "**Group Undertaking**") provided that such company is a company in respect of which the relevant Original Member holds a Controlling Interest.
- 17.6 If any Transferee Undertaking ceases to be a Group Undertaking in relation to the Original Undertaking then such Transferee Undertaking shall within 7 days of such cessation transfer any Shares held by the Transferee Undertaking to the Original Undertaking or to a company which, in relation to the Original Undertaking, is a Group Undertaking provided that such company is a company in respect of which the relevant Original Member holds a Controlling Interest.
- 17.7 In the event of any default of Articles 18.5 or 18.6 the Original Undertaking or the Transferee Undertaking or the company referred to in Article 18.6 (as the case may be) shall be deemed to have served a Transfer Notice in respect of all such Shares provided that the price shall be the issue price (including any premium).

18 TRANSFER PROCEDURE

- 18.1 Any member holding Shares who wishes to transfer such Shares (a "**Vendor**") otherwise than in accordance with Article 18 shall give a Transfer Notice to the Company of his wish specifying:
- 18.1.1 the number of Shares which he wishes to transfer ("**Sale Shares**");
 - 18.1.2 the price per Share at which he wishes to sell such Sale Shares;
 - 18.1.3 whether the Transfer Notice is conditional upon all and not part only of the Sale Shares so specified being sold pursuant to the offer hereinafter mentioned, and in the absence of such stipulation, it shall be deemed not to be so conditional.
- 18.2 Where any Transfer Notice is given in accordance with Article 18.1, the sale price of the Sale Shares shall be agreed or determined in accordance with Articles 18.4 and 18.5.
- 18.3 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified:
- 18.3.1 that (subject to Article 19.4) all the Shares registered in the name of the Vendor shall be included for transfer;
 - 18.3.2 that the sale price of the Sale Shares shall be agreed or determined in accordance with Articles 18.4 and 18.5;
 - 18.3.3 that the Transfer Notice is not conditional upon all and not part only of the Shares so specified being sold pursuant to the offer.
- 18.4 Where any Transfer Notice is given or deemed to have been given in accordance with these Articles, the Vendor and the Board (with Shareholder Approval) shall seek to agree the sale price of the Sale Shares within 20 Business Days of the Transfer Notice Date. If the Vendor and the Board (with

Shareholder Approval) fail to agree the sale price of the Sale Shares within 20 Business Days of the Transfer Notice Date, the Company shall instruct the Independent Expert to determine in accordance with Article 18.5 the sale price of the Sale Shares the subject of the Transfer Notice.

- 18.5 Where the Independent Expert is instructed pursuant to Article 18.4, the sale price of the Sale Shares shall, subject to Article 19, be the value which the Independent Expert certifies in his opinion as fair value of the Sale Shares. In arriving at his opinion the Independent Expert will value the Sale Shares as at the date the Transfer Notice is deemed to have been served:-
- 18.5.1 as shares in the Company on a going concern basis;
- 18.5.2 as on an arms length basis between a willing seller and a willing buyer;
- 18.5.3 ignoring any reduction or enhancement in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority or majority interest; and
- 18.5.4 on the assumption that the Sale Shares are capable of transfer without restriction.
- 18.6 The sale price of the Sale Shares whether agreed under Article 18.4 or determined under Article 18.5 shall be referred to as the "**Transfer Price**".
- 18.7 Any member (including the Vendor) shall be entitled to make representations, in connection with the calculation of the fair value of the Sale Shares to the Independent Expert within 20 Business Days of his appointment (which shall be notified to the members within 5 Business Days of being made) and the Independent Expert shall be required to take into account in calculating the fair value of the Sale Shares all reasonable representations so made to him.
- 18.8 The decision of the Independent Expert as to the Transfer Price shall, save in the case of clerical or manifest error appearing within 15 Business Days of the Independent Expert's determination of the Transfer Price, be final and binding. The Independent Expert's charges including disbursements and value added tax in connection with the determination will be paid as to one half by the Company and the other half by the Vendor.
- 18.9 No Transfer Notice once given in accordance with this Article 18 shall be withdrawn without the consent in writing of the Board.
- 18.10 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares specified therein at the Transfer Price.
- 18.11 Once the Transfer Price has been agreed or determined in accordance with Articles 18.4 and 18.5 the Company may, not later than 15 Business Days from the Transfer Price being fixed or determined exercise its power, subject to the provisions of the Act and with the agreement of the Vendor, to purchase any (or if the Transfer Notice was stated to be conditional upon all and not part only of the Sale Shares so specified being sold, all) of the Sale Shares at the Transfer Price.
- 18.12 If the Company declines or is unable to exercise the powers referred to in Article 18.11 or the Vendor does not wish the Company to exercise the powers referred to in Article 18.11, it shall forthwith give notice in writing to each of the members of the Company (other than the Vendor) informing them that the Sale Shares are available and of the Transfer Price and shall invite each member (other than the Vendor) to state in writing within 20 Business Days from the date of the said notice (which date

shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares at the Transfer Price.

- 18.13 The Sale Shares shall be offered to each member (other than the Vendor) on terms that in the event of competition the Sale Shares offered shall be sold to the members accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares ("**Proportionate Entitlement**"). It shall be open to each such member to specify if he is willing to purchase Sale Shares in excess of his Proportionate Entitlement ("**Excess Shares**") and if the member does so specify he shall state the number of Excess Shares.
- 18.14 After the expiry of the offers to be made pursuant to Article 18.12 above the Board shall allocate the Sale Shares in the following manner:
- 18.14.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or
- 18.14.2 if the total number of Sale Shares applied for is more than the available number of Sale Shares, each member shall be allocated his Proportionate Entitlement or such lesser number of Sale Shares for which he may have applied and applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each member applying for Excess Shares in the proportion which the Shares held by such member bears to the total number of Shares held by all such members applying for Excess Shares and provided that such member shall not be allocated more Excess Shares than he shall have stated himself willing to take and in either case the Company shall forthwith give notice of each such allocation ("**Allocation Notice**") to the Vendor and each of the persons to whom Sale Shares have been allocated ("**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than 10 Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares be completed.
- 18.15 Subject to Article 18.5, upon such allocation being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price for each of the Sale Shares comprised in the Allocation Notice, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified. If the Vendor makes default in so doing the chairman for the time being of the Company or failing him one of the directors or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and any director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the Sale Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant Sale Shares to the Company when he shall thereupon be paid the purchase money.
- 18.16 If the Vendor shall have included in the Transfer Notice a provision that unless all the Sale Shares are sold none shall be sold and if the aggregate number of Sale Shares applied for by Member

Applicants is less than the total number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation open for 20 Business Days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this Article shall be conditional upon such provision as aforesaid being complied with in full.

- 18.17 In the event of all the Sale Shares specified in a Transfer Notice served under Article 18 not being sold under the preceding paragraphs of this Article, the Company shall forthwith give notice in writing of this fact to the Vendor, and the Vendor may (subject to the provisos to this Article 18.17) at any time within 3 calendar months after receiving such notice from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares not sold at any price not less than the Transfer Price provided that:
- 18.17.1 any such sale shall be a bona fide arms length sale and the Board may require to be satisfied in such manner as they may reasonably require that the Sale Shares are being sold in pursuance of a bona fide arms length sale for not less than the Transfer Price without deduction, rebate or allowance whatsoever and if not so satisfied the Board shall refuse to register the instrument of transfer;
- 18.17.2 if the Transfer Notice was conditional upon all and not part only of the Sale Shares so specified being transferred pursuant to the offer then all of the Sale Shares so specified must be sold.
- 18.18 Notwithstanding the provisions relating to the transfer of Shares in these Articles, if a transfer of Shares would result, if made and registered, in a person (other than a member at the date of the adoption of these Articles and/or his Permitted Transferees) and/or his Connected Persons and/or his or their Permitted Transferees obtaining a Controlling Interest, no transfer of Shares shall be made or registered unless an Approved Offer is made.
- 18.19 Any transfer of Shares in the Company pursuant to an Approved Offer shall not be subject to the restrictions on transfer or pre-emption provisions contained in these Articles.
- 18.20 If at any time an Approved Offer is made which receives Special Shareholder Approval, the members who have not accepted the Approved Offer shall be obliged to accept the Approved Offer in respect of the Shares held by them and to sell all of the Shares held by them in accordance with such Approved Offer.
- 18.21 If any person (a "**Compulsory Transferor**") fails to transfer any Shares in accordance with Article 18.20 above within 28 days of the Approved Offer having been made the Directors may authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Compulsory Transferor shall in such case be bound to deliver up his certificate for such Shares to the Company whereupon he shall be entitled to receive the purchase price without interest.

19 DEEMED TRANSFER NOTICE

- 19.1 Upon a person becoming a Leaver (unless Special Shareholder Approval is obtained within 21 days following the date on which that person becomes a Leaver), an irrevocable Transfer Notice shall be deemed to be issued in respect of all the Leaver Shares on the date on which such person becomes a Leaver and notwithstanding any other provision of these Articles, the Transfer Price in respect of a leaver shall:
- 19.1.1 where the Leaver is a Bad Leaver, be the nominal value of the Leaver's Shares; and
- 19.1.2 where the Leaver is a Good Leaver, be 100% of the Fair Value.
- 19.2 A Transfer Notice under Article 19.1 shall automatically revoke all previously existing Transfer Notices in respect of the Leaver Shares.
- 19.3 If any member becomes a Leaver pursuant to these Articles, then any member to whom that Leaver has transferred Shares under Article 17 shall be bound to offer their Shares (held as Permitted Transferee of that Leaver) for sale under these Articles as if that nominee or Permitted Transferee were the Leaver.

20 VALUATION

- 20.1 As soon as practicable after deemed service of a Transfer Notice under Article 19, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.
- 20.2 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the shareholders in writing of their determination.
- 20.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- 20.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
- 20.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 20.3.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
- 20.3.4 the Sale Shares are sold free of all encumbrances;
- 20.3.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
- 20.3.6 to take account of any other factors that the Valuers reasonably believes should be taken into account.
- 20.4 The shareholders are entitled to make submissions to the Valuers including oral submissions and will provide (or procure that the Company provides) the Valuers with such assistance and documents as

the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.

- 20.5 To the extent not provided for by this Article 20, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 20.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud).
- 20.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders in such proportions as the Valuers shall direct.

21 INDEMNITY

- 21.1 Subject to the provisions of the Act, every director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto.
- 21.2 Without prejudice to the provisions of Article 21.1, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company or of any subsidiary undertaking of the Company including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such subsidiary undertaking.

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SHARES
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**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 disapplies 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) 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) for 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 have affixed to them the company's common seal, or
- (6) 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,
 - (c) 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 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,
 - (c) 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.

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.