

Company No. 02781951

The Companies Act 2006

Company limited by shares

Written resolution

of

1HQ Limited

25 NOVEMBER 2015 (the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of 1HQ Limited (the "Company") propose that the following resolution below is passed as a special resolution

Special Resolution:

That the draft articles of association attached to this resolution are adopted by the Company in substitution for, and to the exclusion of, its existing articles of association

Important:

Please read the notes at the end of this document before signifying your agreement to the Special Resolution.

The undersigned, being the shareholders entitled to vote on the Special Resolution on the Circulation Date, hereby irrevocably agree to the Special Resolution



Signed . . .

for and on behalf of **Ceuta Holdings Limited** (as attorney for **John Sandom**)

Date

Signed . . .

for and on behalf of **Ceuta Holdings Limited** (as attorney for **Helen Sandom**)

Date ..

Signed . . .

for and on behalf of **Ceuta Holdings Limited** (as attorney for **Mark Artus**)

Date

Signed. 

John Sandom

Date 25 NOVEMBER 2015

Signed 

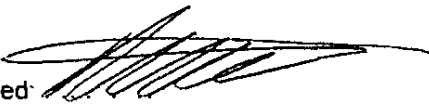
Mark Artus

Date 25 NOVEMBER 2015

Signed 

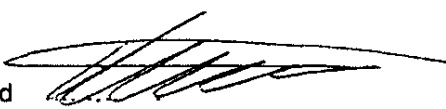
for and on behalf of **Ceuta Holdings Limited** (as attorney for **John Sandom**)

Date

Signed 

for and on behalf of **Ceuta Holdings Limited** (as attorney for **Helen Sandom**)

Date

Signed 

for and on behalf of **Ceuta Holdings Limited** (as attorney for **Mark Artus**)

Date

Signed

John Sandom

Date

Signed

Mark Artus

Date

Notes

- 1 If you agree to the Special Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods
 - By hand (by delivering the signed copy to Sara Ordoná, 1HQ Limited, Old Brewery 22 Russell Street, Windsor, Berkshire, SL4 1HQ)
 - By post (by returning the signed copy to Sara Ordoná, 1HQ Limited, Old Brewery 22 Russell Street, Windsor, Berkshire, SL4 1HQ)
 - By email (by attaching a scanned copy of the signed document to an email and sending it to sara.ordona@1hq.co.uk)

Please note that return of this document will not be accepted by fax

- 2 **The Special Resolution will lapse if sufficient votes in favour of it have not been received by the end of the date which is 28 days after the Circulation Date (the Circulation Date being counted as day one).** Unless you do not wish to vote on the Special Resolution, please ensure that your agreement reaches the Company on or before this date and time. If the Company has not received this document from you by then you will be deemed to have voted against the Special Resolution
- 3 Once you have signified your agreement to the Special Resolution such agreement cannot be revoked
- 4 In the case of joint holders of shares, only the vote of the holder whose name appears first in the register of members of the Company in respect of such joint holding will be counted by the Company to the exclusion of the other joint holder(s)
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

ARTICLES OF ASSOCIATION

of

1HQ LIMITED

(Company No. 02781951) ("the Company")

Adopted by Special Resolution on ~~25~~ ²⁵ NOVEMBER 2015

1. PRELIMINARY

- 1.1 The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company ("Model Articles") (a copy of which is annexed in Appendix 1) apply to the Company except in so far as they are excluded or varied by these Articles

2. INTERPRETATION

- 2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context

2006 Act	: the Companies Act 2006 (as amended from time to time).
A Director	: an A Director appointed pursuant to Article 10.1
A Ordinary Shares	: the A ordinary shares of £1.00 each of the Company having the rights set out in Article 14 in respect of Shares of that class
acting in concert	: has the meaning set out in the City Code on Takeovers and Mergers from time to time
Adoption Date	: the date of adoption of these Articles as the articles of association of the Company
Affiliates	: with respect to any specified person, that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the entity specified. For the purposes of this definition "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting equity interest, by contract or otherwise
Articles	: these Articles of Association as amended, supplemented, varied or replaced from time to time

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Auditors	: the auditors to the Company from time to time
B Ordinary Shares	: the B ordinary shares of £1 00 each of the Company having the rights set out at Article 14 in respect of Shares of that class
Bad Leaver	: any leaver that is not a Good Leaver.
Board	: the board of directors of the Company from time to time
Business Day	: any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business
Capital Priority Sum	: the sum of £4,200,000
C Ordinary Shares	: the C ordinary shares of £1 00 each of the Company having the rights set out at Article 14 in respect of Shares of that class
Called Shareholders	: has the meaning given to that term at Article 19 6
Called Shares	: has the meaning given to that term at Article 19 6
Ceuta	Ceuta Holdings Limited (company number 8528478)
Compulsory Sale Price	: the price referred to in Article 20 3
Compulsory Transfer Notice	: the meaning given to that term at Article 20 2
Connected Person	: the meaning given to that expression in section 993 of the Income Taxes Act 2007 and "connected with" shall be construed accordingly
Control	: in relation to a person, the power (whether direct or indirect) to direct or cause the direction of its affairs, whether by means of holding shares or securities, possessing voting power, exercising contractual powers or otherwise and "controlled by" shall be construed accordingly
Controlling Interest	: an interest (as defined in sections 820 to 825 of the 2006 Act) in Shares conferring in aggregate more than 50 per cent of the total voting rights normally exercisable at a general meeting of the Company

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D Director	: a D director appointed pursuant to Article 10 4
D Ordinary Shares	: the D ordinary shares of £1 each of the Company having the rights set out at Article 14 in respect of Shares of that class
Debt	: the aggregate indebtedness of the Company and its subsidiaries (if any) that is in the nature of borrowings as calculated or determined by using the same methodology and principles as used to calculate or determine the indebtedness of the Owner's Group in the Owner Change of Control Transaction Agreement
Drag Along Notice	: has the meaning given to that term at Article 19 6
Drag Along Option	: has the meaning given to that term at Article 19 6
EBITDA	: earnings before interest, tax, depreciation and amortisation, determined in accordance with the following order of priority <ol style="list-style-type: none">the Company's accounting policies as disclosed in its audited accounts,in accordance with UK GAAP,in accordance with the Company's historic management accounts
electronic address	: any address or number used for the purposes of sending or receiving documents or information by electronic means
Employee Trust	: any trust established by the Company for the benefit of employees, former employees, the spouses, civil partners, surviving spouses, surviving civil partners, or minor children or step-children of such employees and former employees and which has been approved by the Owner Majority
Equity Shares	: the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares
Fair Value	: the value determined pursuant to Article 21
Family Trusts	: means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a

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settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual, and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons.

- Financial Year** : shall in respect of the Company have the meaning defined in section 390 of the 2006 Act
- FSMA** : the Financial Services and Markets Act 2000 (as amended from time to time)
- Good Leaver** : a Leaver who ceases to be a director or employee as a result of (i) retirement on reaching normal retirement age or (ii) who is made redundant within the meaning of the Employment Rights Act 1996 or (iii) who the board of directors determines either anytime before or within 2 months after his becoming a Leaver that he is a Good Leaver
- Group** : the Company and each of its subsidiaries from time to time and references to "member of the Group" and "Group Company" is to be construed accordingly
- holder** : in respect of any Share, the person or persons from time to time registered by the Company as the holders of that Share and "shareholder" shall be interpreted accordingly
- Independent Accountants** : a firm of independent chartered accountants (other than the Auditors) as agreed between the Owner and the Manager Majority or, in the absence of agreement within 15 Business Days, a firm of appropriately qualified chartered accountants nominated by the President of the Institute of Chartered Accountants of England and Wales on the application of the Owner or the Manager

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	Majority.
Joint Election	: a joint election under section 431 of the Income Tax (Earnings and Pensions) Act 2003 in a form approved by the Owner
Leaver	: a shareholder (other than John Sandom, who may not be deemed a Leaver) who. (a) is an individual, and (b) is or was previously a director or employee of a member of the Group or the Owner Group, and (c) ceases to hold such office or employment and as a consequence is no longer a director or employee of any member of the Group or the Owner Group
Listing	: the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any Share to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any Share to trading on AIM, a market of the London Stock Exchange plc or the admission by any recognised investment exchange or the New York Stock Exchange or NASDAQ of any Share, and, in each case, such admission becoming effective
Liquidation	: the making of an order or the passing of a resolution for the winding up, administration (whether out-of-court or otherwise) or dissolution of any Group Company (other than a dormant subsidiary)
Manager Majority	: the holders of more than 50 per cent of the D Ordinary Shares from time to time
Owner	: the holder of a majority of the issued Shares in the Company
Owner Consent	: the consent in writing of an Owner Majority
Owner Group	: the Owner and its Affiliates from time to time and "member of the Owner Group" is to be construed accordingly
Owner Majority	: the holders of more than 50 per cent of the A Ordinary Shares from time to time (whether through nominees or otherwise)

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Owner Sellers' Shares	: has the meaning given to that term in Article 19.6
Owner Sellers	: has the meaning given to that term in Article 19.6
Privileged Relation	: in relation to a Shareholder who is an individual member or deceased or former member means a spouse, civil partner, child or grandchild (including step or adopted or illegitimate child and their issue)
recognised investment exchange	: has the meaning given to the expression in section 285(1) FSMA
Relevant Conditions	: has the meaning given to the expression in Article 15.7
Relevant Customer	: any person who at any time during the period of 12 months preceding the Relevant Date in the case of Article 20.7 was <ol style="list-style-type: none">negotiating with any member of the Group for the supply by any member of the Group for goods or services, ora client or customer of any member of the Group
Relevant Date	: the date on which the Leaver becomes a Leaver
Relevant Period	: the period of 12 months immediately before the Relevant Date
Relevant Products or Services	: products or services which are competitive with or of the type supplied by any member of the Group at any time during the period of 12 months immediately preceding Completion
Restricted Period	: the period of 12 months immediately following the Relevant Date
Restricted Territories	: the United Kingdom (including Scotland even if it votes for independence) and other countries where the Group has traded in the 24 months preceding the Relevant Date
Restrictive Covenants	: has the meaning set out in Article 20.7.
Sale Shares	: has the meaning given to that term at Article 20.2
Sale	: the transfer (other than a transfer permitted under Articles 18.1 and 18.2.1) of any interest in Shares to any person (whether by one

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transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest

Second Capital Priority : £1,800,000
Sum

Seller : a holder who wishes, or is required, to transfer any Share or any beneficial interest therein to a person to whom Article 18 does not apply

Shares : shares in the capital of the Company

Shareholders' Agreement : the shareholders' agreement relating to the Company between Ceuta, the Manager Majority, the Company and others on or around the Adoption Date

Tag Along Offer : has the meaning given to that term at Article 19 3

Transfer Event : has the meaning given to that term at Article 20.1

Trustees : in relation to a shareholder means the trustee or trustees of a Family Trust

Warehouse : any or all of the Company, an Employee Trust or employees or prospective employees of any Group Company in such numbers and proportions of Shares as the Owner Majority may determine

2 2 Unless the context otherwise requires, words and expressions contained in these Articles bear the same meaning as in the 2006 Act (but excluding any statutory modification not in force when these Articles become binding on the Company)

2 3 References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision

2 4 Reference to a "subsidiary" or "holding company" will have the meanings defined by section 1159 of the 2006 Act and for the purposes of section 1159(1) a company (the first company) shall be treated as a member of another company if

2 4 1. any of its subsidiaries is a member of that other company, or

2 4 2 any shares in that other company are held by a person acting on behalf of the first company or any of its subsidiaries, or

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- 2 4 3 any shares in that other company are registered in the name of a person (or its nominee) by way of security or in connection with the granting of security over those shares by the first company
- 2 5 Where the word "address" appears in these Articles it is deemed to include postal address and, where applicable, electronic address
- 2.6 Words signifying the singular number only include the plural number and vice versa
- 2 7 References to persons will include any individual, body corporate, association, partnership, firm, trust, organisation, joint venture, government, local or municipal authority, governmental or supra-governmental agency or department, state or agency of state or any other entity, (in each case whether or not having separate legal personality)

PROCEEDINGS OF DIRECTORS

3. UNANIMOUS DECISIONS OF DIRECTORS

- 3 1 A decision of the directors may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing Model Article 8(2) shall not apply to the Company

4. CALLING A DIRECTORS' MEETING

- 4 1 Any director may call a 'directors' meeting by giving notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice Model Article 9(1) shall not apply to the Company
- 4 2 Notice of a directors' meeting shall be given to each director in writing Model Article 9(3) shall not apply to the Company

5. REMOVAL OF DIRECTORS

- 5 1 The office of any director shall be vacated if (in the case of an executive director only) he shall, for whatever reason, cease to be employed by any Group Company and he does not remain an employee of any other Group Company and the provisions of Model Article 18 shall be extended accordingly

6. PARTICIPATION IN DIRECTORS' MEETINGS

- 6 1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when.
- 6 1 1 the meeting has been called and takes place in accordance with these Articles, and
- 6 1 2 they can each simultaneously communicate with and to the others participating in the meeting any information or opinions they have on any particular item of the business of the meeting
- 6 2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or, subject to Article 6 1 2, how they communicate with each other

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- 6 3 If all the directors participating in a meeting are not in the same place, such a meeting shall be deemed to take place where the largest group of directors is assembled or, if there is no such group, where the chairman of the meeting then is or determines
- 6 4 Model Article 10 shall not apply to the Company
- 6 5 Model Article 9(2)(c) shall be amended by the insertion of the word "simultaneously" after the words "how it is proposed that they should" and before the words "communicate with each other during the meeting"

7. QUORUM FOR DIRECTORS' MEETINGS

- 7 1 The quorum for directors' meetings shall throughout each meeting be two directors one of whom must, subject to Article 7 2, be an A Director (if appointed) and one of whom must be a D Director. However, where after the requisite notice of a directors' meeting has been given and two successive directors' meetings have been inquorate due to the absence of a D Director (or their respective alternates), the directors present at the second such meeting shall constitute a quorum
- 7 2 In relation to any meeting of the directors to consider whether to authorise a conflict of interest of an A Director
- 7 2 1. it shall not be necessary for that A Director to be present in person or by proxy in order to constitute a quorum,
- 7 2 2 the meeting shall not deal with any business other than the consideration of the conflict of interest of that A Director, and
- 7 2 3 the quorum for such meeting shall be two and Model Article 11(2) is varied accordingly
- 7.3. Without prejudice to Article 7 2, if, and as a consequence of section 175(6) of the 2006 Act, a director cannot vote or be counted in the quorum at a meeting of the directors the following apply.
- 7 3 1 if the eligible directors participating in the meeting do not constitute a quorum, then the quorum for the purposes of the meeting shall be two which must include, other than a meeting pursuant to Article 7 2, an A Director (if appointed) and Model Article 11(2) is varied accordingly, and
- 7 3 2 if, notwithstanding Article 7 3 1, the eligible directors participating in the meeting still do not constitute a quorum, then the meeting must be adjourned to enable the holders of Equity Shares to authorise any situation in which a director has a conflict of interest

8. DIRECTORS' INTERESTS

- 8 1 Subject to these Articles and the 2006 Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, an A director notwithstanding his office, but, in the case of directors other than the A Director, subject always to obtaining Owner Consent
- 8 1 1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,

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- 8 1 2 may hold any other office or employment with the Company (other than the office of Auditor),
 - 8 1 3 may be a director or other officer of, or employed by, or be a party to any transaction or arrangement with or otherwise interested in any body corporate in which the Company is in any way interested,
 - 8 1 4 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested (other than as Auditor), and
 - 8 1 5 shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by Articles 8 1 1 to 8 1 4 and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit
- 8 2 Except for a vote under section 175(4) of the 2006 Act authorising any conflict of interest which the director or any other interested director may have or where the terms of authorisation of such conflict of interest provide that the director may not vote in situations prescribed by the Board when granting such authorisation, a director will be entitled to participate in the decision making process for voting and quorum purposes on any of the matters referred to in Articles 8 1 1 to 8 1 4 (inclusive) and in any of the circumstances set out in Model Articles 14(3) and 14(4)
- 8 3 For the purposes of Article 8 1
- 8 3 1 a general notice to the Board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified,
 - 8.3 2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and
 - 8.3.3 an interest of a person who is for any purpose of the 2006 Act (excluding any statutory modification not in force at the Adoption Date) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director
- 8 4. Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company

9. AUTHORISATION OF DIRECTORS' CONFLICTS OF INTEREST

- 9.1 Any approval of a conflict of interest (other than a conflict of interest of an A Director) pursuant to Article 8 will be subject, in addition to board authorisation pursuant to section 175 of the 2006 Act, to obtaining Owner Consent who may specify that certain conditions be attached to such authorisation Any such board authorisation pursuant to section 175 of the 2006 Act which is given without obtaining Owner Consent or without such conditions attaching to the authorisation as specified by an Owner Majority as applicable, will be ineffective
- 9 2. Any conflict of interest of an A Director may be authorised either by way of authorisation of the Board as set out at section 175 of the 2006 Act or by way of resolution of the holders of the Equity Shares Any refusal of the Board to authorise

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such conflict of interest will not in any way affect the validity of a resolution of the holders to authorise such conflict of interest

- 9 3 An A Director will not be in breach of his duty under sections 172, 173 and 175 of the 2006 Act or the authorisation given by this Article 9 by reason only that he receives confidential information from a third party relating to a conflict of interest which has been authorised by this Article 9 and either fails to disclose it to the directors or fails to use it in relation to the Company's affairs

10. A DIRECTORS AND D DIRECTORS

- 10 1 An Owner Majority may from time to time appoint up to four persons to be directors of the Company, each with the designation "A Director" which expression shall, where the context so permits, include a duly appointed alternate of such a director and from time to time remove any A Director from office
- 10 2 There shall not be more than four directors bearing the title of A Director in office at any time
- 10 3 Any appointment or removal of an A Director shall be in writing served on the Company signed by an Owner Majority and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.
- 10 4 A Manager Majority may from time to time appoint up to two persons to be directors of the Company, each with the designation "D Director" (which expression shall, where the context so permits, include a duly appointed alternate) and from time to time remove any D Director from office, so long as they hold in aggregate not less than 10% of the issued share capital in the Company and one person to be a director so long as they hold in aggregate not less than 5% of the issued share capital in the Company
- 10 5 There shall not be more than two directors bearing the title D Director in office at any time
- 10 6 Any appointment or removal of a D Director shall be in writing served on the Company signed by a Manager Majority and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier
- 10 7 Notice of meetings of the Board shall be served on any A Director who is absent from the United Kingdom at the address(es) notified by him from time to time
- 10 8 Upon written request by the Owner Majority, the Company shall procure that one or more A Directors is/are forthwith appointed as director(s) of any other member of the Group, to any committee of the Board or the board of any member of the Group in accordance with the Shareholders' Agreement
- 10.9 Where any decision is to be made by any member of the Group in relation to the exercise, enforcement or waiver of its rights under the acquisition agreement (as defined in the Shareholders Agreement) or against any holder of A Ordinary Shares, B Ordinary Shares, C Ordinary Shares or D Ordinary Shares, or any director or person connected with any such holder or director, any such decision shall be within the exclusive power of the A Directors (to the exclusion of the other directors but after reasonable consultation with all of them) who shall have (without limitation) exclusive authority in relation to the conduct of any proceedings of whatever nature arising in

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connection with any such rights and no other director shall have power to settle or compromise any such claim

11. BOARD DECISIONS

11 1. In making any decision or passing any resolution (written or otherwise), the A Directors in attendance at the relevant board meeting shall be entitled, collectively, to exercise four votes (subject to Article 11 2, each A Director being entitled to exercise a pro-rata number of the votes allocated to the A Directors as a whole), and the D Directors in attendance at the relevant board meeting shall be entitled, collectively, to exercise two votes (each D Director being entitled to his pro-rata number of the votes allocated to the D Directors as a whole) In the event that there are no A Directors appointed at any time, the votes of the A Directors shall not be required to pass a resolution of the Board

11 2 An Owner Majority may by written notice to the Company, with a copy to the A Directors, specify that the votes allocated to the A Directors pursuant to Article 11 1 may be exercised by only some of the A Directors (and the proportion of such votes each individual A Director may exercise) For the avoidance of doubt, an Owner Majority may specify that one or more of the A Directors shall not be entitled to exercise any votes at a meeting of the Board (provided always that at least one A Director must have the right to vote)

11 3 Model Article 13 (Casting Vote) shall not apply to the Company

12. ALTERNATE DIRECTORS

12 1 Appointment and removal of alternates

12 1 1 Any director (the "appointor") may appoint as an alternate director any other director, or any other person, to

- a exercise that director's powers, and
- carry out that director's responsibilities,

in relation to participation in directors' meetings and, the taking of decisions by the directors in the absence of the alternate director's appointor

12 1 2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors

12 1 3 The notice must

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

12 2 Rights and responsibilities of alternate directors

12 2 1 An alternate director has the same rights, in relation to participation in directors' meetings and the taking of decisions by the directors and in

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relation to directors' written resolutions, as the alternate director's appointor

12.2.2 An alternate director may act as an alternate director for more than one appointor

12.2.3 Except if these Articles specify otherwise, alternate directors

- a are deemed for all purposes to be directors,
- b are liable for their own acts and omissions;
- c are subject to the same restrictions as their appointors, and
- d are not deemed to be agents of or for their appointors,

and, each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member

12.2.4 A person who is an alternate director but not a director

- a 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
- b may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate)

No alternate director may be counted as more than one director for such purposes

12.2.5 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

12.2.6 Save as otherwise provided in these Articles, an alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to the agent of his Appointor

12.2.7 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 director's appointor's remuneration as the appointor may direct by notice in writing made to the Company

12.3 Termination of alternate directorship

12.3.1 An alternate director's appointment as alternate terminates

- a when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- b on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor,

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would result in the termination of the appointor's appointment as a director;

- c on the death of the alternate director's appointor, or
- d when the alternate director's appointor's appointment as a director terminates

13. ALTERNATE DIRECTORS' EXPENSES

- 13 1 Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"

SHARE RIGHTS

14. SHARE RIGHTS

- 14 1 Save as otherwise provided in these Articles, the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares shall be treated *pari passu* and as if they constituted one class of Share

14 2 Rights attaching to Shares

- 14 2 1 The respective rights attaching to the A Shares, the B Shares, the C Shares and the D Shares as to voting and capital are as follows

- a As regards voting.
 - i. the A Shares shall carry the right to receive notice of and to attend and vote at general meetings. On a show of hands every holder of A Shares present in person or by representative shall have two votes for each A Share of which he is the holder and on a poll every holder of A Shares who is present in person or by a representative or proxy shall have two votes for each A Share of which he is the holder,
 - ii. the B Shares shall carry the right to receive notice of and to attend at general meetings but members holding B Shares shall not be entitled (in their capacity as such) to vote either on a show of hands or on a poll save in relation to a resolution which varies or abrogates any of the special rights attached to the B Shares. In relation to any resolution which the holders of the B Shares are entitled to vote, on a show of hands every holder of B Shares present in person or by representative shall have one vote for each B Share of which he is the holder and on a poll every holder of B Shares who is present in person or by a representative or proxy shall have one vote for each B Share of which he is the holder,
 - iii. the C Shares shall carry the right to receive notice of and to attend and vote at general meetings and for so long as any C Shares are in issue the total number of votes capable of being cast at any general meeting (whether on a show of hands or on a poll) in respect of the C Shares in issue shall always equal 5% of the total aggregate number of votes

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capable of being cast at such meeting in respect of all shares in issue (and each holder of C Shares shall be entitled to cast a pro rata portion of such percentage in respect of the C Shares held by him as a proportion of the aggregate number of C Shares in issue from time to time),

- iv the D Shares shall carry the right to receive notice of and to attend and vote at general meetings. On a show of hands every holder of D Shares present in person or by representative shall have one vote for each D Share of which he is the holder and on a poll every holder of D Shares who is present in person or by a representative or proxy shall have one vote for each D Share of which he is the holder

b As regards capital

- i on a return of capital on liquidation or otherwise (but excluding, for the avoidance of doubt any purchase by the Company of its own shares) the assets of the company available for distribution among the members shall be applied

- first in paying to the holders of the A shares as a class the amount of the Capital Priority Sum, such sum to be distributed amongst the holders of the A shares pro rata (as nearly as may be) to their respective holdings of A shares,
- second, following payment in full of the Capital Priority Sum to the holders of the A Shares
 - in paying to the holders of the B shares and the D Shares (as if the same were one class of share) 95% of the amount of the Second Capital Priority Sum, such sum to be distributed amongst the holders of the B Shares and D Shares pro rata (as nearly as may be) to their respective holdings of B Shares and D Shares, and
 - in paying to the holders of the C Shares as a class 5% of the amount of the Second Capital Priority Sum, such sum to be distributed amongst the holders of the C Shares pro rata (as nearly as may be) to their respective holdings of C Shares, and
- third, following payment in full of the Second Capital Priority Sum
 - in paying to the holders of the B Shares and the D Shares (as if the same were one class of share) 75% of any balance pro rata (as nearly as may be) to their respective holdings of B Shares and D Shares, and

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- in paying to the holders of the C Shares 25% of any balance pro rata (as nearly as may be) to their respective holdings of C Shares

ii following the payment of the Capital Priority Sum to the holders of the A Shares, the holders of the A Shares shall not be entitled to any further participation in the profits or assets of the company

14 2 2 The provisions of Article 14 2 3 shall apply

- a if, at any time without Owner Consent, any holder (other than an Owner) or any former holder has transferred Shares in breach of the provisions of these Articles, or
- b if any holder of B Shares, C Shares or D Shares becomes a Leaver, or
- c in relation to John Sandom, if he breaches any of the Restrictive Covenants

14 2 3. If any of the circumstances stated at Article 14 2 2 have occurred

- a the Shares which such holder holds or to which he is entitled; and
- b any Shares formerly held by such holder which have been transferred either in breach of the provisions of these Articles or in accordance with Article 18 (Permitted Transfers),

shall cease to entitle the holder thereof (or any proxy) to receive notice of or to attend and vote (whether on a show of hands or on a poll) at any general meeting or at any separate class meeting of the Company from the date of any breach referred to at Article 14 2 2 a, or the date a Leaver becomes a Leaver in accordance with Article 14 2 2 b, or the date of the breach of Restrictive Covenants in accordance with Article 14.2 2 c (as the case may be)

14 2 4 The provisions of Article 14 2 3 shall continue to apply:

- a in the case of Article 14 2 2 a applying, for so long as such breach subsists,
- b in the case of Article 14 2 2 b applying, until such time as the relevant B Ordinary Shares, C Ordinary Shares or D Ordinary Shares have been transferred pursuant to the provisions of Article 20, and
- c notwithstanding any other provisions in these Articles, if any holder of B Ordinary Shares, C Ordinary Shares or D Ordinary Shares retains any B Ordinary Shares, C Ordinary Shares or D Ordinary Shares after the operation in full of the provisions of Article 20 whilst such holder (or any person who has acquired such Shares under a permitted transfer (directly or indirectly) under Article 18 2 2) continues to hold such Shares

15. VARIATION OF RIGHTS

- 15 1. Subject to Article 15 2, the class rights attached to classes of Share may from time to time (whether or not the Company is being wound up) be varied or abrogated with the consent in writing of the holders of at least three-quarters in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate class meeting of the holders of that class
- 15.2 In the case of the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares or the D Ordinary Shares if the Relevant Conditions are satisfied, the class rights attaching to the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and/or the D Ordinary Shares may be varied or abrogated with the consent in writing of the holders of over one-half in nominal value of the issued Shares of that class or with the sanction of an ordinary resolution passed at a separate class meeting of the holders of that class
- 15 3 For each such separate class meeting referred to in Articles 15 1 and 15 2, all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply mutatis mutandis, 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 and holding or representing not less than one-third in nominal value of the issued Shares of the relevant class, that every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him and that any holder of Shares of the class present in person or by proxy or (being a corporation) by a duly authorised representative may demand a poll. 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
- 15 4. The rights attached to the A Ordinary Shares shall, with the intent that this Article 15 4 shall create class rights attaching to such classes of Shares for the purposes of section 630 of the 2006 Act, be deemed to be varied by any of the actions referred to below
- 15 5. Owner Consent shall be required for every such action and the Company shall not permit any of them to be carried out or agreed to be carried out without such Owner Consent (including, where necessary, through the exercise of its voting rights and other powers of control over any subsidiaries) The actions are
- 15 5.1 save as expressly contemplated in the Shareholders' Agreement, any variation (including any increase) in the issued share capital of the Company or any Group Company or the creation or the granting of any options or other rights to subscribe for, or convert into, Shares or shares of any Group Company or the variation of the rights attaching to the Shares or shares of any Group Company;
- a. the reduction of the Company's share capital, share premium account, capital redemption reserve or any other reserve or the purchase by the Company of any of its own Shares;
 - b. the amendment of any provisions of the Articles or the articles of association of any Group Company,
 - c. the capitalisation of any undistributed profits (whether or not the same are available for distribution and including profits standing to the credit of the reserve) or any sums standing to the credit of the

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share premium account or capital redemption reserve fund of the Company,

- d. the taking of any steps to effect a Liquidation,
- e any disposal of the whole or substantially the whole of the business of any Group Company or any of the shares in any Group Company,

15 5 2 Owner Consent shall be required for every such action and the Company shall not permit any of them to be carried out or agreed to be carried out without such Owner Consent (including, where necessary through the exercise of its voting rights and other powers of control over any subsidiaries) The actions are.

- a the declaration, making or payment of any dividend or other distribution to holders other than as expressly permitted under the Articles,
- b any change in the accounting reference date of the Company,
- c the appointment or removal of the Auditors (other than the reappointment of the existing Auditors),
- d the acquisition of any interest in any share or other interest in the capital of any company or other entity by any Group Company,
- e the establishment of or variation to any employee share option scheme,
- f the creation by any Group Company of any mortgage, charge, pledge, lien, encumbrance or other security interest (excluding an interest arising by operation of law in the ordinary course of business, or
- g any Listing

15 6 None of the following events shall constitute a variation or abrogation of the class rights attaching to any class of Shares other than the class rights of the holders of the A Ordinary Shares, where and to the extent that such matters are permitted pursuant to the Shareholders' Agreement

15 6 1 the allotment of any Shares which will rank *pari passu* in all respects with any existing class of Shares;

15 6 2 an offer to the holders of any class of Shares of the right to receive new Shares of that class, credited as fully paid, instead of the whole or any part of a cash dividend specified by the Board, or

15 6 3 any amendment to these Articles where authorised by special resolution of the Company

15 7 For the purposes of this Article 15, the Relevant Conditions are that the proposed variation, amendment or replacement of the class rights attaching to the A Ordinary Shares and/or the B Ordinary Shares and/or the C Ordinary Shares and/or the D Ordinary Shares (taking into account any other proposed variation, amendment or replacement of the class rights attached to the A Ordinary Shares and/or the B

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Ordinary Shares and/or the C Ordinary Shares and/or the D Ordinary Shares which is to be made at the same time) is not discriminatory as between the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares

16. ALLOTMENT OF SHARES

- 16 1 The directors are generally and unconditionally authorised pursuant to Section 551, CA2006 and generally to exercise any power of the Company to allot or to grant any right to subscribe for or to convert any security into, B Shares in the Company up to an aggregate nominal amount of £243. This authority shall expire on the date 5 years after the date of adoption of these articles (unless previously revoked, varied, renewed or further renewed by an ordinary resolution of the shareholders), save that the directors may, notwithstanding such expiry, allot any shares or grant any rights to subscribe for, or to convert any security into, shares in pursuance of an offer or agreement to do so made by the company before this authority expires
- 16 2 Save as provided in Article 16 1, the directors shall not (i) without the authority of the Company given in general meeting or by way of a written resolution pursuant to section 288 of the 2006 Act, (ii) without any consent required under Article 15 5, allot any Shares
- 16 3 Any person to whom any Shares are allotted shall, in conjunction with such allotment, enter into a Joint Election if required to do so by the Owner Majority and execute and deliver a deed of adherence if so required by the Owner Majority
- 16 4. In accordance with section 567(1) and (2) of the 2006 Act, sections 561(1) and 562(1) to (5) (inclusive) of the 2006 Act shall not apply to the Company
- 16 5 Model Article 21 shall not apply to the Company

TRANSFER OF SHARES

17. GENERAL

- 17 1 No transfer of any Share shall be made or registered unless such transfer complies with the provisions of these Articles and the transferee has first entered into a Joint Election if required to do so by the Owner Majority and executed and delivered a deed of adherence if so required by the Shareholders Agreement. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of Shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles
- 17 2 For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer of Shares
- 17 2 1 any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share be allotted, issued or transferred to any person other than himself, and
- 17 2 2 any sale or any other disposition of any legal or equitable interest in a Share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by a written instrument

18. PERMITTED TRANSFERS

Notwithstanding the provisions of any other Article, the transfers set out in this Article 18 shall be permitted without restriction and the provisions of Article 19 (Change of Control) shall have no application in respect of any such transfer or transfers.

18.1 Permitted transfers by Owners and John Sandom

18 1 1 Any Owner who is a body corporate ("Original Holder") shall be entitled to transfer all or any of its Shares to any other body corporate which is from time to time its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a "Related Company") but if a Related Company whilst it is a holder of such Shares shall cease to be a Related Company of the Original Holder it shall, within 15 Business Days of so ceasing, transfer the Shares held by it to the Original Holder or any Related Company of the Original Holder

18 1 2 On his death John Sandom may transfer his shares to a Privileged Relation or Trustees of a Family Trust

18 2 Permitted Transfers by all Shareholders

18 2 1 Any holder may at any time, with Owner Consent, transfer any Shares, in accordance with the 2006 Act.

18 2 2 Any holder may at any time transfer all or any of his Shares to any other person with Owner Consent

18 2 3 Any Shares may be transferred pursuant to Article 19 1 (Tag along), Article 19 6 (Drag along) and Article 20 (Compulsory Transfers)

18.2 4 Any Shares may be transferred pursuant to the put and call option agreement (as defined in the Shareholders' Agreement) ("the Put and Call Option Agreement")

19. CHANGE OF CONTROL

Tag along

19 1 Subject to Article 19 2, if the effect of any transfer of Shares by a Seller would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Seller shall procure the making by such transferee of a Tag Along Offer to all of the other holders of Shares and the Tag Along Offer shall be accompanied by a notice specifying (a) the identity of the proposed buyer, (b) the price per Share that the buyer proposes to pay, determined on a consistent basis with the Put and Call Option Agreement, (c) the manner in which the consideration is to be paid, and (d) the number of Shares which the Seller together with persons acting in concert with the Seller proposes to sell Every holder or recipient of such offer, on receipt of a Tag Along Offer, shall be bound within 20 Business Days of the date of such offer (or within such longer period as such offer may specify) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer), Until such Tag Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers

19 2 The provisions of Articles 19 1 and 19 6 shall not apply to any transfer of Shares pursuant to Article 18 (other than Articles 18 2 1, 18 2 2 or 18 2 3)

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- 19 3 "Tag Along Offer" means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase a pro-rata number of each class of the Shares held by the recipients of a Tag Along Offer at a price per Share determined on a consistent basis with the Put and Call Option Agreement
- 19 4 In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to the Independent Accountants and Articles 28 1 and 28 2 shall apply
- 19.5 The sale proceeds received for Shares sold shall be distributed on a consistent basis with the Put and Call Option Agreement

Drag along

- 19 6 If the holder of the A Ordinary Shares (in Article 19 6 "the Owner Seller") wishes to transfer more than 50 per cent of its Shares ("Owner Sellers' Shares") to any independent third party (the "Buyer"), pursuant to the terms of a bona fide arm's length transaction, then the Owner Seller shall also have the option (the "Drag Along Option"), exercisable by the Owner Seller giving written notice to that effect (a "Drag Along Notice"), to require all other holders and any persons who would become holders upon the exercise of any options, warrants or other rights to subscribe for Shares which exist at the date the Drag Along Notice is given (the "Called Shareholders"), to transfer with full title guarantee and free from all liens, charges and encumbrances a pro-rata number of each class of Shares held by each Called Shareholder (including any such Shares issued or to be issued pursuant to any options, warrants or rights to subscribe existing at the date the Drag Along Option is exercised) require (together the "Called Shares") to the Buyer, or as the Buyer directs in writing
- 19.7 The Drag Along Option must provide for terms such that the sale and purchase of the Called Shares and the Owner Sellers' Shares will be completed at the same time A Drag Along Notice shall be given by the Owner Seller to each Called Shareholder and shall specify
- 19 7 1 that the Called Shareholders are, or will, in accordance with this Article 19 6 and Articles 19 9 and 19 10, be required to transfer with full title guarantee all their Called Shares free from all liens, charges and encumbrances,
- 19 7 2 the price at which the Called Shares are to be transferred which shall be determined on a consistent basis with the Put and Call Option Agreement Such price may be satisfied in cash, marketable securities or otherwise in any combination thereof and the manner of satisfaction shall be stated in the Drag Along Notice and shall be in the same combination as between the Called Shares and the Owner Sellers' Shares,
- 19 7 3 the documents required to be executed by the Called Shareholders, the time period within which those documents should be delivered to the Company, and
- 19 7 4 the proposed date of completion of the sale of the Called Shares the subject of the Drag Along Notice and completion must be the same date for the Owner Sellers' Shares and the Called Shares
- 19 8 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Called Shares pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Called Shares ("a New Member"), a Drag Along Notice, on

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the same terms as the previous Drag Along Notice, shall be deemed to have been served upon the New Member who shall thereupon be bound to sell and transfer all such Called Shares acquired by him to the Buyer or as the Buyer may direct in writing and the provisions of this Article 19 8 shall apply mutatis mutandis to the New Member save that completion of the sale of such Called Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member or, if later, upon the date of completion under the previous Drag Along Notice

- 19 9 If the Called Shareholders (or any of them which shall include any New Member) shall make default in transferring their Called Shares within any time period specified in the Drag Along Notice (including any Called Shares issued pursuant to any options, warrants or rights to subscribe existing at the date of the Drag Along Notice once exercised) in accordance with the provisions of any Drag Along Notice and pursuant to Articles 19 6 and 19 8, the Company, or some other person duly nominated by a resolution of the Board for that purpose shall be deemed to be the duly appointed agent on behalf of that Called Shareholder with full authority to give, execute, complete and deliver in the name and on behalf of that Called Shareholder

19.9 1 a transfer of the relevant Called Shares to the Buyer, and

19.9 2 all such consents, written resolutions and proxies as the appointed agent shall consider necessary or desirable for the purposes of any general meeting of the Company relating to or associated with or required to enable the sale of the Called Shares to proceed

The Company may receive and give good discharge for the purchase money on behalf of the Called Shareholder and (subject to the transfer being duly stamped) enter the name of the Buyer in the register of members as the holder by transfer of the Called Shares by him. The Company shall forthwith pay the purchase money in respect of such Called Shares into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Called Shareholder until he shall deliver us his certificate or certificates for the Called Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money in respect of the Called Shares

- 19 10 A Drag Along Notice shall be served in accordance with Article 29.

- 19.11. A Drag Along Notice may be revoked at any time prior to the completion of the sale of the Called Shares of a Called Shareholder by the service of a written notice by the Owner Seller on the Called Shareholders

- 19 12 The sale proceeds received shall be distributed as if the assets of the Company were being distributed on a return of capital in accordance with Article 14 2 1 b

20. COMPULSORY TRANSFERS

- 20 1. In this Article 20, a "Transfer Event" means, in relation to any holder of Shares

20 1 1 a holder who is an individual becoming bankrupt,

20 1 2 a holder making a general assignment, compromise, arrangement or composition with or for the benefit of his creditors in satisfaction of that holder's debts,

20 1 3 a holder attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles,

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- 20 1 4 a Leaver who was allowed to retain his Shares breaching any of the Restrictive Covenants other than a minor or inadvertent breach where the Board reasonably determines that no loss or damage has arisen to the Company (it being acknowledged that the ability to determine that a Transfer Event has occurred shall be the sole remedy of the Company and/or any holder of Shares in respect of a breach of the Restrictive Covenants in these Articles), and
- 20 1 5 a holder of B Ordinary Shares or C Ordinary Shares becoming a Leaver
- 20 2 The Owner Majority may, within 12 months from the date of a Transfer Event, serve notice on the Company and the relevant holder notifying them that the mandatory transfer provisions of this Article 20 shall apply ("Compulsory Transfer Notice") (such notice to be served in accordance with Article 29) requiring the relevant holder to transfer all of the Shares held by him in accordance with the terms of this Article (the "Sale Shares") The Sale Shares shall be sold together with all rights attaching thereto as at the date of the Compulsory Transfer Notice A Compulsory Transfer Notice shall supersede any transfer notice that relates to the same shares except for shares that have been validly transferred pursuant to that transfer notice
- 20.3 The Company shall be constituted as the agent of the Seller with effect from the date of the Compulsory Transfer Notice (which shall be deemed to be the date notice is served under Article 20 2) for the sale of the Sale Shares upon the following terms (with the price determined pursuant to this Article 20 3 being the "Compulsory Sale Price")
- 20 3.1. In the case of a Transfer Event falling within Articles 20 1 1 to 20 1 3, the price for each Sale Share is Fair Value,
- 20 3 2 In the case of a Transfer Event falling within Article 20 1 4, the price for each Sale Share which is a B Ordinary Share, C Ordinary Share or D Ordinary Share is their issue price,
- 20 3 3 In the case of a Transfer Event falling within Article 20 1.5 and the Leaver is a Good Leaver, the price for each Sale Share is Fair Value,
- 20 3 4 In the case of a Transfer Event falling within Article 20 1.5 and the Leaver is a Bad Leaver, the price for each Sale Share is their issue price, and
- 20 3 5 the Sale Shares are to be sold free from all liens, charges and encumbrances and together with all rights attaching to them as at the date of such sale
- 20 4 Within twenty Business Days of the date of the Compulsory Transfer Notice, the Sale Shares deemed to be comprised in such Compulsory Transfer Notice shall be acquired by the holders of the A Ordinary Shares and/or the Warehouse in such numbers and proportions as the Owner Majority may direct, subject always, in the case of a direction that the Company (as Warehouse) shall acquire any of such shares to the requirements of the 2006 Act
- 20 5 The following provisions shall apply to the completion of any transfer of Shares pursuant to this Article 20
- 20 5 1 the Seller shall be bound, on payment to him of the Compulsory Sale Price, to transfer the Sale Shares comprised in the Compulsory Transfer Notice to the transferee(s) determined pursuant to Article 20 4 free from any lien, charge or encumbrance,

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- 20.5.2 if the Seller makes default in so doing, the Company, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent on behalf of the Seller with full authority to give, execute, complete and deliver in the name and on behalf of the Seller
- a a transfer of the relevant Sale Shares to the transferee(s) determined pursuant to Article 20.4, and
 - b all such consents, written resolutions and proxies as the appointed agent shall consider to be necessary or desirable for the purposes of any general meeting of the Company relating to or associated with or required to enable the sale of the Sale Shares to proceed,
- 20.5.3 the Company may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the names of the transferee(s) determined pursuant to Article 20.4 in the register of members as the holder or holders by transfer of the Sale Shares so purchased by him or them, and
- 20.5.4 the Company shall forthwith hold such money on trust (but without interest) for the Seller until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money
- 20.6 Immediately upon completion of a transfer to the holders of A Ordinary Shares, any B Ordinary Shares, C Ordinary Shares or D Ordinary Shares so transferred shall automatically be reclassified as A Ordinary Shares
- 20.7 For the purposes of this Article 20, the Restrictive Covenants are, in respect of a Leaver, that such Leaver shall not (whether directly or indirectly and whether alone or in conjunction with, or on behalf of, any other person and whether as principal, shareholder, director, employee, agent, consultant, partner or otherwise), subject to Article 20.9, unless with Owner Consent
- 20.7.1 during the Restricted Period canvass, solicit or approach, or cause to be canvassed, solicited or approached, for orders any Relevant Customer for the sale or supply of Relevant Products or Services,
 - 20.7.2 during the Restricted Period, deal or contract with any Relevant Customer in relation to the supply of Relevant Products or Services,
 - 20.7.3 during the Restricted Period, interfere, or seek to interfere, with the continuance of supplies to any Group Company from any supplier who has been supplying goods and/or services to any Group Company at any time during the Relevant Period if such interference causes or would cause that supplier to cease supplying, or materially reduce its supply of, those goods and/or services to any Group Company,
 - 20.7.4. during the Restricted Period, solicit or entice, or endeavour to solicit or entice, away from any member of the Group, or employ, any person employed by, or who is or was a consultant to, any member of the Group at Completion or at any time during the period of 12 months immediately preceding the Relevant Date where the person in question either has Confidential Information or would be in a position to exploit any member of the Group's trade connections,

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- 20 7.5 within the Restricted Territories, during the Restricted Period, be engaged, concerned, connected with or interested in (except as the owner for investment of securities in a company dealt in on a recognised stock exchange and which confer not more than 1 per cent of the votes which could be cast at a general meeting), any other business which supplies Relevant Products or Services,
- 20 7 6 without prejudice to any rights relating to passing off or trade mark infringement (or similar rights in any territory), during the Restricted Period use in connection with any business which is competitive with the business of any member of the Group any name (in whatever form) which includes the name of any Group Company or any trading style or get up which is confusingly similar to that used by any member of the Group as at the Relevant Date
- 20 8 Each of the undertakings set out in this section is separate and severable and enforceable accordingly, and if any one or more of such undertakings or part of an undertaking is held to be against the public interest or unlawful or in any way an unreasonable restraint of trade, the remaining undertakings or remaining part of the undertakings will continue in full force and effect
- 20.9. The Restrictive Covenants shall cease to be valid and effective in relation to a Good Leaver who is made redundant by the Company within the meaning of the Employment Rights Act 1996 or who is wrongfully or unfairly dismissed by the Company

21. VALUATION OF SHARES

- 21.1 Fair Value shall be 5.5 times the Company's EBITDA as shown by the Company's management accounts in the last full twelve calendar months preceding the Transfer Event divided by the number of issued shares in the capital of the Company (including any share options) and the resultant figure shall be multiplied by the number of the Sale Shares

22. COMPLIANCE

- 22 1 For the purpose of ensuring (i) that a transfer of Shares is duly authorised under these Articles or (ii) that no circumstances have arisen whereby a Compulsory Transfer Notice may be given under these Articles or (iii) whether an offer is required to be or ought to have been made under Article 19 1, the Board can from time to time require any shareholder or past shareholder or the personal representatives, trustee in bankruptcy, receiver, administrative receiver, liquidator, administrator or similar officer of any shareholder or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name
- 22 2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such Compulsory Transfer Notice could be given, or that no offer is required to be or ought to have been made under Article 19 1, or that as a result of such information and evidence the Board is reasonably satisfied that such Compulsory Transfer Notice could be given, or that an offer is required to be or ought to have been made under Article 19

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- 22 2 1. where the purpose of the enquiry by the Board was to establish whether a Compulsory Transfer Notice could be given, then a Compulsory Notice shall be deemed to have been given by the holder of the relevant Shares in respect of such Shares, or
- 22 2 2 where the purpose of the enquiry by the Board was to establish whether an offer is required to be or ought to have been made under Article 19 1, then the Shares held by or on behalf of the person or persons connected with each other or acting in concert with each other (who has or have (as the case may be) obtained a Controlling Interest as is referred to in Article 19 1), shall cease to entitle the holders thereof (or any proxy)
- a to receive notice of any meeting, or
 - b to any voting rights (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) otherwise attaching to such Shares, or
 - c to any further Shares issued in right of such Shares or in pursuance of an offer made to the relevant holders,
 - d to the extent that such person or persons shall only be able to control the percentage of the voting rights, attaching to Shares, which they controlled prior to their obligation arising to procure the making of such offer

23. TRANSMITTEES BOUND BY PRIOR NOTICES

- 23 1 Model Article 29 shall be amended by the insertion of the words ", or the name of any person nominated under Model Article 27(2)", after the words "the transmittee's name"

GENERAL MEETINGS

24. NOTICE OF GENERAL MEETINGS

- 24 1 Every notice convening a general meeting shall
- 24 1 1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies; and
 - 24 1 2 be given in accordance with section 308 of the 2006 Act, that is in hard copy form, electronic form or by means of a website
- 24 2 A notice convening a general meeting (other than an adjourned meeting) must be called by at least 14 days' notice but a general meeting can be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting being a majority who together hold not less than 90 per cent by nominal value of the Shares giving that right, The notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting

25. PROCEEDINGS AT GENERAL MEETINGS

- 25 1 No resolution shall be voted on and no other business shall be transacted at any general meeting of the Company unless a quorum is present when such vote is taken

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or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present. Two persons, being a holder of A Ordinary Shares, and a holder of D Ordinary Shares respectively, present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting

- 25 2 If a quorum is not present within half an hour from the time appointed for a general meeting or if, during any general meeting, a quorum ceases to be present, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other place as the directors (with Owner Consent) may determine, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for the same the shareholders present shall form a quorum. Model Article 41(1) to (5) inclusive shall not apply to the Company

26. WRITTEN RESOLUTIONS

- 26 1. A written resolution, proposed in accordance with section 288(3) of the 2006 Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date
- 26 2 For the purposes of this Article 26 "circulation date" is the date on which copies of the written resolution are sent or submitted to members or, if copies are sent or submitted on different days, to the first of those days

ADMINISTRATIVE ARRANGEMENTS

27. BORROWING POWERS

- 27 1 Subject to the terms of the Shareholders Agreement, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the 2006 Act, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

28. AUDITORS AND INDEPENDENT ACCOUNTANTS

- 28 1 If any matter under these Articles is referred to the Auditors or the Independent Accountants for determination then the Auditors or the Independent Accountants (as the case may be) shall act as experts and not as arbitrators or arbiters and their decision shall be final and binding on the Company and all the holders (in the absence of fraud or manifest error)
- 28 2 The Auditors' or Independent Accountants' costs in making any such determination referred to in Article 28 1 shall be borne by the Company unless the Auditors or Independent Accountants shall otherwise determine

29. COMPANY COMMUNICATION PROVISIONS

- 29 1 33.1 Where
- 29 1.1 a document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom, and
- 29 1 2 the Company is able to show that it was properly addressed, prepaid and posted,

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it is deemed to have been received by the intended recipient 24 hours after it was posted

29 2 Where

29 2 1 a document or information is sent or supplied by electronic means, and

29 2 2 the Company is able to show that it was properly addressed,

it is deemed to have been received by the intended recipient immediately after it was sent

29 3 Where a document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient

29 3 1 when the material was first made available on the website, or

29.3 2. if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website

29 4. Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by Articles 29 1, 29 2 and 29 3

30. INDEMNITIES FOR DIRECTORS

30.1. Subject to, and so far as may be permitted by, the 2006 Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or of any associated company

30 2 Subject to the 2006 Act, the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company

30 3 Subject to, and so far as may be permitted by, the 2006 Act, the Company shall be entitled, at its sole discretion, to fund the reasonably incurred and properly evidenced expenditure of every director, alternate director or other officer of the Company incurred or to be incurred

30 3 1 in defending any criminal or civil proceedings brought against him in connection with the performance of his duties in such capacity, or

30 3 2 in connection with any application under sections 661(3) or 661(4) or

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30 3.3 under section 1157 of the 2006 Act

30 4 Model Articles 52 and 53 shall not apply to the Company

APPENDIX 1

ANNEXURE – Model Articles

2008 No. 3229

COMPANIES

The Companies (Model Articles) Regulations 2008

SCHEDULE 1

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

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

articles	: 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

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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

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- (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

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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' meeting

- 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

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- (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 from time to time 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 from time to time 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

EXECUTION

- (3) This paragraph applies when
- (a) the company by ordinary resolution disapples the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
 - (c) the director's conflict of interest arises from a permitted cause
- (4) For the purposes of this article, the following are permitted causes
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,
 - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
 - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors,
- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting
- (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive
- (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

Records of decisions to be kept

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

Directors' discretion to make further rules

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

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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 two 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) ¹
 - (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

Directors' remuneration

- 19 (1) Directors may undertake any services for the company that the directors decide
- (2) Directors are entitled to such remuneration as the directors determine
- (a) for their services to the company as directors, and

¹ Article 18(e) was repealed by the Mental Health (Discrimination) Act 2013. The amendment applies to all private companies created on or after 28 April 2013

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- (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

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

Replacement share certificates

- 25 (1) If a certificate issued in respect of a shareholder's shares is
- (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed,

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

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

Share transfers

- 26 (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- (3) The company may retain any instrument of transfer which is registered
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

Transmission of shares

- 27 (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require

EXECUTION

- (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 transmittes 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 transmittes' rights

- 28 (1) Transmittes 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 transmittes wishes to have a share transferred to another person, the transmittes 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 transmittes has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

Transmittes bound by prior notices

- 29. If a notice is given to a shareholder in respect of shares and a transmittes is entitled to those shares, the transmittes is bound by the notice if it was given to the shareholder before the transmittes'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 shareholders' 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

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- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights

Payment of dividends and other distributions

- 31 (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide
- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable
- (a) the holder of the share, or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
 - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transferee

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

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Unclaimed distributions

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

Non-cash distributions

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

Waiver of distributions

- 35 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if
- (a) the share has more than one holder, or
 - (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise

the notice is not effective unless it is expressed to be given, and signed, by all the

holders or persons otherwise entitled to the share

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

- 36 (1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution
- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions
- (2) Capitalised sums must be applied
- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them
- (3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct
- (5) Subject to the articles the directors may
- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

PART 4

DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS Attendance and speaking at general meetings

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

Quorum for general meetings

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

Chairing general meetings

39. (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start
- (a) the directors present, or
- (b) (if no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the

first business of the meeting

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

Attendance and speaking by directors and non-shareholders

- 40 (1) Directors may attend and speak at general meetings, whether or not they are shareholders
- (2) The chairman of the meeting may permit other persons who are not
- (a) shareholders of the company, or
 - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting

Adjournment

- 41 (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if
- (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (4) When adjourning a general meeting, the chairman of the meeting must
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
- (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is

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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

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(or that the proxy is to abstain from voting) on one or more resolutions

- (4) Unless a proxy notice indicates otherwise, it must be treated as
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

Delivery of proxy notices

46. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

Amendments to resolutions

- 47 (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error

does not invalidate the vote on that resolution

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

- 48 (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents from time to time
- (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